



# ITT Industries

*Engineered for life*

## THE MARKET

In a movie theater, if you're noticing the film's score, the music isn't doing its job. ITT Industries realizes that technology works the same way. The best technology is invisible to its users; if it's working perfectly, every time, you never notice it.

Each day, millions of people use an ITT Industries product without ever knowing it. The company's products are embedded in the world's infrastructure, making it possible for people from China to Chicago to turn on their kitchen faucet; place a call on a wireless phone; travel by air, rail, or automobile; or walk the streets safely without thinking twice about it.

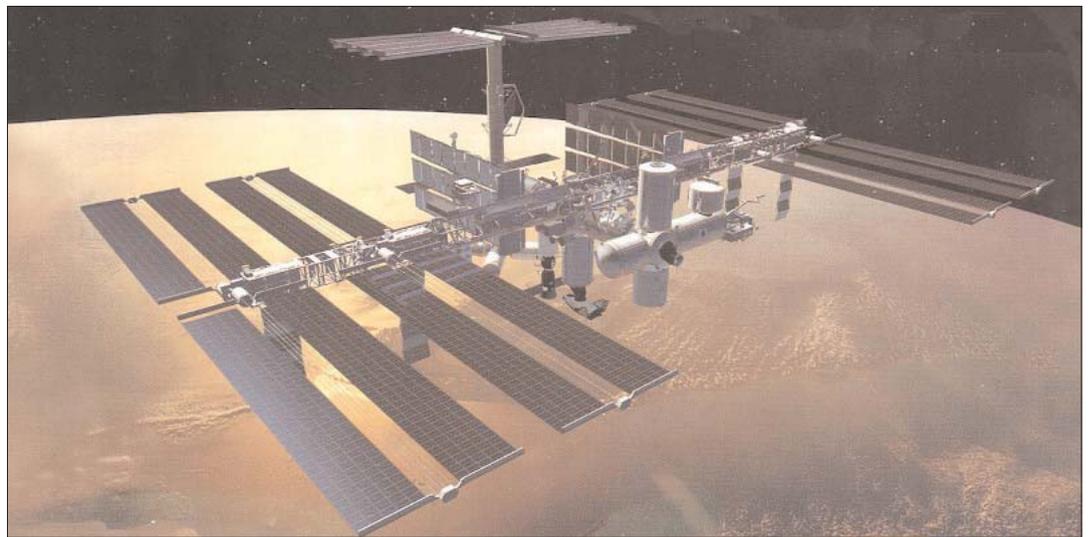
How ingrained is ITT Industries in our everyday lives? Every time somebody talks to you about tomorrow's weather, they're using weather service predictions made possible by satellites utilizing ITT's data-gathering imagers and sounders.

ITT Industries' transparency is a function of its products. Sometimes the products are hidden from view, like the tiny electronic connectors found in one out of every three mobile phones in the world today or the highly advanced sensors inside GPS satellites that can pinpoint your location to within three feet from 11,000 miles away in space. At other times, the ITT Industries name takes a backseat to its better-known product brand names, like Flygt, Goulds Pumps, Bell & Gossett, KONI, and Cannon.

The need for clean water is increasing at an alarming rate, and experts say that by 2025 we'll need up to three times the amount of fresh water that is currently available. ITT Industries' markets



will grow as the world's population grows. Consumers around the world are already purchasing nearly 500 million mobile handheld devices each year, and projections call for that figure to grow steadily during the next decade. As the world reacts to increasing threats from global terrorism, demand for defense related products and services could increase as well.



## ACHIEVEMENTS

ITT Industries is the largest pump manufacturer in the world, having grabbed the top spot in 1997 with the acquisition of Goulds Pumps. Today, if you're moving fresh water or treating wastewater, chances are you're probably using ITT Industries technology.

When it comes to the phone of the future — portable, palm-sized, and Internet-connected — all five leading mobile phone handset manufacturers use ITT Industries, Cannon connectors, switches, and keypads.

The company's KONI brand shocks are installed on the world's fastest trains and were on board the French TVG train that set the world speed record of 320 miles per hour.

In the Defense Electronics area, ITT Industries is the world's leading producer of frequency-hopping combat net radio systems, which allow seamless communications between aircraft, vehicles, and soldiers as part of the U.S. Army's Tactical Internet. The military, municipal police, and Coast Guard use ITT's Night Vision equipment.

Among the awards that ITT Industries has won in recent years are the Engineering Excellence award from the Institute of Chemical Engineers for PumpSmart™ Control Solutions, which provides internal logic for pumping systems, and the Innovation Award from the National Marine Manufacturers Association for Jabsco's silent-running, energy-efficient Sensor Max™ Pump. The U.S. Air Force cited the Avionics Division's AN/ALQ-172 as the "most successful electronic countermeasures system" in its inventory.

## HISTORY

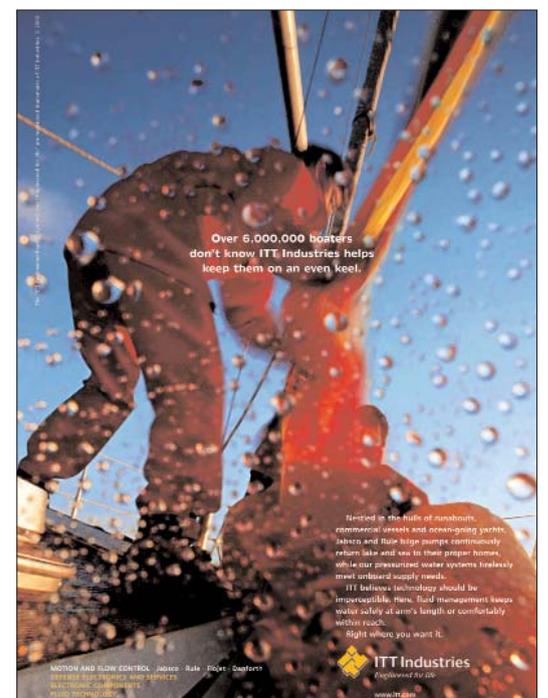
The achievements of ITT Industries and the companies it has acquired span more than 150 years — from pioneering the world's first all-metal pump in 1848 to developing high-tech radar systems

that the U.S. Armed Forces will still be using 40 years from now.

As a corporate entity, ITT has existed for just over 80 years. ITT began in 1921 as International Telephone & Telegraph, primarily involved in telephone switching equipment and telecommunications. Through the 1970s, the company diversified through acquisition — buying companies on all continents, with products ranging from food to oil wells to manufactured homes.

In 1980, the company's name was officially changed to ITT Corporation. ITT stayed on a continuous course of restructuring and divestiture/acquisition to more clearly organize in terms of product and to increase shareholder value.

ITT Corporation split into three separate companies in 1995, and in December of that year, ITT



Industries, the legal successor to the original ITT, began trading independently on the New York Stock Exchange.

Through a series of strategic acquisitions and divestitures, ITT Industries has grown into a diversified global company with 25 business units, 38,000 employees, and approximately \$5 billion in annual sales. Louis J. Giuliano now serves as the company's chairman, president, and chief executive officer.

## THE PRODUCT

Considering the types of products that ITT Industries manufactures, it's hard to imagine an aspect of life where an ITT product doesn't play a vital role. The company manufactures products in four main business segments: Fluid Technology, Defense Electronics & Services, Electronic Components, and Motion & Flow Control.

In the Fluid Technology area, ITT produces pumps and systems for every application from fire fighting to irrigation to wastewater treatment. More than 2 million Flygt pumps have been installed since 1947, and its new non-clogging N-pump further reinforces Flygt's leadership position in the wastewater market. When Mother Nature turns nasty, Goulds Pumps provide drought protection for farmers and flood protection for homeowners. Chemical companies turn to anti-corrosive pumps made by its Richter unit to move harsh fluids, and pharmaceutical firms depend on Pure-Flo's hygienic valves to keep out contamination.

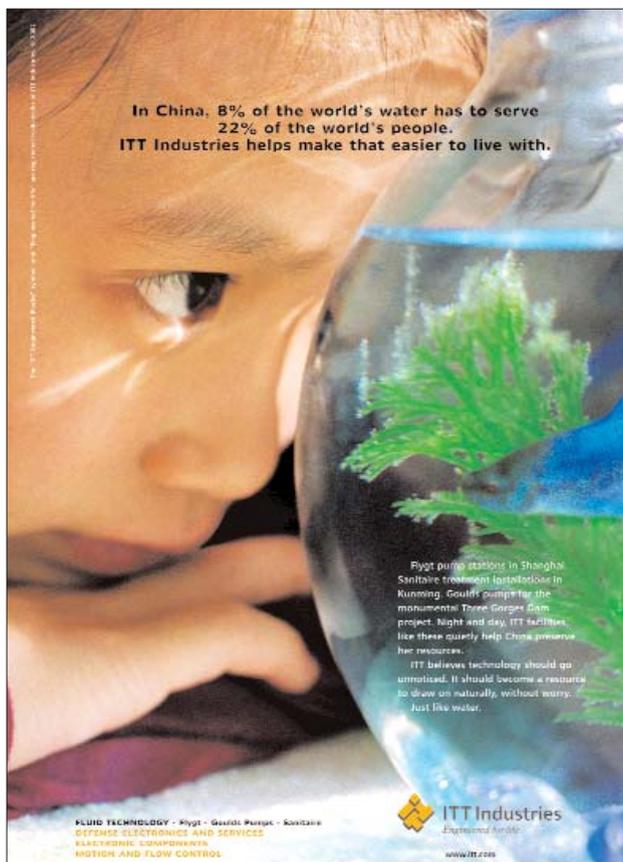
In Defense Electronics & Services, ITT Industries companies develop airborne electronic warfare systems, traffic control radars, night vision equipment, and space-based remote sensing technologies. True to its roots, ITT even works in communications and voice technologies. The services side of this business is growing rapidly, with ITT Industries engineers, scientists, and personnel staffing critical military outposts and monitoring space traffic from inside the U.S. military's Cheyenne Mountain complex.

Under the ITT Industries, Cannon brand, the company's Electronic Components business has worked with the world's leading telecommunications companies to help create technology that improves the way mobile phones and computer modems communicate. ITT's components are also the backbone of today's smart buildings, and every Boeing 777 aircraft includes over 100 switches, connectors, cable assemblies, valves, actuators, and other ITT parts.

The products from ITT Industries' Motion & Flow Control business are meeting many important needs. Automobile enthusiasts encounter ITT products in shock absorbers, automotive fluid handling systems, and other components. Weekend boaters count on systems, pumps, and accessories made by the company's Rule and Jabsco businesses for smooth sailing. And all around the world, whirlpools and soda dispensers use ITT's pumps and controls.

## RECENT DEVELOPMENTS

ITT Industries has as its focal point a vision of becoming a premier multi-industry company in



every sense of the word. To achieve premier status, it has embraced three key corporate strategies for leadership, growth, and operational excellence.

As part of its growth strategy, ITT Industries has made several adjacent acquisitions intended to strengthen or further its core market capabilities and global presence. The company's organic growth strategy is built around new product development, increasing its global presence, and serving new markets.

Leadership is also a key strategy. The company recently created a new position, chief learning officer, to speed the deployment of its Leadership Training effort. Through a Leadership Academy, the company will develop future leaders to serve as mentors, role models, coaches, and facilitators. These future leaders will serve to motivate and inspire their team to take their businesses to greater heights.

ITT Industries' operational excellence strategy centers around Value-Based Six Sigma, its overarching strategy for continuous improvement. Thousands of employees are being trained as Champions, Black Belts, and Green Belts, and all are focused on improving customer responsiveness and taking waste out of

ITT's processes. Now, with its Value-Based Product Development effort, the company is teaching itself to more closely listen to the customer's voice in improving its product development process.

## PROMOTION

Frankly, with a company like ITT Industries, promotion and advertising are not as easy as they might be for a corporation with the newest game system or sporty SUV. ITT can't simply buy up all the advertising time on *Friends* to hawk its rapidly evolving Monolithic Microwave Integrated Circuit-based active array radar technology.

The solution: Promote ITT's engineering excellence and showcase its ability to provide solutions to customers' everyday problems.

ITT Industries' advertising reflects the belief that it's not about the technology; it's about life.

To get this point across, the company isn't afraid to take a humorous approach to the simple fact that its end users will likely never understand what it does. ITT's first television ad campaign featured fish, crabs, whales, and frogs singing Handel's "Hallelujah Chorus" in celebration of the company's clean-water products.

The most recent ad campaign placed spots in print media such as the *Wall Street Journal*, *New York Times*, *Barron's*, *Institutional Investor*, and *Financial Times* and business- and news-based television programming. The company also sponsored *Water: The Drop of Life*, a PBS documentary on the global water crisis and its solutions.

ITT's product brands advertise heavily in their respective industry trade journals. While the corporate ITT ads focus on the company's overall strengths, the product brands' ads showcase their products' strengths. Taken together, customers, prospects, and investors hear a powerful message.

## BRAND VALUES

ITT Industries is a multibillion-dollar, multi-industry company with a single focus: developing advanced technologies and highly engineered products that meet the most basic human needs. ITT Industries is "Engineered for life."

## THINGS YOU DIDN'T KNOW ABOUT ITT

- ITT Industries employees are located in 50 countries around the world and all 50 states in the United States. The states with the most ITT Industries employees are California, New York, Indiana, Virginia, and New Jersey. The countries with the most ITT Industries employees are the United States, China, Germany, Italy, and Sweden.
- As an indicator of ITT's international scope, the company's employee newsletter is available in English, French, German, Italian, Spanish, and Chinese.
- An ITT heating system warms the Statue of Liberty, its connectors provide power to the International Space Station, and its fire pumps protect the world's tallest building, the Petronas Towers in Kuala Lumpur, Malaysia.
- In 2001, ITT took over space launch operations at both Vandenberg Air Force Base in California and Cape Canaveral Air Station in Florida, the first time one company has been awarded both contracts.
- Philo T. Farnsworth, the inventor of the television, worked for a company that belonged to ITT. His technology was the basis for sensors developed by ITT for today's weather satellites.

