



**ITT**

*Engineered for life*

## **Electrical Products Group**

*2008 Annual Spring Conference*

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**Steve Loranger**

*Chairman, President & Chief Executive Officer*

# Safe Harbor



**“Safe Harbor Statement”** under the Private Securities Litigation Reform Act of 1995 (“the Act”):

Certain material presented herein includes forward-looking statements intended to qualify for the safe harbor from liability established by the Act. These forward-looking statements include statements that describe the Company’s business strategy, outlook, objectives, plans, intentions or goals, and any discussion of future operating or financial performance. Whenever used words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target" and other terms of similar meaning are intended to identify such forward-looking statements. Forward-looking statements are uncertain and to some extent unpredictable, and involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed in, or implied from, such forward-looking statements. Factors that could cause results to differ materially from those anticipated by the Company include general global economic conditions, decline in consumer spending, interest and foreign currency exchange rate fluctuations, availability of commodities, supplies and raw materials, competition, acquisitions or divestitures, changes in government defense budgets, employment and pension matters, contingencies related to actual or alleged environmental contamination, claims and concerns, intellectual property matters, personal injury claims, governmental investigations, tax obligations, and changes in generally accepted accounting principles. Other factors are more thoroughly set forth in Item 1. Business, Item 1A. Risk Factors and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements in the ITT Corporation, Annual Report on Form 10-K for the fiscal year ended December 31, 2007, and other of its filings with the Securities and Exchange Commission. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.



**We Do Essential Things in Extraordinary Ways**

**PARTICIPATION IN ATTRACTIVE MARKETS**



**LONG TERM CONSISTENT VALUE CREATION**

Revenue      Earnings      Operating Margin      ROIC      Free Cash Flow

Portfolio Enhancements      Balanced Capital Allocation

**VALUES-BASED CULTURE**

- Respect
- Responsibility
- Integrity

**ITT MANAGEMENT SYSTEM**

- Resource Optimization
- Operational Excellence
- Leadership & Learning

**Engineered for Life**

# ITT Corporation - Capabilities



## FLUID TECHNOLOGY



World's largest supplier of pumps and systems to transport and control water and other fluids



Population, Environment, Global Infrastructure

## DEFENSE ELECTRONICS & SERVICES



Supplier of military defense systems and advanced technical and operational services

## Macro Growth Drivers

Global Security, Asymmetric Threats

## MOTION & FLOW CONTROL



Manufacturer of highly-engineered critical components for aerospace, marine, industrial & transportation mkts

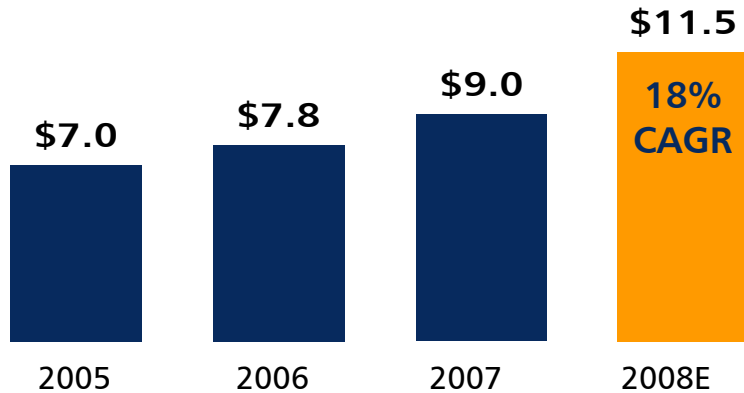


Population, Global Infrastructure

# ITT Corporation - Today



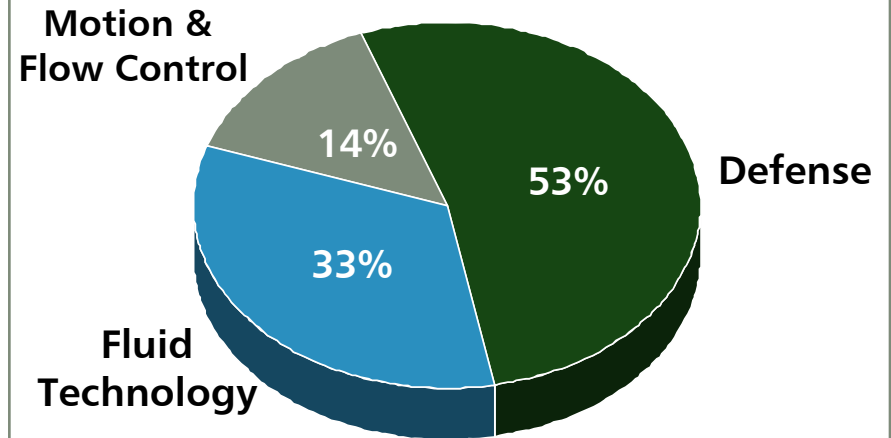
## CONSOLIDATED REVENUES (\$B)



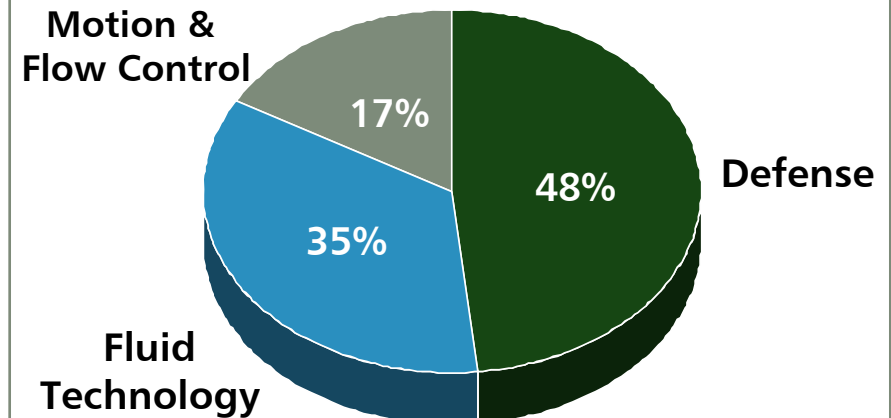
## EARNINGS PER SHARE



## 2008E REVENUES BY SEGMENT



## 2008E OPERATING INCOME BY SEGMENT

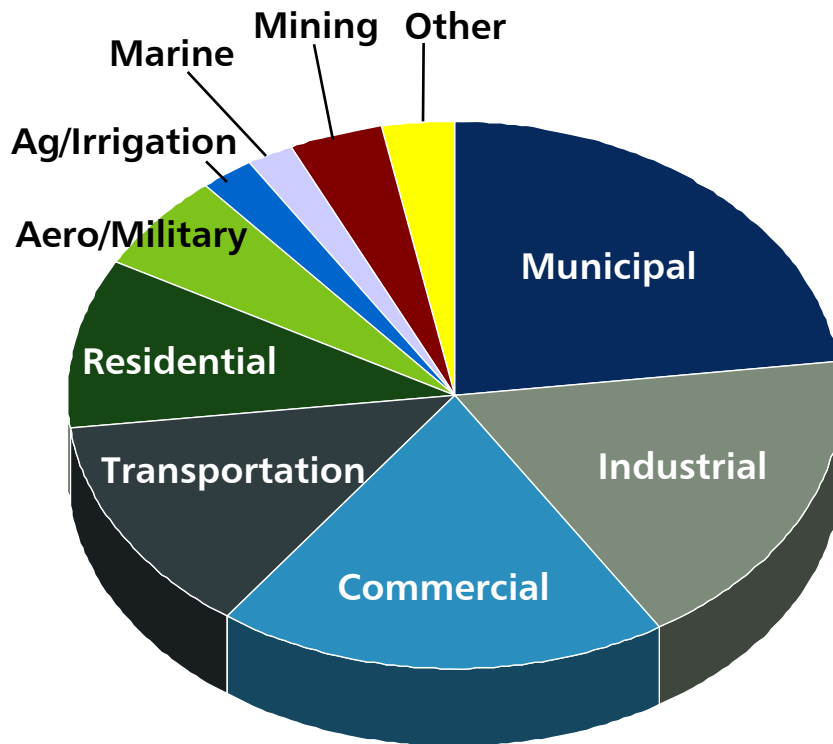


Note: 2008E Revenues, EPS and Segment Operating Income represent the midpoints of the guidance ranges. For non-GAAP reconciliations, refer to appendix.

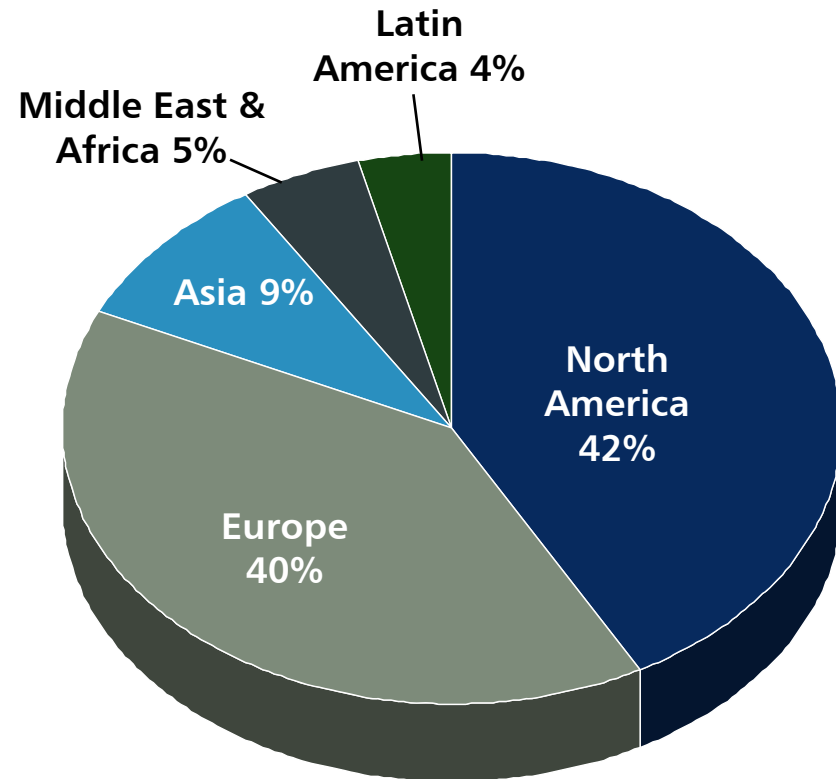
# Commercial Diversification



## MARKETS



## GEOGRAPHIES

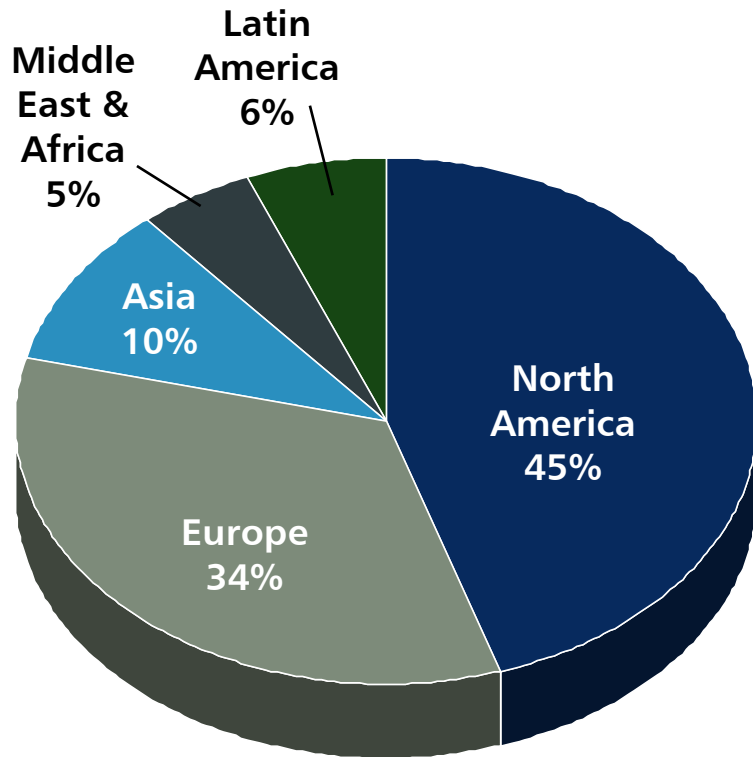


**Strong Market and Geographic Diversification**

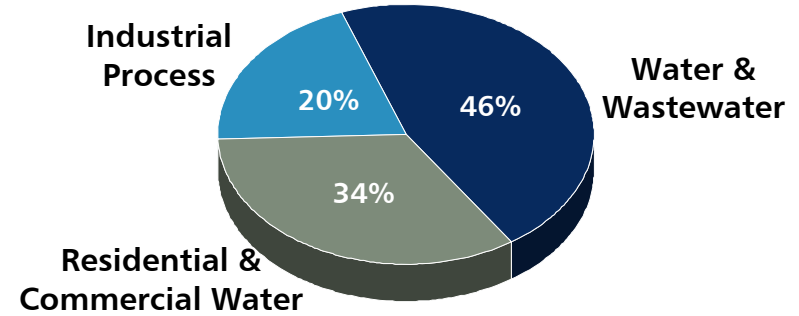
# Fluid Diversification



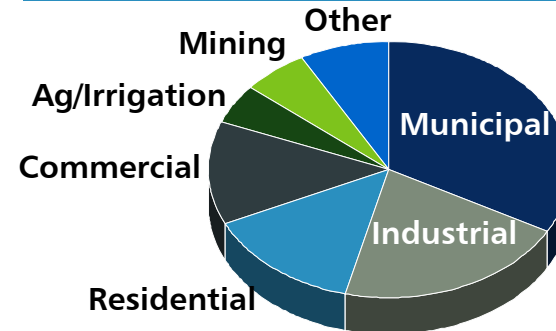
## GEOGRAPHIES



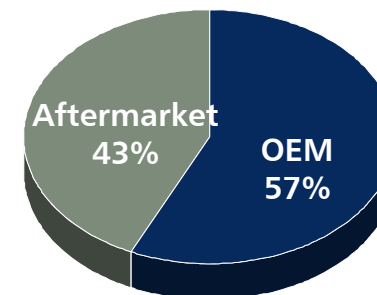
## VALUE CENTERS



## MARKET



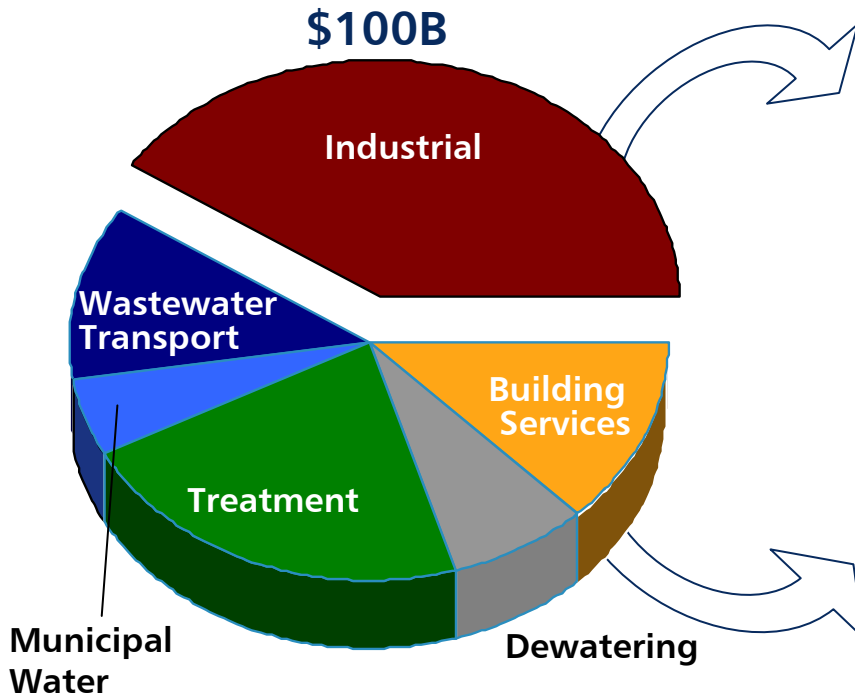
## AFTERMARKET/OEM



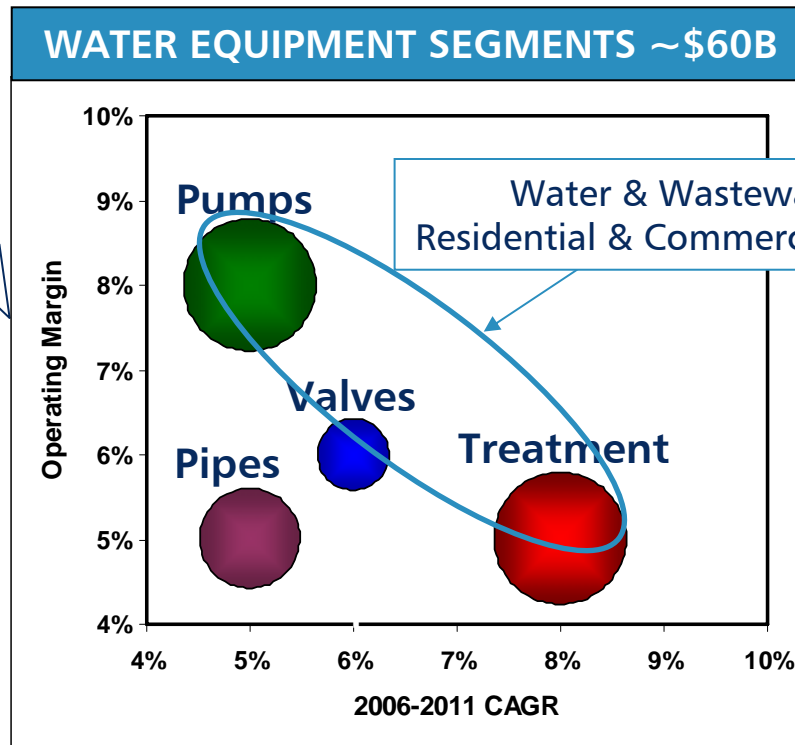
	#1 Global		#1 in N. America
	#1 Global		#2 in N. America
	#2 Global		



# Fluid's Global Markets\*



INDUSTRIAL FLUID PROCESS ~\$40B	
Oil & Gas	Mining
Power	Chemical
General Industrial	Pulp & Paper



## Value Centers Aligned with Market Growth Opportunities

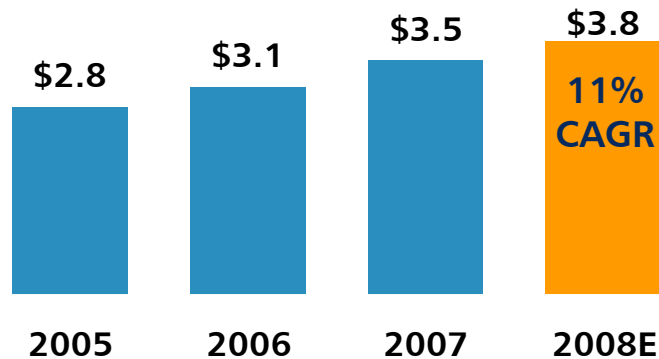


\* Fluid's global markets include ~\$60B of water equipment and ~\$40B of industrial fluid equipment.

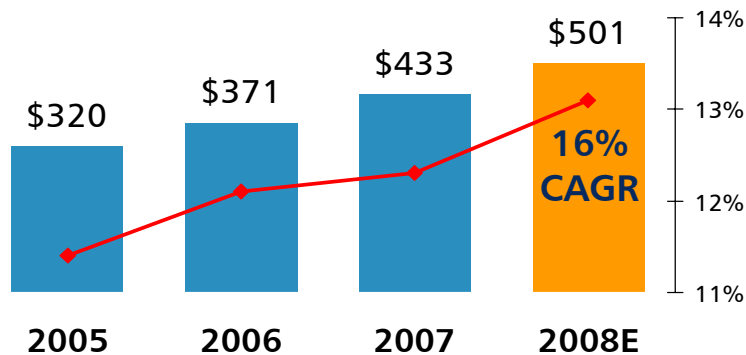
# Fluid Performance



## FLUID REVENUES (\$B)



## OPERATING INCOME (\$M)/MARGIN



## Market Strength

- 85% Revenue from Premium Brands
- Geographic & End-Market Breadth
- 70% Direct Distribution
- +14 Million Installed Base
- Innovation & Adjacencies
  - De-watering, Sludge, Monitoring, Energy Efficiency

## Operating Performance

- Productivity Enhancements
- Global Manufacturing Transitions
  - China, India, Saudi Arabia & Poland
- Significant Global Sourcing Benefits
- Lean Six Sigma

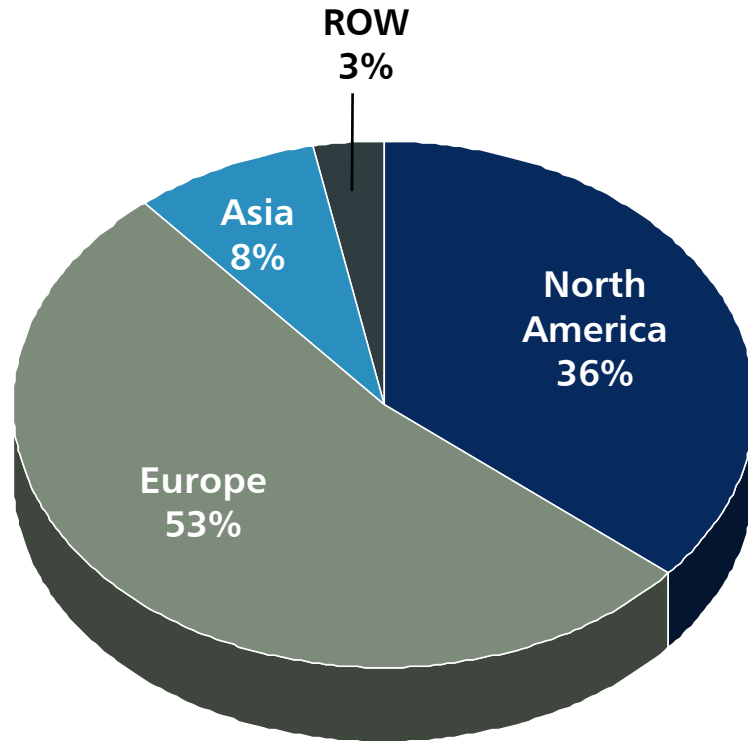


Note: 2008E Revenues and Segment Operating Income/Margin represent the midpoints of the guidance ranges.

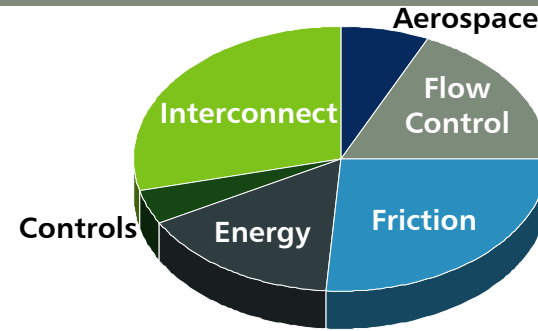
# Motion & Flow Diversification



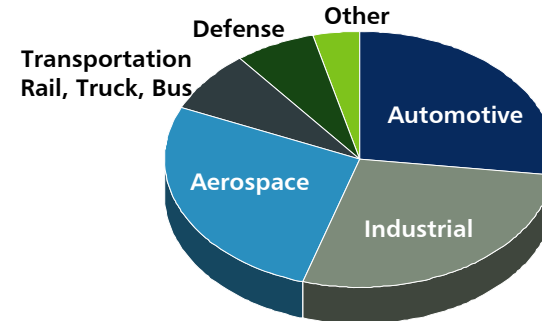
## GEOGRAPHIES



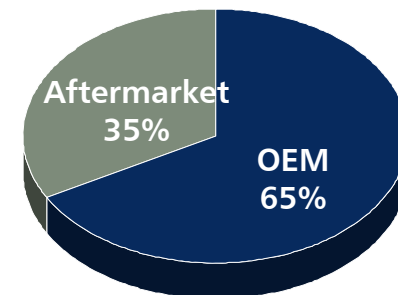
## VALUE CENTERS



## MARKET



## AFTERMARKET/OEM



**ENIDINE**

**KONI**



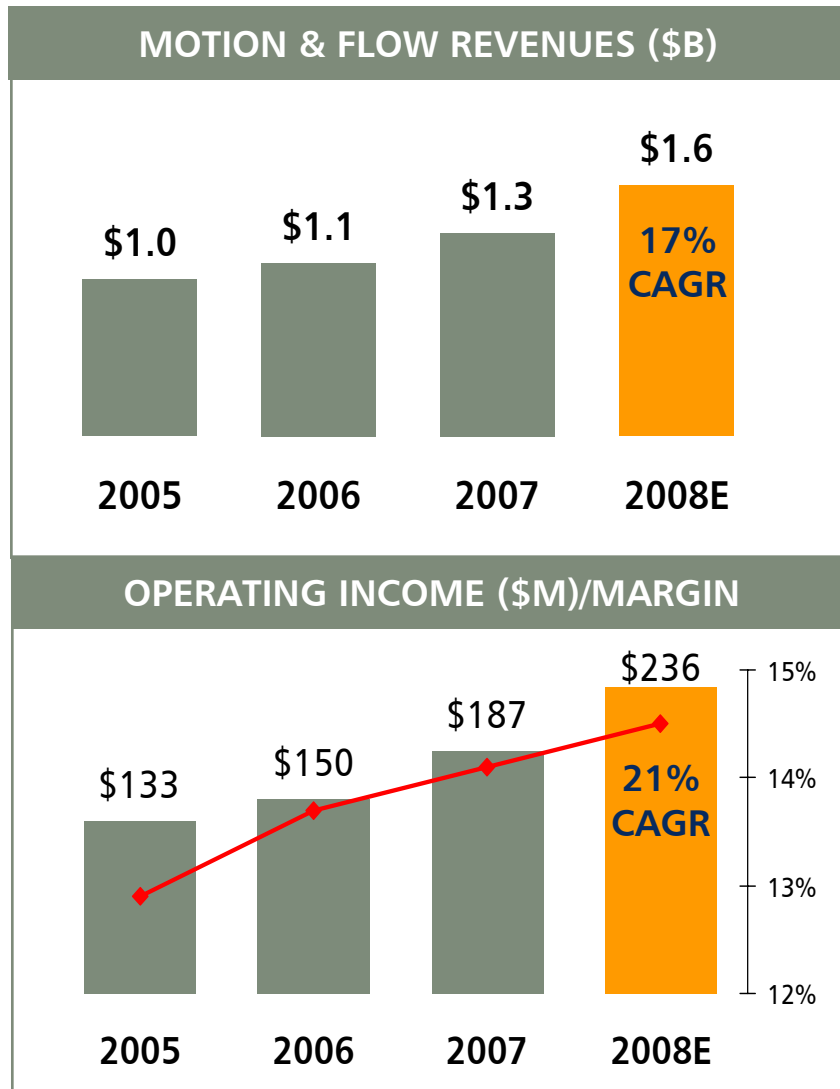
Global Brands



**JABSCO**



# Motion & Flow Performance



## Market Strength

- Share Gains Across Portfolio
- IMC Acquisition On-Track
- Diverse Customer Base
- Attractive End Markets
- New Aerospace Product Offerings

## Operating Performance

- Common Manufacturing Facilities
- Low Cost Manufacturing Transition
  - China, Mexico, Czech Republic
- Global Sourcing Benefits
- High ROIC Businesses



Note: 2008E Revenues and Segment Operating Income/Margin represent the midpoints of the guidance ranges.

# Commercial Developments



Fluid Technology

## Industrial Process

- Emerging market wins
- Saudi facility
- i-Frame pump



## Water & Wastewater

- Leopold desalination projects
- Dewatering - Brazil and South Africa

## Residential & Commercial Water

- Strong ag/irrigation market



Motion & Flow Control

## Friction

- Market share gains
- Expanding low cost production

## Aerospace

- New product opportunities

## Interconnect Solutions

- Significant Q1 wins
- Connectors used by EDO

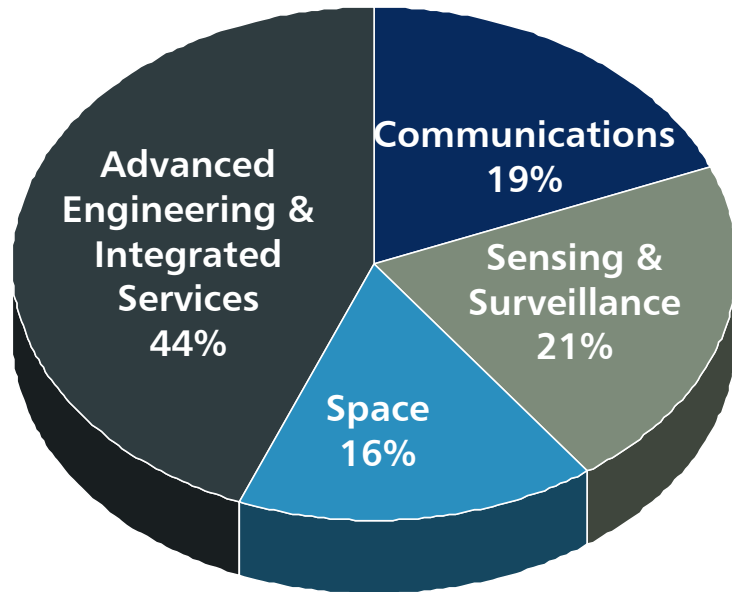


Positioned for Future Growth

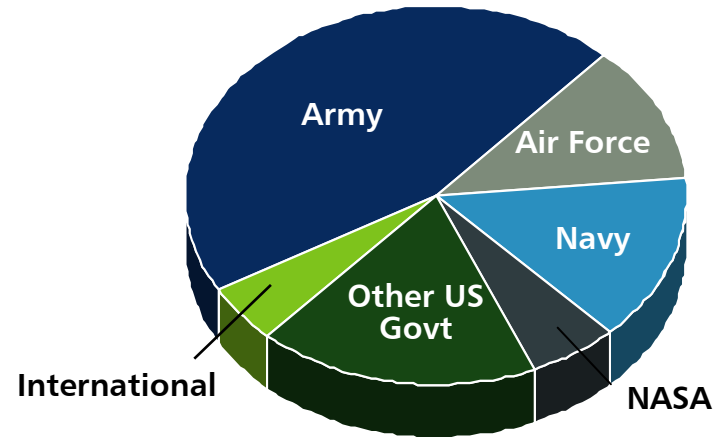
# Defense Diversification



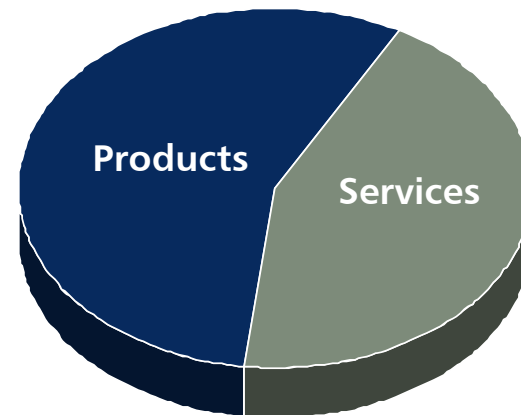
## DEFENSE CAPABILITIES



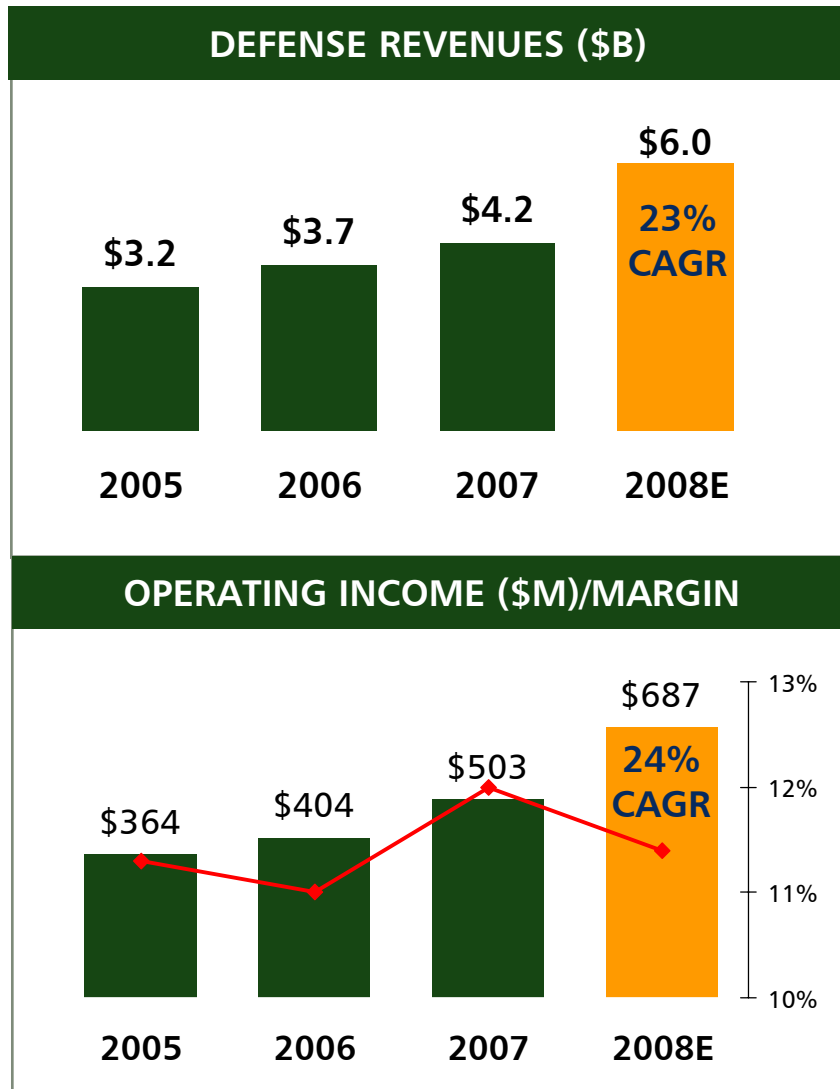
## DEFENSE CUSTOMER



## DEFENSE MIX



# Defense Performance



## Market Strength

- Strong Backlog Provides Visibility
- EDO Acquisition On-Track
  - Provides Early Life-Cycle Products
  - Improves Customer Diversity
- Large Installed Base + Next Generation Development
- Well-Positioned to Benefit from Outsourcing Trend

## Operating Performance

- Six Sigma/Lean Initiatives
- Balanced Cost Plus & Fixed Price Contracts
- Strong Cash Performance
- High ROIC Businesses



Note: 2008E Revenues and Segment Operating Income/Margin represent the midpoints of the guidance ranges.

# Defense Developments/Awards



## Communications Systems

- Strong International Pipeline (~\$4B)
  - Iraq – Delivered radios
  - Bulgaria – Actively pursuing opportunity
- Active Negotiations with JTRS Team



## Night Vision

- \$175 Million Award - Demand Remains High
- Shipped NextGen NV Goggle - Sole Source



## EDO

- Integration Ahead of Schedule
- CREW (Counter IED)
  - Producing to customer fielding schedule
  - 1,250+ units ordered in 2008



## Services – LOGCAP Confirmed

## ES – Strong Order Activity (Including International)

## AES – Solid FAA ADS-B Performance

## Space – GPS III Team Win



ITT Defense Capabilities Aligned With Customers' Future Needs



# Balanced Capital Allocation



- **3-Year \$1B Share Buyback Program**
- **Dividend Increases**
  - ✓ Increased 25% in 2008 and 27% in 2007
- **Organic Growth Investments**
  - ✓ New facilities in China, India, Czech Republic, Saudi Arabia and Poland
  - ✓ 13%+ increase in R&D
- **Focused Strategic Acquisitions**
- **Strong Free Cash Flow Generation**

**Strong Balance Sheet & Balanced Approach**

# Summary



- **Confident in 2008 Forecast**
  - ✓ **27% Revenue Growth\***
    - Mid Single Digit Organic
  - ✓ **23% EPS Growth\***
  - ✓ **\$5B+ Defense Backlog**
  - ✓ **Q1 Excellent Start**
- **Investing in Organic Growth**
- **Acquisitions On-Track**
- **Benefits from Diversified Portfolio**

**Delivering Long-Term Value**



\*Represents midpoint of the guidance range, excludes Special Items



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**Questions & Answers**