



ITT DEFENSE & INFORMATION SOLUTIONS...IS BECOMING

ITT **EXELIS**

INVESTOR DAY
OCTOBER 14, 2011



Investor Day

Katy Herr, Investor Relations

October 14, 2011

FORWARD-LOOKING STATEMENT

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 Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the separation of Exelis Inc. (the "Company") from ITT Corporation, the terms and the effect of the separation, the nature and impact of such a separation, capitalization of the Company, future strategic plans and other 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 or implied in, or reasonably inferred from, such forward-looking statements. Factors that could cause results to differ materially from those anticipated include, but are not limited to:

- Economic, political and social conditions in the countries in which we conduct our businesses;
- Changes in U.S. or International government defense budgets;
- Decline in consumer spending;
- Sales and revenues mix and pricing levels;
- Availability of adequate labor, commodities, supplies and raw materials;
- Interest and foreign currency exchange rate fluctuations and changes in local government regulations;
- Competition, industry capacity & production rates;
- Ability of third parties, including our commercial partners, counterparties, financial institutions and insurers, to comply with their commitments to us;
- Our ability to borrow or to refinance our existing indebtedness and availability of liquidity sufficient to meet our needs;
- Changes in the value of goodwill or intangible assets;
- Our ability to achieve stated synergies or cost savings from acquisitions or divestitures;
- The number of personal injury claims filed against or the Company or degree of liability;
- Our ability to effect restructuring and cost reduction programs and realize savings from such actions;
- Government regulations and compliance therewith, including Dodd-Frank legislation;
- Changes in technology;
- Intellectual property matters;
- Governmental investigations;
- Potential future employee benefit plan contributions and other employment and pension matters;
- Contingencies related to actual or alleged environmental contamination, claims and concerns;
- Changes in generally accepted accounting principles; and
- Other factors set forth in our Registration Statement on Form 10 and our other filings with the Securities and Exchange Commission.
- In addition, there are risks and uncertainties relating to the separation including whether those transactions will result in any tax liability, the operational and financial profile of the Company or any of its businesses after giving effect to the separation, and the ability of the Company to operate as an independent entity.

The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

ITT EXELIS – INVESTOR DAY AGENDA

9:10-9:15	Opening Remarks and Introduction of Chief Executive Officer: Katy Herr, Investor Relations
9:15-9:35	Introduction and Business Overview: David Melcher, Chief Executive Officer
9:35-9:55	Strategy: John Shephard, Senior Vice President, Strategy & Corp. Development
9:55-10:15	Christopher Young, President, Geospatial Systems
10:15-10:35	Chris Bernhardt, President, Electronic Systems
10:35-10:50	BREAK
10:50-11:10	Mike Wilson, President, Information Systems
11:10-11:30	Ken Hunzeker, President, Mission Systems
11:30-11:50	Financial Highlights: Peter Milligan, Chief Financial Officer
11:50-11:55	Recap: David Melcher, Chief Executive Officer
11:55-12:35	Question & Answer
12:35-12:40	Closing Remarks: David Melcher, Chief Executive Officer



Introduction & Business Overview

David Melcher, Chief Executive Officer

October 14, 2011

EXELIS – INVESTMENT HIGHLIGHTS

- Diversified portfolio with attractive positions in enduring market segments
 - Leader in electronic warfare, ISR, navigation and information exploitation
 - Strong contract positions in essential government services
 - Growing non-DoD positions: air traffic management, aerostructures and international
- Mission-critical and affordable ready-now solutions
 - Leveraging agility, customer intimacy and deep technology expertise
 - Cost-efficient products and services
- Proven record of solid program performance and operational excellence
- Large fielded base and platform-agnostic solutions drive sustainable revenue
- Strong cash generation to complement well-capitalized balance sheet
- Experienced management team

DIVERSIFIED BUSINESS IN TWO STRONG SEGMENTS

C4ISR Electronics & Systems

Electronic Systems



- Electronic Warfare
- Force Protection
- Networked Communications
- Radar
- Composite Structures
- Reconnaissance & Surveillance
- Undersea Acoustics

Geospatial Systems



- Airborne Situational Awareness
- Information Exploitation
- Space-Based Satellite Imaging
- Weather & Climate Monitoring
- GPS
- Night Vision

Information & Technical Services (I&TS)

Information Systems



- Large-scale Network Architecture & Integration
- Cyber Security
- Air Traffic and Airport Solutions
- Space Communications Network Services
- Data Fusion
- Engineering and Professional Services
- CBRNE Technologies

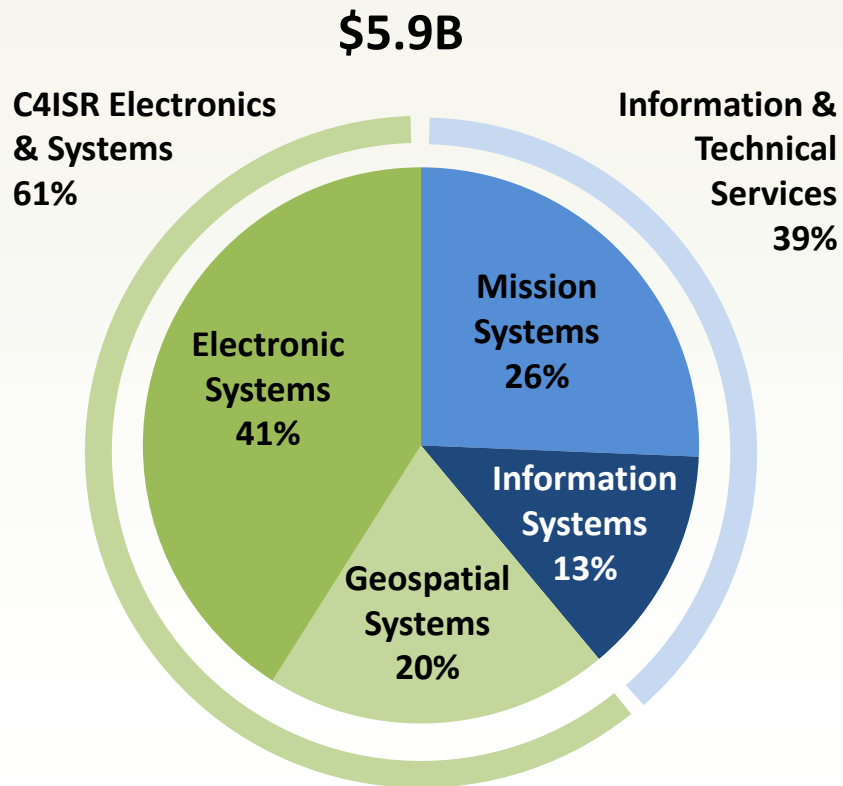
Mission Systems



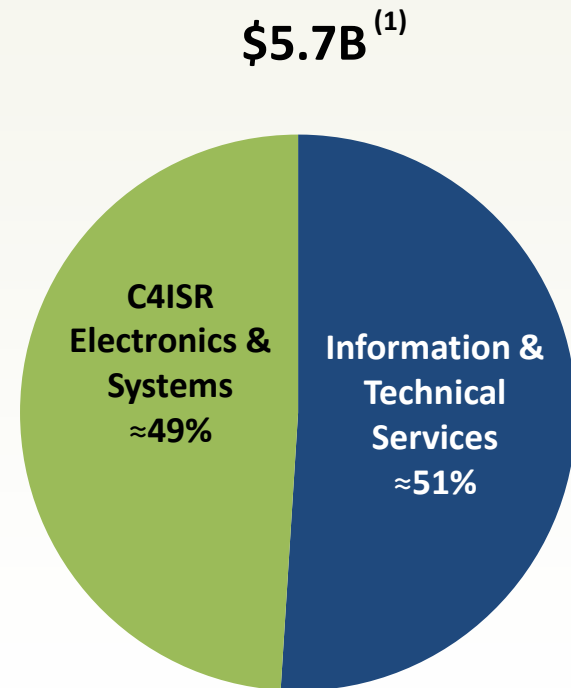
- Global Base Operations Support
- Range Operations, Sustainment, Upgrade & Modernization
- Battlefield Network Communications Support
- Worldwide Logistics & Deployment Support
- Ground Vehicle & Equipment Maintenance

SEGMENT AND DIVISION REVENUE PROFILE

2010



2011E

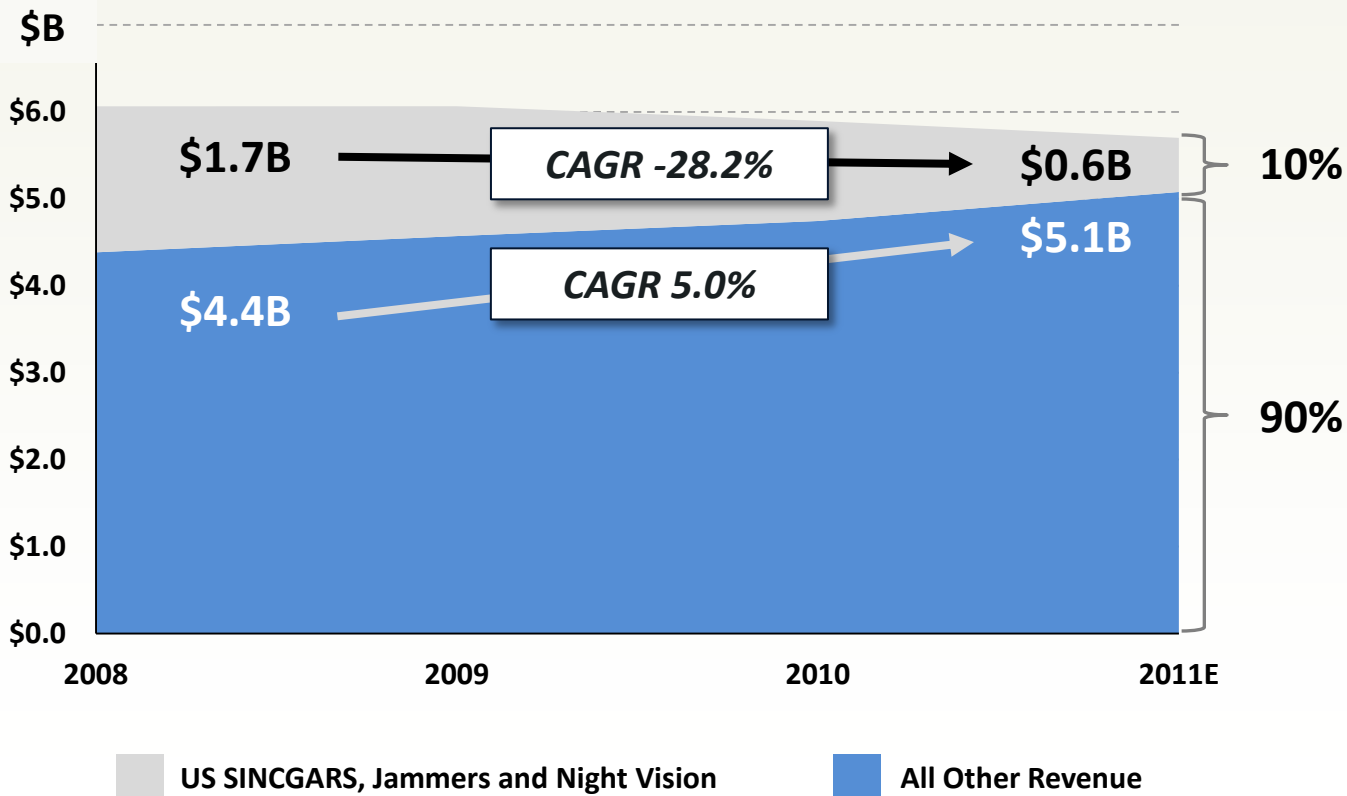


(1) Top end of guidance range previously provided on July 29, 2011

Well-diversified portfolio of products and services

EVOLVING REVENUE MIX

“Big Three” vs. All Other Revenue ⁽¹⁾

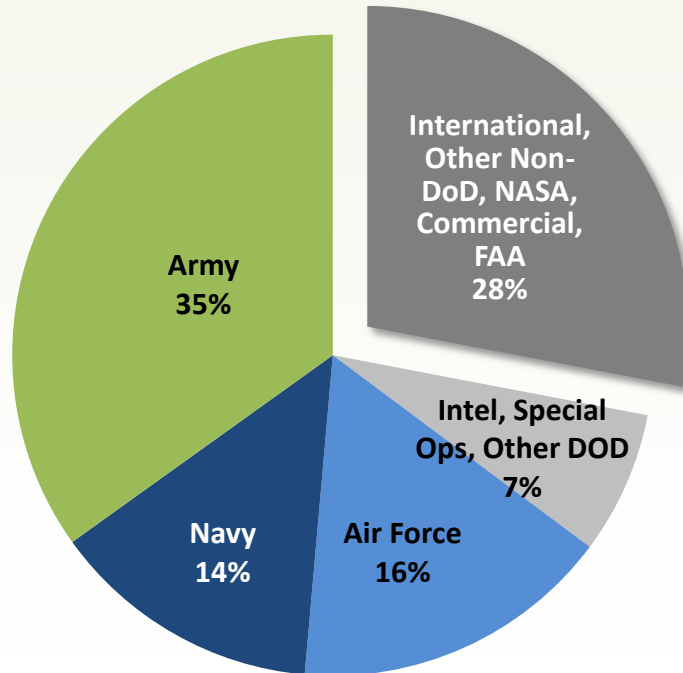


Steady underlying growth as “Big Three” programs wind down

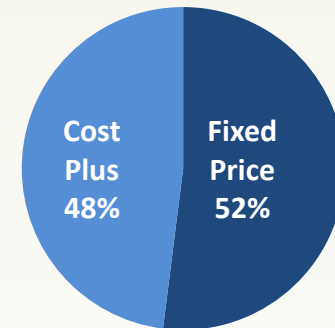
PORTFOLIO DIVERSIFICATION

Revenue Mix - 2010

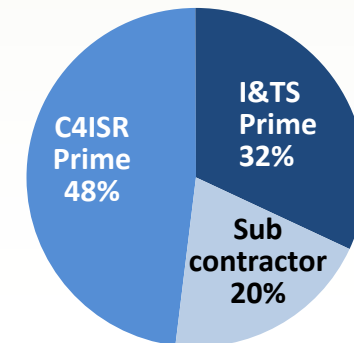
CUSTOMERS



CONTRACT TYPE



CONTRACT POSITION



Customer and contract diversity provides sustainability and mitigates against downside risk

STRONG TEAM AND CULTURE DRIVE ABILITY TO WIN AND EXECUTE

ADS-B

- Cornerstone of FAA Next Generation Air Transportation System (NextGen)
- GPS-based real-time surveillance
- Improved safety, capacity and efficiency
- On track and under budget

Counter-IED

- Vehicle-mounted Counter IED
- Swiftly ramped up in support of urgent war fighter needs
- Organization-wide effort to ensure quality and delivery
- 20,000+ units delivered to date

IDECM

- Next generation integrated countermeasures for F/A-18
- 10 years of on-time supply to US Navy F/A-18 E/F models
- Retrofitting to legacy C/D models to meet future threats

CH-53 Aerostructures

- Major sub assemblies for CH-53K, the first all-composite heavy-lift helicopter
- Full design, development and manufacturing responsibility
- Significant investment in capacity and automation

OPTIMIZE COST STRUCTURE

Cost-Reduction Highlights Since 2008

Business Areas

≈40%

C4ISR
Headcount

>1,600

Footprint

≈10%

G&A

>\$50M

We are proactively and continuously managing cost and improving efficiencies

EXPERIENCED MANAGEMENT TEAM AND BOARD



David F. Melcher
Chief Executive Officer

Operating Leadership Team

C4ISR



Chris Bernhardt
Electronic Systems



Chris Young
Geospatial Systems

I&TS



Mike Wilson
Information Systems



Ken Hunzeker
Mission Systems

Corporate Leadership Team



Peter Milligan
Chief Financial Officer



John Procopio
Human Resources



John Shephard
Strategy and Corp. Development



Bob Durbin
Government Relations



Vince Thomas
Operations



Ann Davidson
GC and Corp. Sec



David Albritton
Communications

Anticipated* BoD

Ralph F. Hake - Chairman
David F. Melcher
Christina A. Gold
John J. Hamre, Ph.D.
Paul J. Kern
Steven R. Loranger

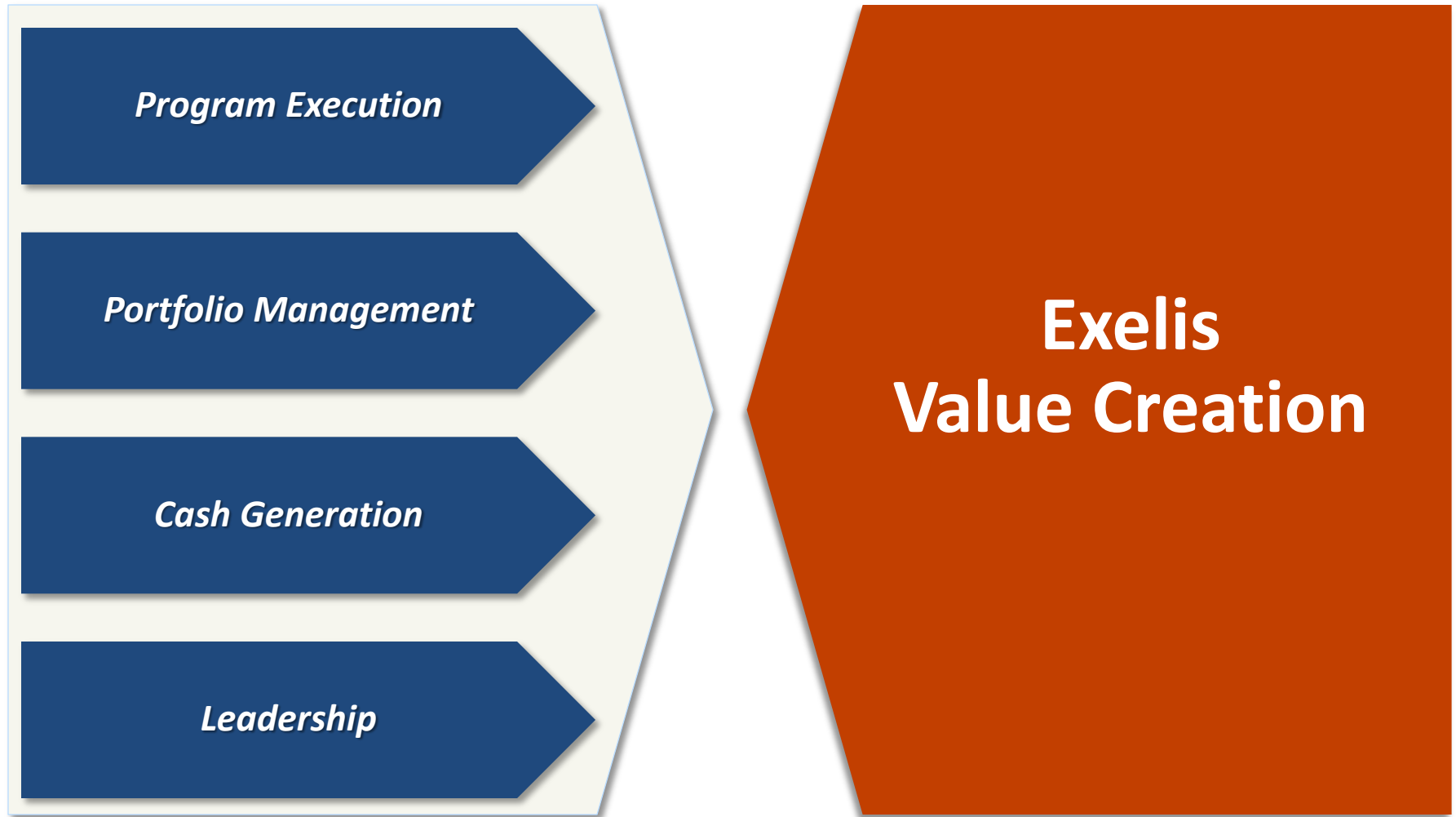
*11 total Board members anticipated

Decades of Experience

Adaptive Ingenuity

Consistent Results

EXELIS VALUE-CREATION STRATEGY



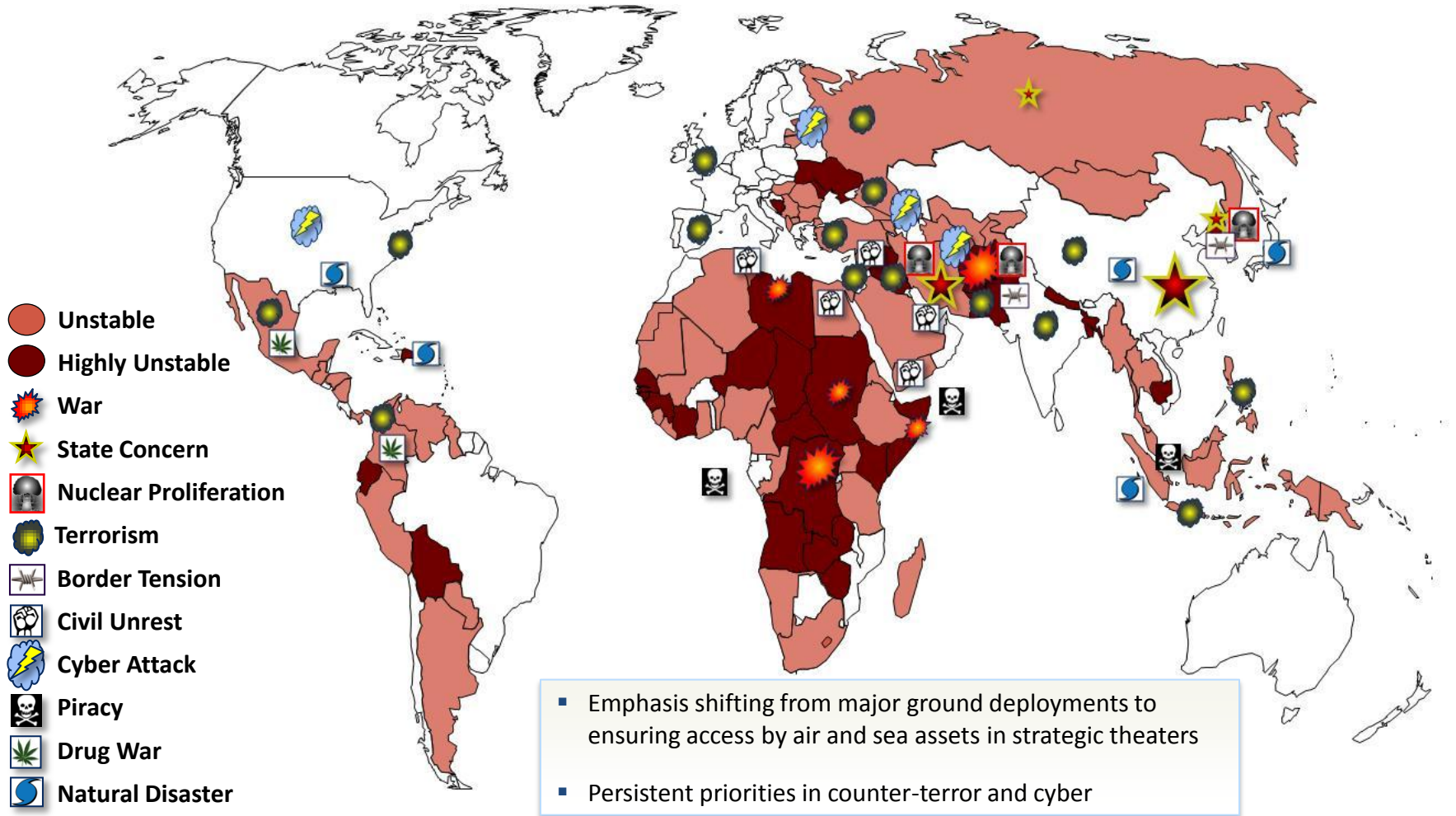


Strategy

John Shephard, Senior Vice President, Strategy & Corp. Development

October 14, 2011

THE STATE OF SECURITY



Threats are numerous, asymmetric and unlikely to abate

ALIGN INVESTMENTS WITH DoD PRIORITIES

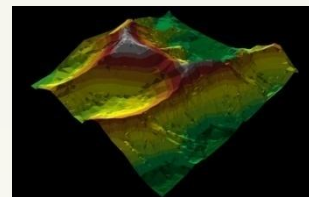
Priorities¹

Needs

Exelis Solutions

Data to Decisions

Faster and more efficient analysis and use of large data sets



- EchoStorm
- Gorgon Stare
- Large-Data-WAN

Electronic Warfare / Electronic Protection

Protection of systems and extension of capabilities across the electromagnetic spectrum



- Next Gen EW Jammer
- Networked IED Protection
- Electromagnetic pulse protection

Cyber Science & Technology

Efficient and effective cyber capabilities across the joint operations spectrum



- Multi-level Secure Cloud
- Cyber Mission Assurance
- Communications and network solutions

Autonomy

Autonomous completion of complex tasks in a reliable and safe manner



- Sense & Avoid Radar
- Tagging, Tracking & Locating

We enable smarter, faster decisions and efficient, targeted responses

DELIVER INNOVATIVE, READY-NOW SOLUTIONS

Intelligence, Surveillance and Reconnaissance



- Space-based and airborne capabilities
- Solutions leveraging commercially available technologies
- Simultaneous multi-user analysis of live video and imagery

Networked Communications



- Simple-to-install software-defined radio modules
- Augments widely fielded existing solutions
- Compatible with commercial radios and smart phones

Electronic Warfare



- Modular, scalable electronic protection and jamming systems
- Adaptable, next-gen counter-IED solution
- Leveraging combat-proven technologies

Information & Technical Services



- Air traffic and airport solutions
- Agile cyber and science support to classified customers
- Global, scalable base operations and logistics services

Our offerings are aligned with customer mission and funding priorities

BUILD OFF LARGE FIELDED BASE & PLATFORM-AGNOSTIC SOLUTIONS

Capabilities	Space		Fixed Wing & UAVs								Com'l Aircraft	Rotary Wing						Naval		Ground Vehicles	Soldier Systems	Examples			
	ISR	GPS	B-1B	C-130	F-15	F-16	E/F-18 (G)	F-22	F-35	P-8		UAVs	AH-64	MH-47	CH/MH-53	MH-60	CV-22	UH-60	Surface				Subs		
Electronic Warfare																									25,000 counter-IED systems; 2,500 airborne jammers
Communications																									600,000 radio systems
Radar & Acoustics																									1,200 radars; 1,000 ESM systems
Night Vision & Imaging																									860,000+ goggles
Navigation																									43 GPS payloads
Integrated Structures																									18,000 weapon release racks

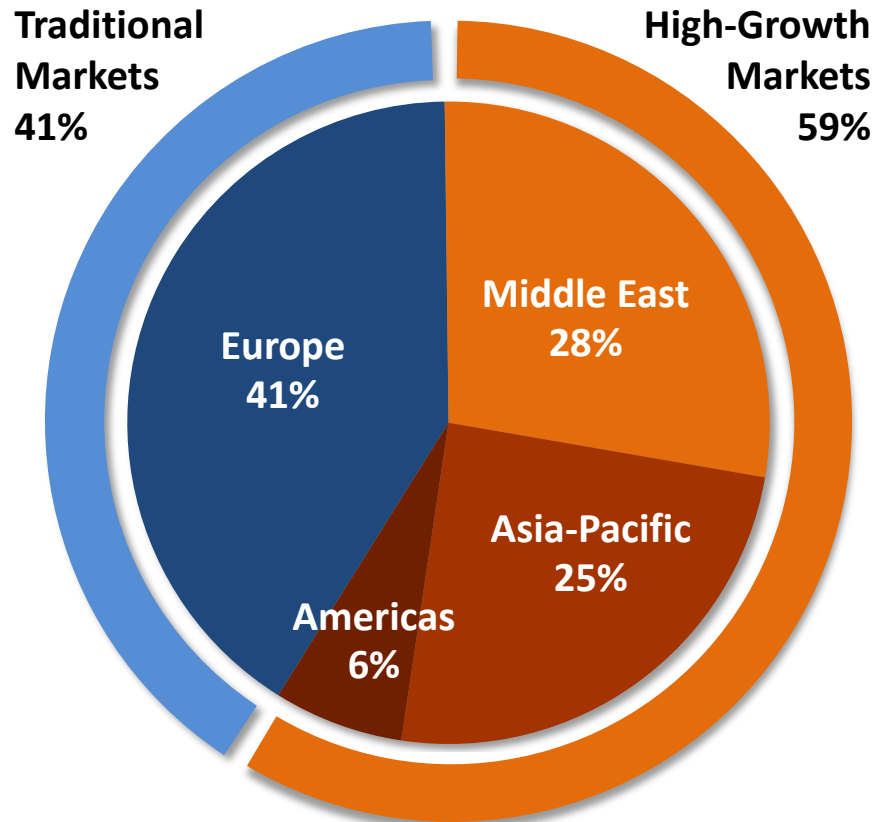
Broadly positioned on enduring platforms

Exelis Position

Platform diversification, modernization and aftermarket drive revenue sustainability

CONTINUE TO EXPAND IN INTERNATIONAL MARKETS

International Revenue by Region - 2010



Focus business development on Middle East, Asia-Pacific, India, Brazil

International revenue 11% of total; 17% of Exelis product businesses

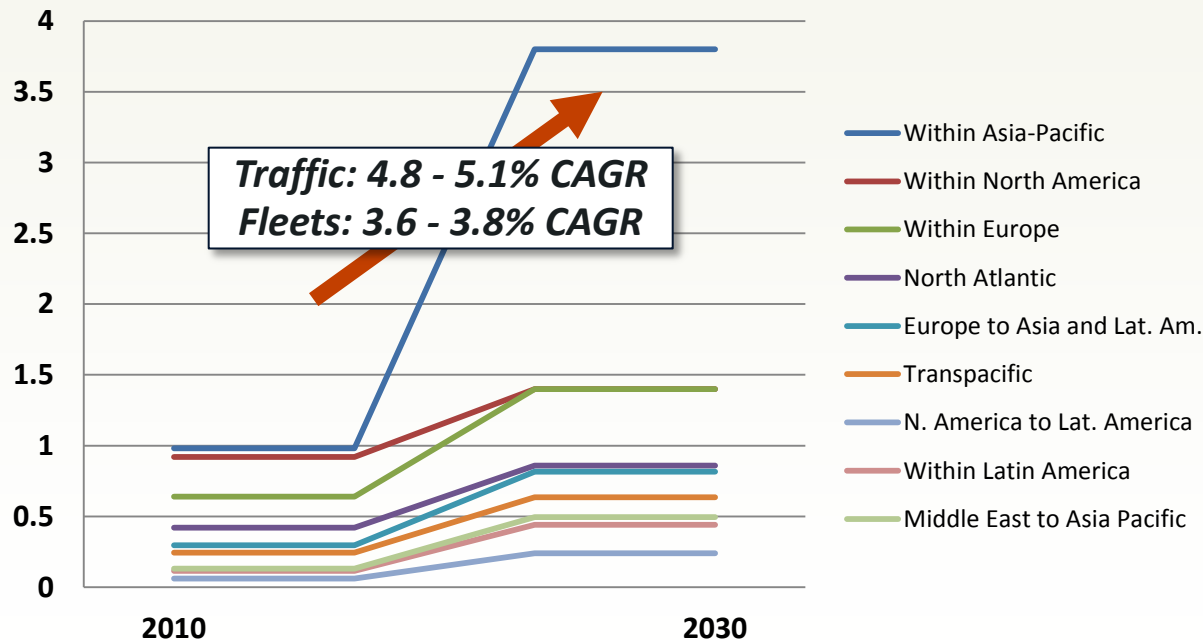
20% CAGR international growth 2008-2010

Growth driven by expanding product sales and solutions in high-growth markets

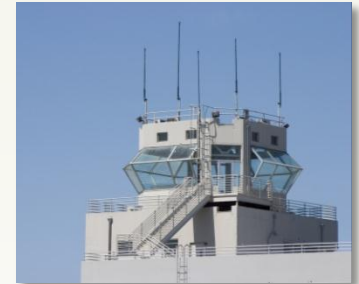
EXPAND AIR TRAFFIC SOLUTIONS & AEROSTRUCTURES

Air Traffic 2010 – 2030

Trillions of Revenue Passenger KMs 2010-2030



Air traffic and world-wide fleets expected to double over next 20 years



ATM and aerostructures are in strong up-cycle

MANAGE PORTFOLIO TO ALIGN WITH ENDURING NEEDS

Core Positions: *Extend Leadership*



Electronic Warfare



ISR



**Networked
Communications**

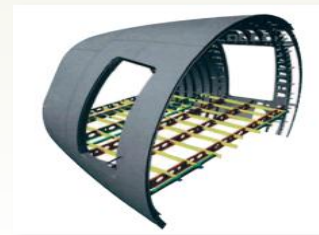
Focused Growth: *Invest in Capabilities & Scale*



Air Traffic Solutions



Information & Cyber



Aerostructures

Create value through complementary C4ISR capabilities and positions

C4ISR Electronics & Systems

Christopher Young, Geospatial Systems President

Chris Bernhardt, Electronic Systems President

October 14, 2011



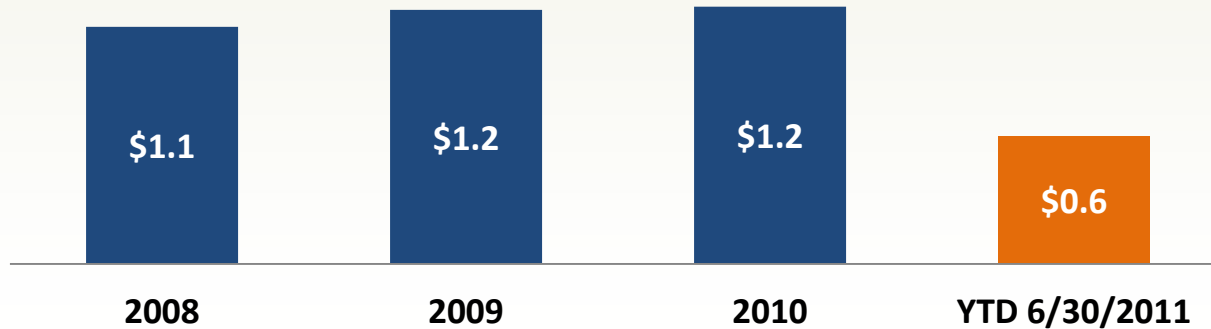
Geospatial Systems

Christopher Young, President

October 14, 2011

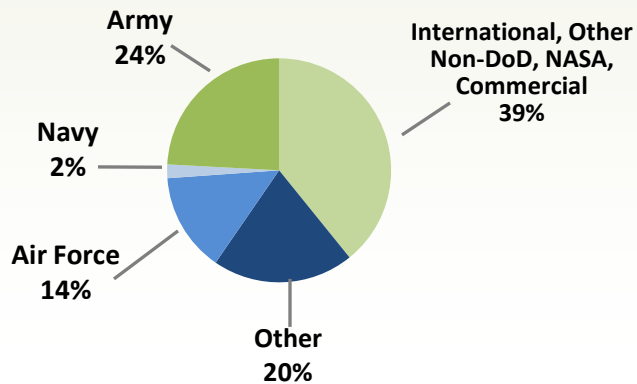
GEOSPATIAL SYSTEMS OVERVIEW

Historical Revenue (\$B)

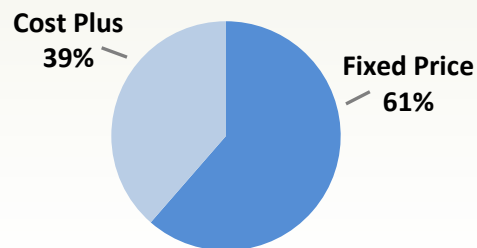


Revenue Mix - 2010

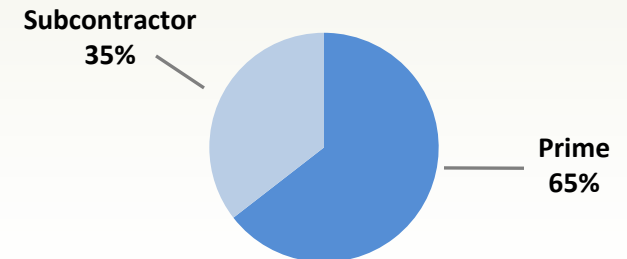
CUSTOMERS



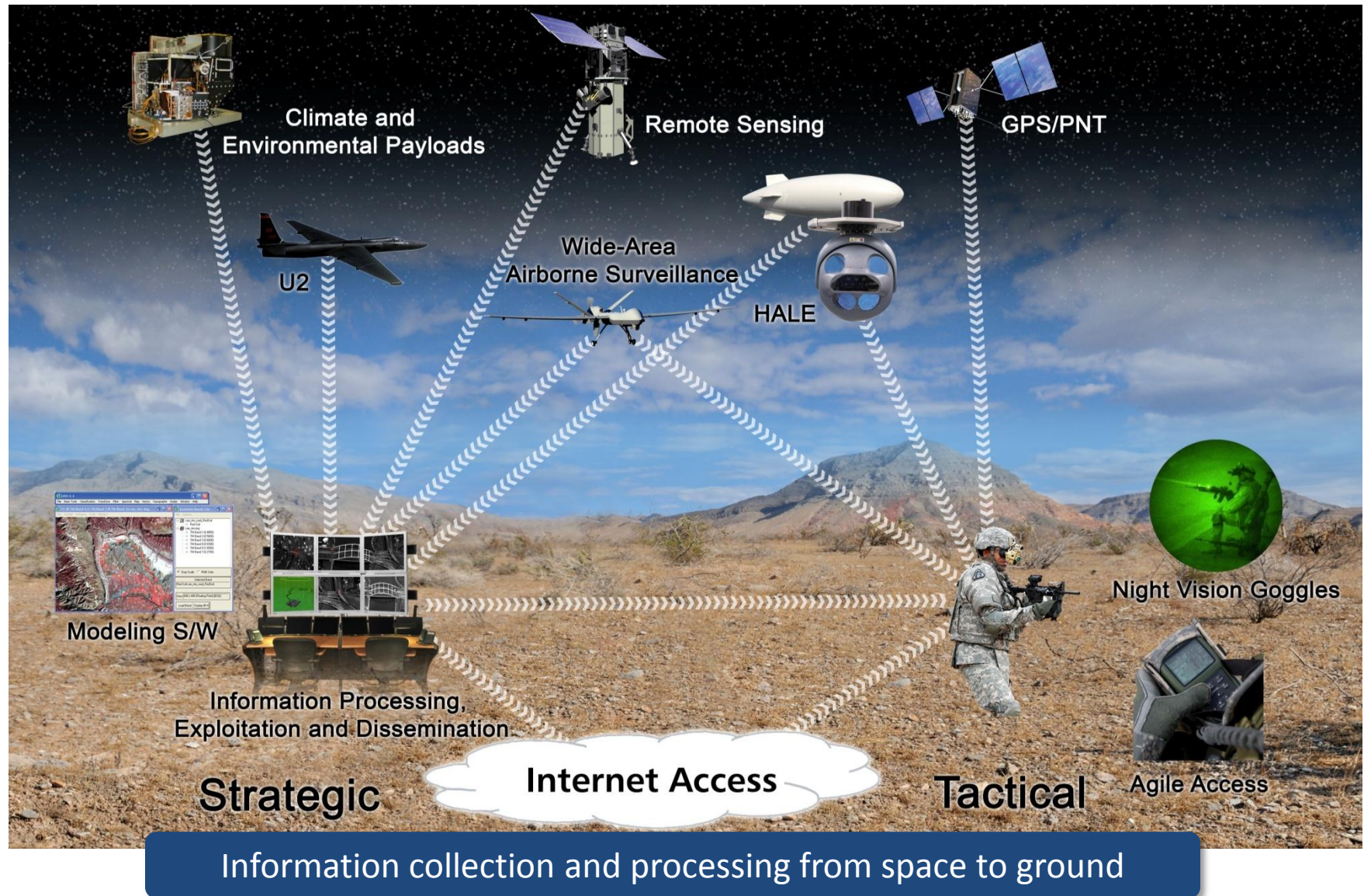
CONTRACT TYPE



CONTRACT POSITION



GEOSPATIAL SYSTEMS SPECTRUM



DIVERSIFIED PORTFOLIO



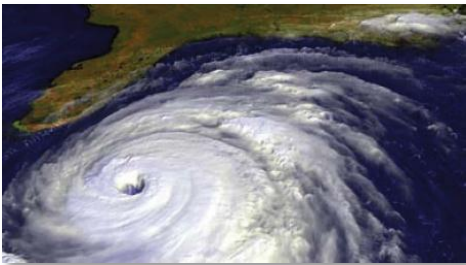
Geospatial Intelligence Solutions

- Mission-Critical Data and Workflow Management
- Rapid-Decision Support Solutions



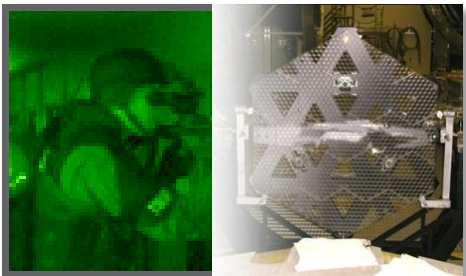
Integrated Geospatial Sensing Systems

- Optical Sensing Systems
- Radio Frequency (RF) Sensing Systems



Environmental Intelligence

- Weather Tracking
- Climate Analysis & Monitoring
- Space Environment Monitoring



Precision Instruments

- Vision Enhancement Systems
- Precision Structures
- Precision Optics
- Integrated Power Solutions

MISSION-CRITICAL, AFFORDABLE AND READY-NOW SOLUTIONS

Night Vision and Imaging



GORGON STARE

- Real-time video surveillance of wide areas
- COTS hardware solutions with innovative dissemination software



ENHANCED NIGHT VISION GOGGLE (ENVG)

- Sensor-fused, helmet-mounted visioning
- Combines image intensification and infrared images

Intelligence, Surveillance and Reconnaissance



ADVANCED BASELINE IMAGER (ABI)

- Provides weather images used by National Weather Service
- Next generation of performance



ENHANCED VIEW

- Commercial images with greater than 0.5 meter resolution
- International market is emerging

Positioning, Navigation and Timing



GLOBAL POSITIONING SYSTEM (GPS)

- Part of every GPS system since inception
- Over 500 cumulative years of mission success



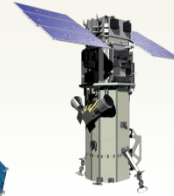
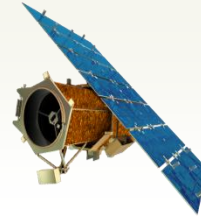
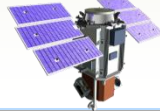
GPS ADVANCED CONTROL SEGMENT (OCX)

- Ground control segment for GPS 3
- Leveraging our M-code knowledge

HISTORY OF PERFORMANCE, INNOVATION AND ADAPTABILITY

1960: Earth Observation Imaging

High-resolution sensors or telescopes for US-based observation systems



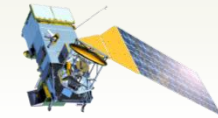
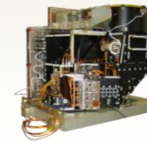
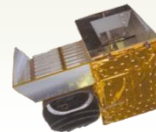
2009: Airborne Surveillance

Wide area full-motion-video from unmanned aerial platforms



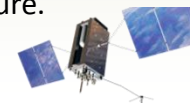
1964: Environmental Satellites Images and Sounders

Critical, timely weather imagery for forecasting and severe event tracking



1978: Global Positioning System

Delivered more than 50 payloads - 500 years of on-orbit life without a single mission failure.



2010: OCX

GPS Advanced Control Segment



1960

1970

1980

1990

2000

2011

1977: Data and Workflow Management



IDL Programming - 1977



ENVI Software - 1994



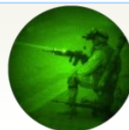
ITT VIS / ESRI - 2007



Echostorm - 2010

1959: Night Vision Goggles

Over 860,000 goggles delivered to customers to date.



2005: Enhanced Night Vision Goggles

Fusion of image intensification and infrared imagery.

KEY STRATEGIES AND OPPORTUNITIES

Strategies	Opportunities
Expand GS Presence in the Airborne Intelligence Surveillance and Reconnaissance (ISR) Market	<ul style="list-style-type: none">▪ Increasing Numbers of Airborne Platforms▪ Customer Requirements Driving Toward Quickly Fielded and Flexible Solutions
Continue Investment in Information Processing, Exploitation and Dissemination (PED) Products	<ul style="list-style-type: none">▪ Near-Real-Time Processing and Exploitation of Large Volumes of Data is Most Pressing Customer Need▪ Customers Seeking Ready-Deployable Standards-Based Solutions for Content Management
Maintain and Grow Core Business	<ul style="list-style-type: none">▪ Demand Continues for GS Legacy Products▪ Competitors Not Keeping Pace with Customer Needs

GS is focusing on customers' priority requirements, rapidly growing information exploitation needs and maintaining our core business



Electronic Systems

Chris Bernhardt, President

October 14, 2011

DIVERSIFIED PORTFOLIO



Electronic Warfare

- Rotary/Fixed Wing (Manned, UAV), Ship, Ground Vehicles and Counter-IED (Vehicle, Man, Riverine, Fixed), Networked CIED



Reconnaissance, Radar and Acoustic Systems

- Electronic & Acoustic Signal Surveillance, Mobile ATC, SAR, Long Range Radar for Ground, Sea, Undersea, Air, UAV Applications



Integrated Systems

- Weapon Carriage/Release Systems for Tactical, Littoral ASW and UAV Systems



Communications

- Tactical, Affordable JTRS, Mobile Network, Satellite, IA and C4 Solutions



Composites

- Design, Fabrication and Assembly of Complex Aero-Structures

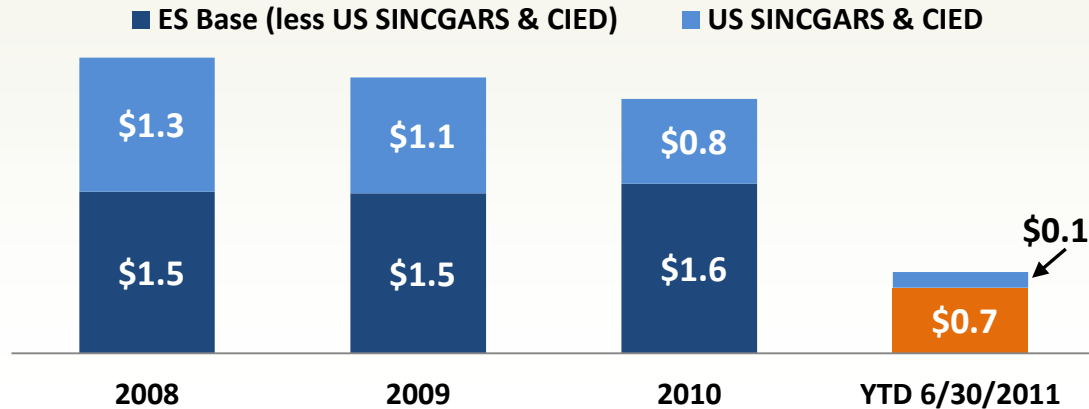


Commercial Applications of Defense Technology

- Application of Piezo Electric Devices to Energy Harvesting/Cancer Treatment

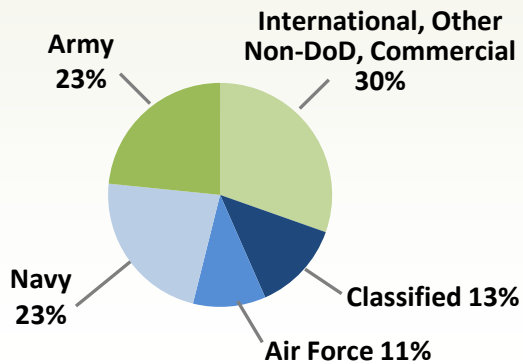
ELECTRONIC SYSTEMS OVERVIEW

Historical Revenue (\$B)

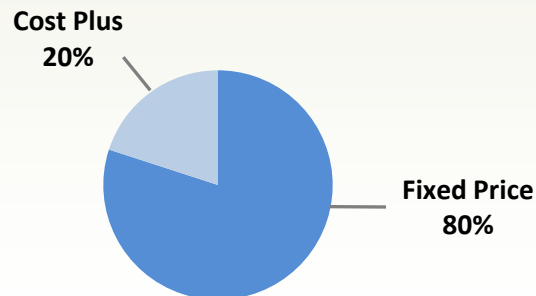


Revenue Mix - 2010

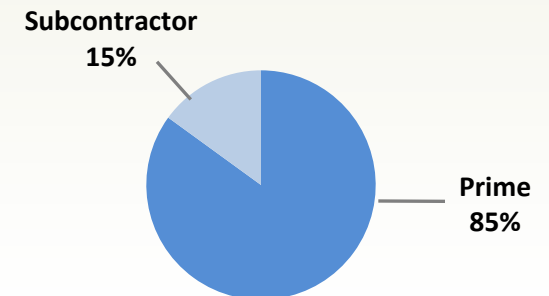
Customers



Contract Type



Contract Position



MISSION-CRITICAL, AFFORDABLE AND READY-NOW SOLUTIONS

Networked Communications



SIDEHAT®

- Simple-to-install software-defined radio module
- Attaches to existing SINCGARS, most widely fielded combat radio
- Immediately enables Soldier Radio Waveform



GNOMAD

- Secure and reliable satellite communications while mobile
- Open architecture, integrating COTS components
- Rugged system for use in of military and government vehicles



SMART PHONE FAMILY

- Secure exploitation of commercial Smart Phone technology
- Multiple Government sponsors, successful field test results
- Custom/purpose built for High Profile, Senior-level Executive Branch and Special Users

Electronic Warfare



JCREW I1B1 (CREW 3.3)

- Builds on battle-tested CREW 2.1 Counter IED system
- Multiple domain applications for distributed, networked sensors
- Designed to quickly adapt to constantly evolving threats

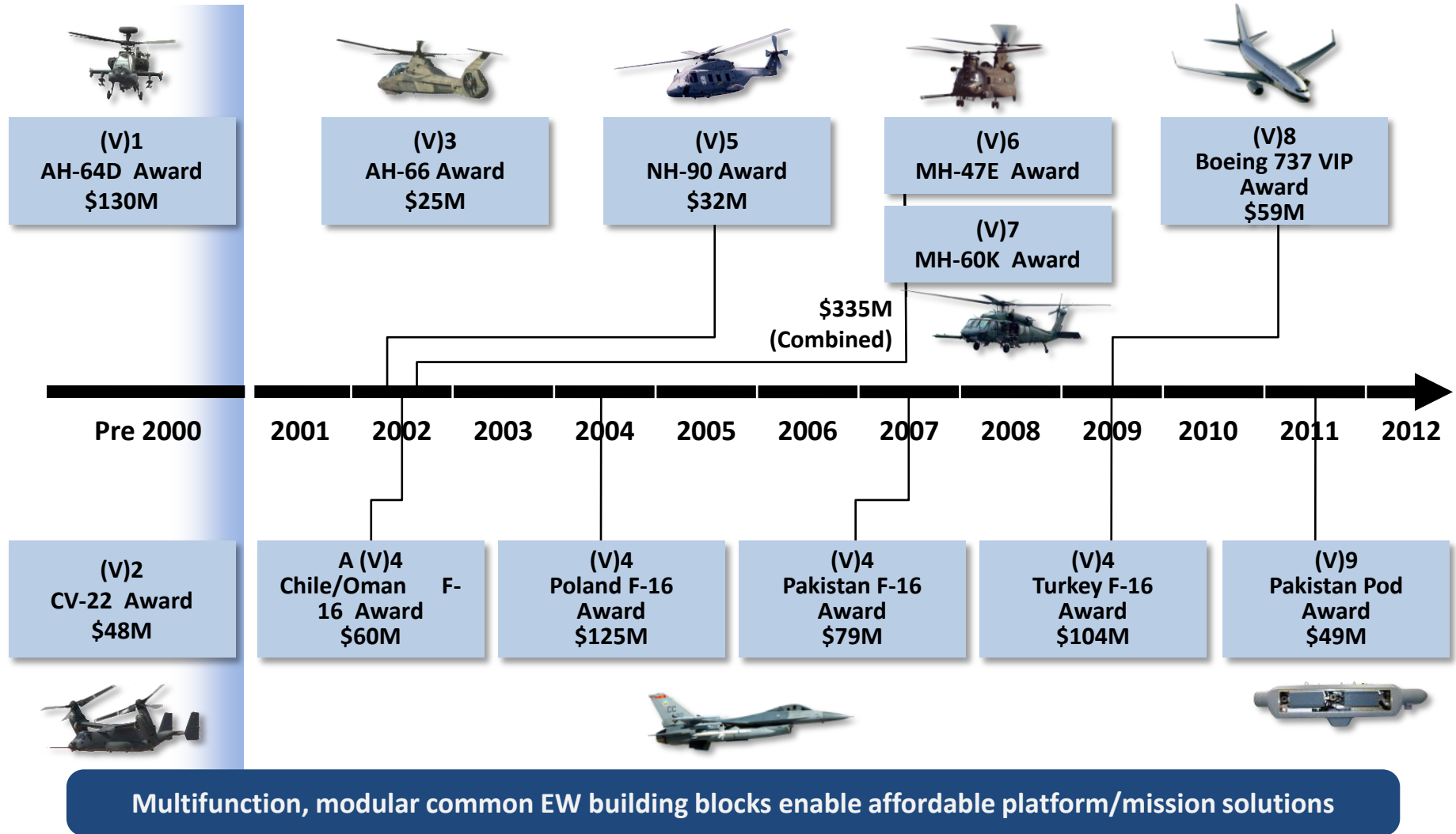


ALQ-211 (V1-V9)

- Modular, scalable systems tailored for platform protection
- Internal and pod mounted applications
- International applications

HISTORY OF PROGRAM PERFORMANCE

ALQ-211 MODULAR, SCALABLE FAMILY OF SYSTEMS (SIRFC)

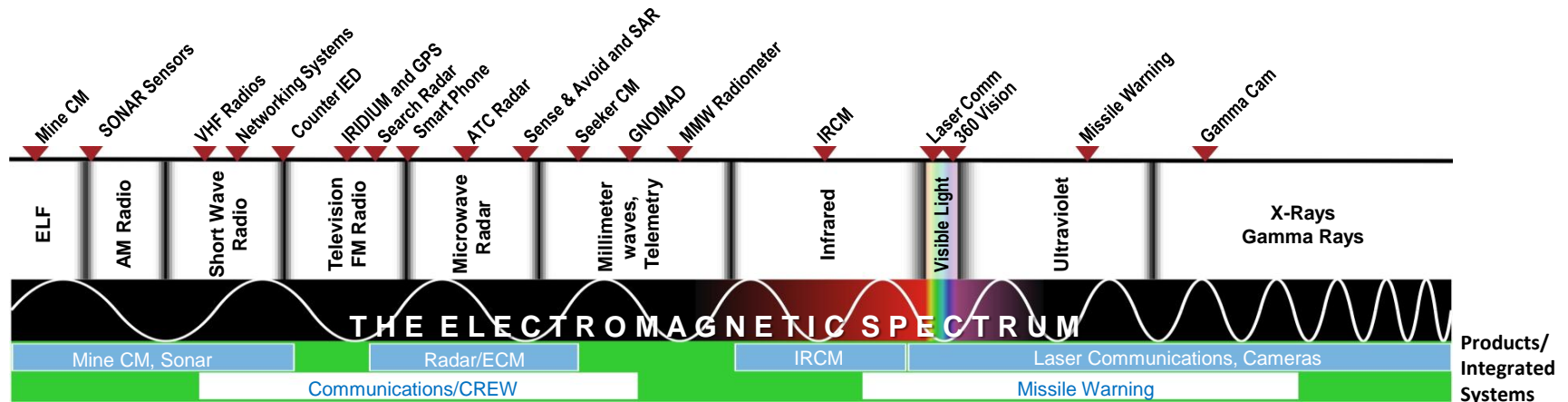


BROAD DOMAIN POSITIONS

Business Areas \ Platforms Domains	Air							Sea				Ground					Space			Other		
	Strategic	Tactical	Rotary	Fixed Wing	Unmanned	Classified	Commercial	Surface	Subsurface	Unmanned	Classified	Vehicle	Manned	Fixed	Network	Commercial	Weather	Other	Commercial	Medical	Energy Harvesting	Commercial
Integrated Electronic Warfare Systems	●	●	●	●	●	●	●	●		●		●				●	●	●	●			
Airborne Electronic Attack		●		●	●	●																
Counter Improvised Explosive Devices						●						●	●	●	●							
Communications		●										●	●	●	●	●						
Structures		●	●	●	●		●															
Radar, Recon, & Acoustics		●		●	●	●		●	●	●	●									●	●	●

Diverse domain, platform positions aligned with services' transformational and modernization needs

BROAD SPECTRUM CAPABILITIES



- Robust capabilities to protect against a variety of threats and improve survivability, situation awareness/understanding and communications
- Strong intellectual property and deep technology expertise driving new product development and modernization
- Diversified and ready-now solutions

Available system/product solutions for present/future war fighting needs across the entire electromagnetic spectrum

KEY STRATEGIES AND OPPORTUNITIES

Strategies	Opportunities
Leverage Our Modular, Scalable, Platform Agnostic Solutions	RFCM, C-IED, Airborne EW, ATC Radar, IRIDIUM, Weapons Carriages, SINCGARS/ Bowman, Composites
Protect /Expand the Core with Lower Cost, Capability Improvements	EW, ATC Radar, Composites, International, Classified
Exploit Commercial Technology into Defense/ Government Markets	GNOMAD, Smartphone, Information Assurance Products, Commercial Aerospace Composites
Parlay Defense Capabilities into Commercial Segments	NovoCure, Energy Harvesting, Medical Products
Exploit Capability Gaps, Affordability Problems and Schedule Delays in PORs with Affordable, Ready Now Solutions	SideHat®, Iridium, Rifleman Radio, Secure Smartphone, Soldier Radio
Sustain Flexible Business Model and Leading Edge IP	Improved Cost/Facility Structure, Productivity and Adaptive Business Models

Proven strategies and diverse portfolio aligned with changing customer and market needs

Break

Information & Technical Services (I&TS)

Mike Wilson, Information Systems President

Ken Hunzeker, Mission Systems President

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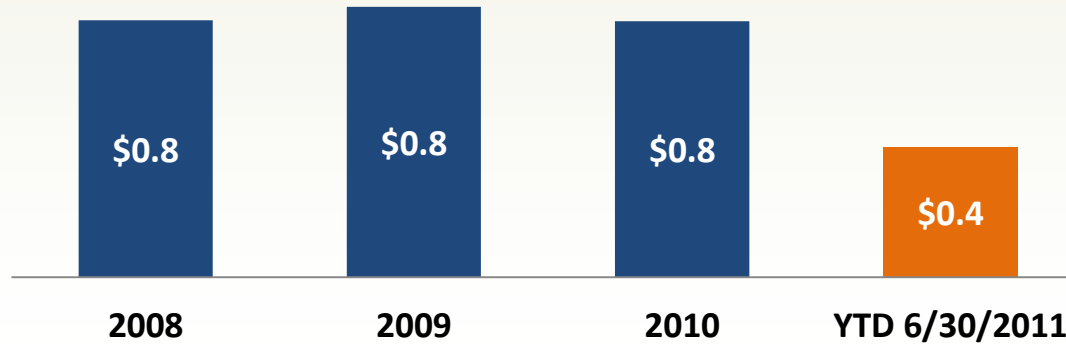
Information Systems

Mike Wilson, President

October 14, 2011

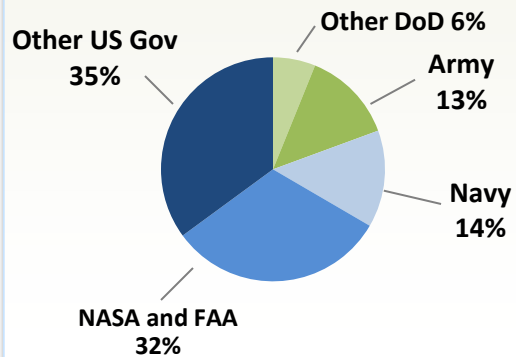
INFORMATION SYSTEMS OVERVIEW

Historical Revenue (\$B)

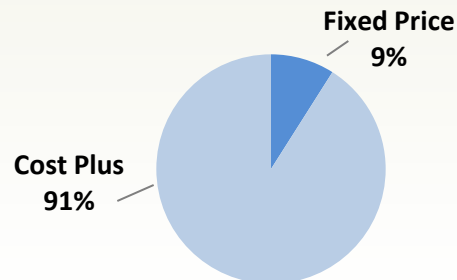


Revenue Mix - 2010

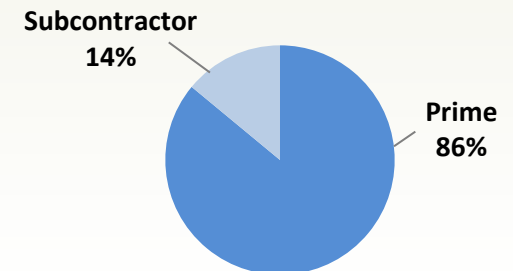
CUSTOMERS



CONTRACT TYPE



CONTRACT POSITION



DIVERSIFIED PORTFOLIO



Advanced Information Systems

- High-End Services
- Information-Enabled Mission Solutions



Air Traffic Management







- Enterprise ATM Solutions
- Aviation Information Systems



Network Systems

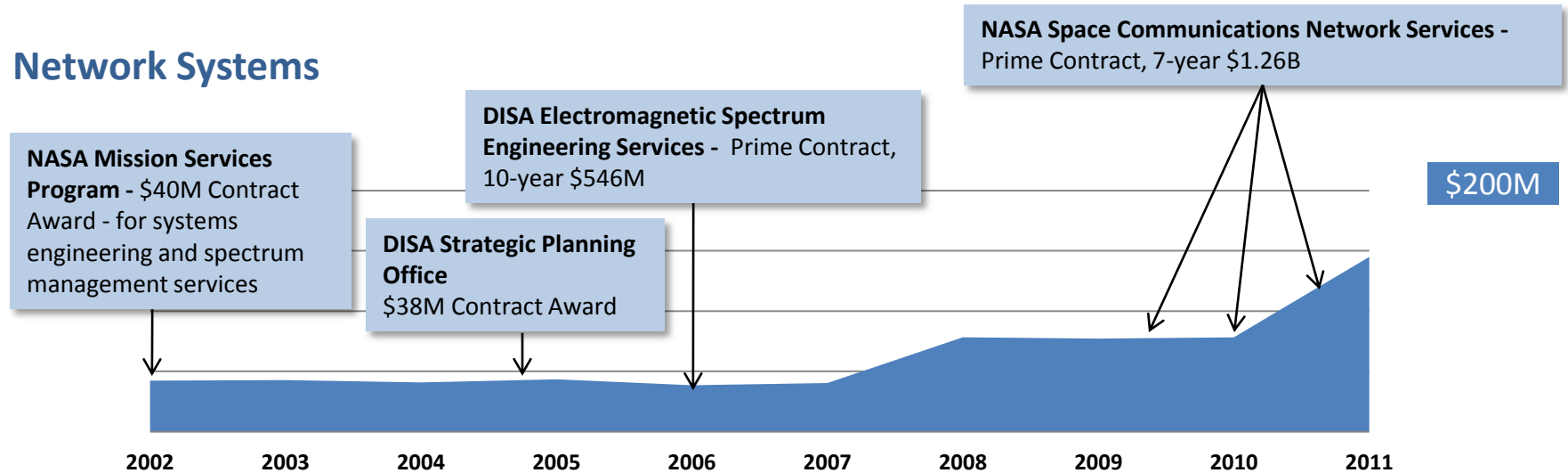
- Enterprise Communication System Services
- Satellite Ground Systems

KEY CAPABILITIES FOR ENDURING MARKETS

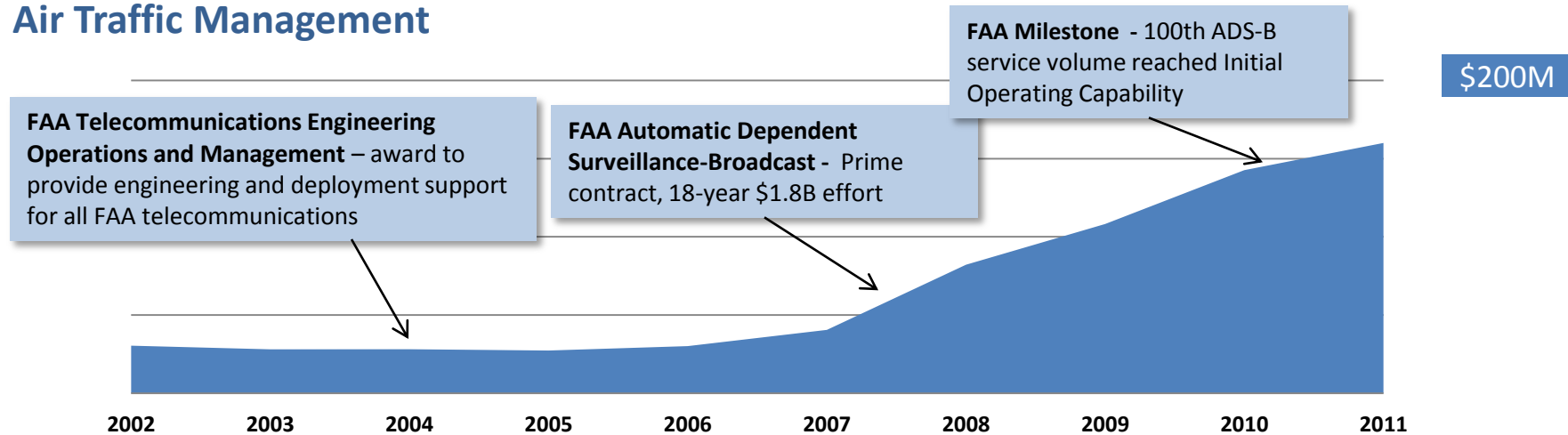
<p><i>Advanced Information Systems</i></p>	 	<p>SECURE SOLUTIONS</p>	<ul style="list-style-type: none"> ▪ Agile support to customer needs ▪ Hardware, software, and specialized systems ▪ Servicing broad customer set in DoD and Intel Community
<p><i>Air Traffic Management</i></p>	 	<p>ATM SYSTEMS AND AVIATION SOLUTIONS</p>	<ul style="list-style-type: none"> ▪ Integration of ADS-B and legacy surveillance feeds creates real time operational picture of US airspace ▪ Enables flight optimization for operational efficiency and safety ▪ Software-as-a-service applications to improve the efficiency and safety of airport and airline operations
<p><i>Network Systems</i></p>	 	<p>SPACE COMMS NETWORK SERVICES</p>	<ul style="list-style-type: none"> ▪ Operational performance of space and ground network assets ▪ Technology insertion extending operational lifespan of network ▪ Mission scheduling, analysis, and trending
		<p>JOINT SPECTRUM CENTER</p>	<ul style="list-style-type: none"> ▪ Development of national spectrum management infrastructure ▪ Management of spectrum relocation activities for DoD ▪ National and international policy support

CAPABILITY – CUSTOMER ENGAGEMENT – GROWING POSITION

Network Systems



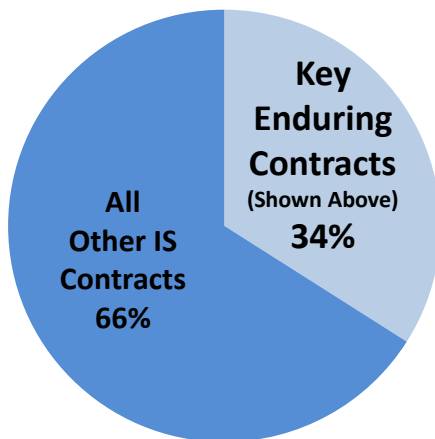
Air Traffic Management



ENDURING CUSTOMER ENGAGEMENT

Contract	Value	2007	2008	2009	2010	2011	2012	2013	2014	2015	
ADS-B	\$1.8B	Contract Duration: 18 years									
DISA ESES/SPO	\$0.6B	Contract Duration: 10 years									
SCNS	\$1.3B	Contract Duration: 7 years									
FAA Telecom	\$0.5B	Contract Duration: 10 years									
Navy Research Lab	\$0.3B	Contract Duration: 38 years – so far									

IS 2011E Revenue



Growing Business outside DOD

- Over the past five years our NASA and FAA business has grown from \$45M to \$250M (14% to 31% of IS sales)
- Opportunity for continued growth in these markets
 - NextGen programs: DCIS and NVS
 - NASA

AIR TRAFFIC MANAGEMENT

- NextGen is a comprehensive transformation of the national air transportation system
- Will allow more aircraft to safely fly closer together on more direct routes and airlines to be more energy efficient

KEY STRATEGIES AND OPPORTUNITIES

Strategies	Opportunities
Expand Our Global Participation in ATM Solutions	Prime Contracts in Support of FAA Nextgen Roadmap and Select Global Opportunities
Apply Large Data Surveillance to Improve Efficiencies for Airlines and Airports	Increasing Global Travel Creates Demand For Safe and Efficient Operations
Sustain Our Diverse High-End Engineering Services Business	Repeat Performance and Agile Response to Customer Needs
Expand Our Communications Ground Systems Market Presence	Prime Contracts in NASA and Air Force



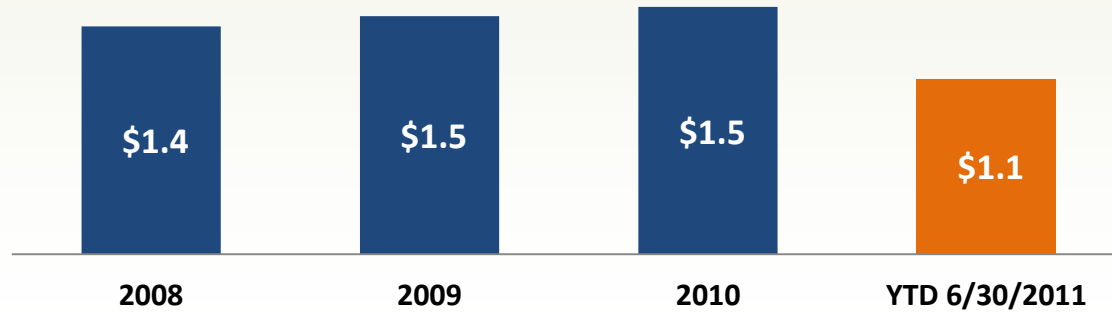
Mission Systems

Ken Hunzeker, President

October 14, 2011

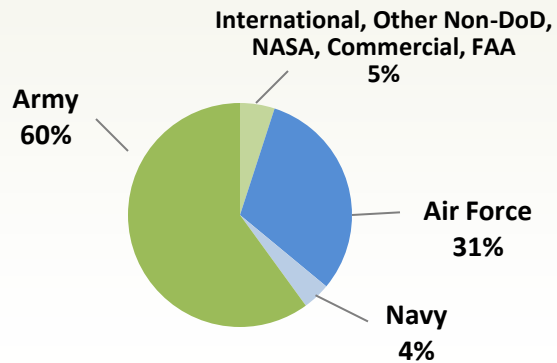
MISSION SYSTEMS OVERVIEW

Historical Revenue (\$B)

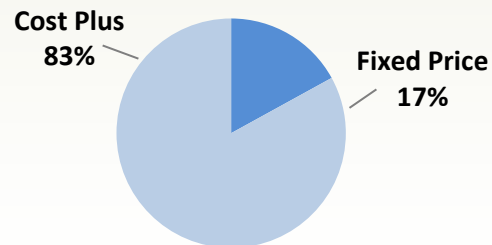


Revenue Mix - 2010

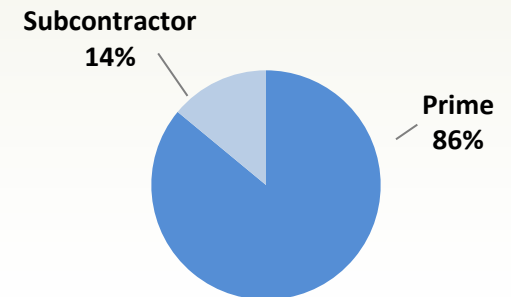
CUSTOMERS



CONTRACT TYPE



CONTRACT POSITION



DIVERSIFIED PORTFOLIO – CAPABILITY & GEOGRAPHY-BASED

Space Ground & Range Systems

Communication Information Systems

Middle East Programs

*Afghanistan
Programs*

*United States & Europe
Programs*



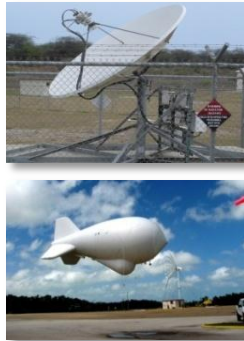
DIVERSIFIED PORTFOLIO – DIVERSE CAPABILITIES

Space Ground & Range Systems



- Sustainment/Modernizations of Launch Range Systems & Equip
- System Engineering/Information Assurance
- Instrumentation Modernization – Radar, Command, Telemetry
- Ops Services for US Navy's Largest Instrumented Missile Range
- Base Operations and Support
- Operate & Maintain Radar, Communications, Telemetry Systems

Communication Information Systems



- Full Range of Information Technology Services
- Protect and Defend the Network
- Logistics and Maintenance
- Radar Surveillance of low flying aircraft-Maintain Air Sovereignty
- Operations, Maintenance, and Logistics Support
- Life-cycle Management

DIVERSIFIED PORTFOLIO – DIVERSE SERVICES

Middle East Programs



- Full-Spectrum Life-Support and Base Operations Services
- Base Security Services
- Public Works, Emergency Services and Soldier Morale Services
- Maintain Combat Readiness of Tactical Equipment Sets
- Theater Retrograde Operations and Direct Theater Support
- Retail and Wholesale Supply

Afghanistan Programs



- Facility O&M and Facility O&M Training
- Supply Chain Management - Warehousing and Transportation
- Logistics and Base Operations and Services
- Critical Life-Support Services – Fire-Fighting and Prevention

United States & Europe Programs

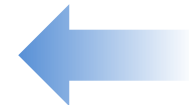
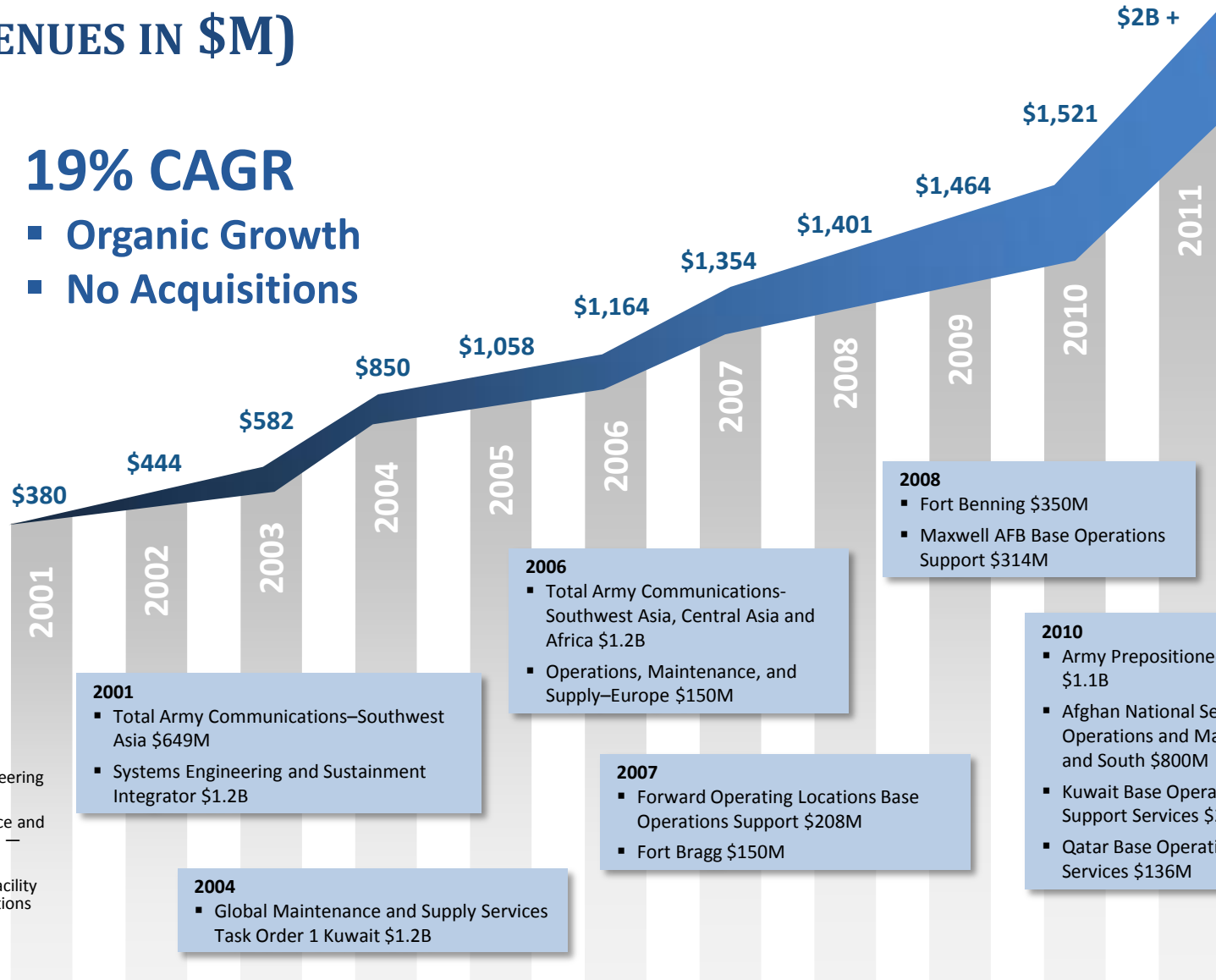


- Full-Spectrum Mission and Training Transportation Support
- Maintain Readiness of Installation Vehicles and Equipment
- Central Issue Facility (CIF), Supply Support Activity (SSA), IPBO
- Full Service Facilities/Civil Engineering/Minor Construction
- Military Community Support

HISTORY OF PROGRAM PERFORMANCE (REVENUES IN \$M)

19% CAGR

- Organic Growth
- No Acquisitions



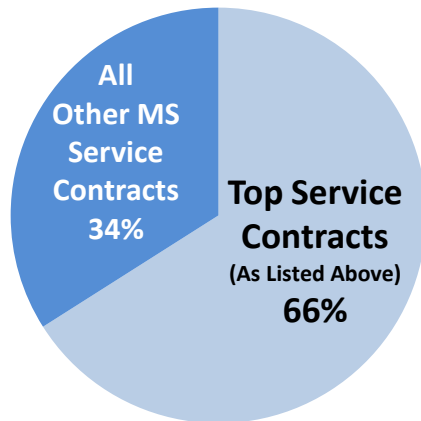
Legacy Programs

- K-Town Facilities Engineering Services— 35 years
- Operations Maintenance and Supply—Southwest Asia — 16 years
- Pacific Missile Range Facility Range and Base Operations Support—13 years
- Spacelift Range System Contract—11 years

MAJOR SERVICE CONTRACTS

Contract	Value	2007	2008	2009	2010	2011	2012	2013	2014	2015	
KBOSSS	\$1.3B										
APS-5	\$1.1B										
ANSF (N&S)	\$0.8B										
SENSOR	\$1.2B	Contract Duration: 18 years									
SLRSC	\$1.5B	Contract Duration: 10 years									
TAC-SWACAA	\$1.9B	Contract Duration: 7 years									

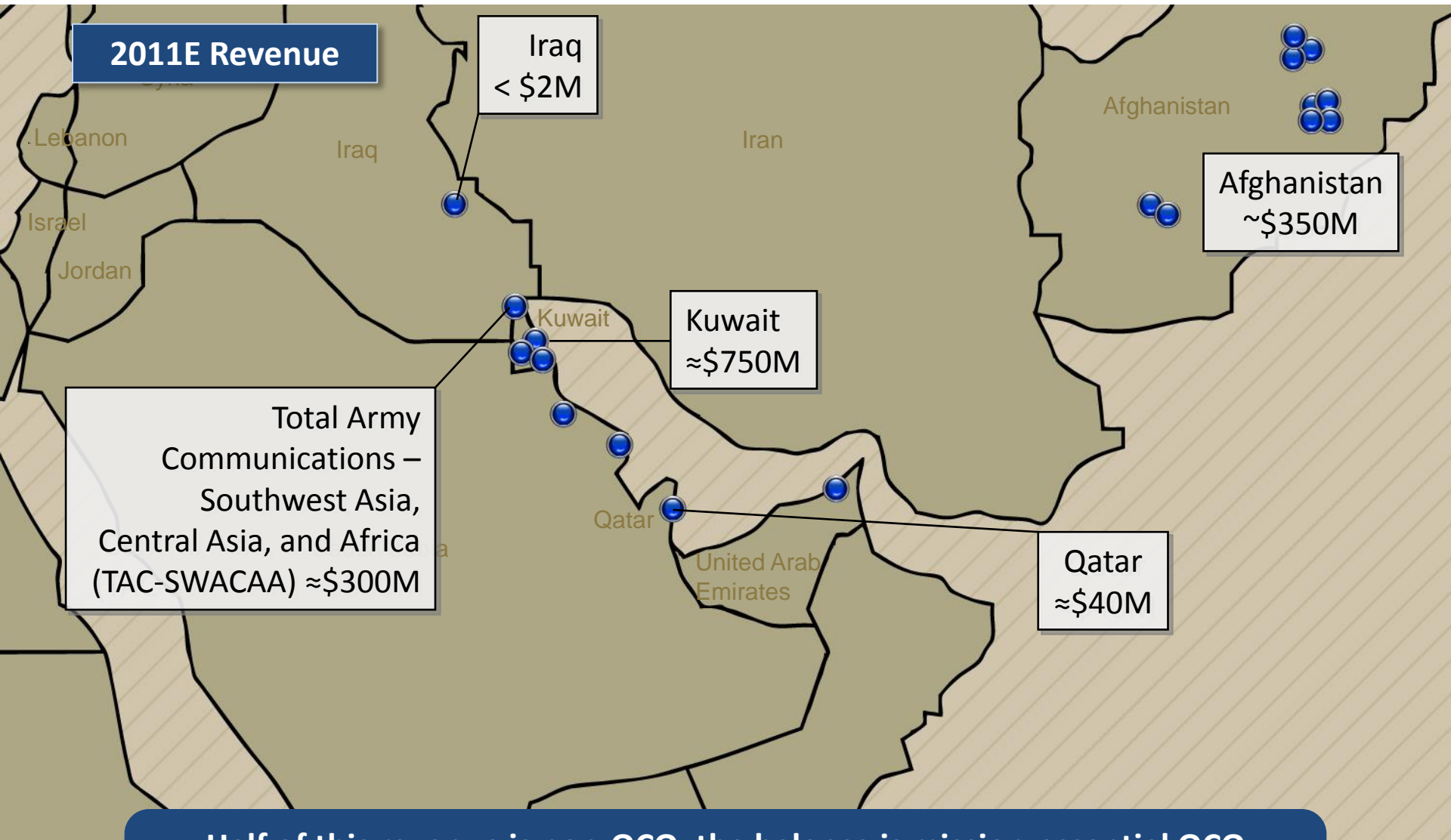
MS 2011E Revenue



Overseas Contingency Operations (OCO) Exposure

- 20-25% of annual revenue tied to OCO funding
 - Subcontractor on LOGCAP IV
 - Prime on ASFF funded ANSF-North & -South
- In-theater support has surged with op-tempo
 - Revenue deltas due to troop drawdown accounted for
 - Legacy, enduring programs funded at reduced levels
- Well-positioned for post-conflict support through extensive base operations foothold

ENDURING & MISSION-ESSENTIAL WORK IN THE MIDDLE EAST



Half of this revenue is non-OCO; the balance is mission-essential OCO

KEY STRATEGIES AND OPPORTUNITIES

Strategies

- Continue Dominant International Presence
- Expand Navy / Air Force Presence within DoD
- Increase Proportion of US Government Civilian Agency Work
- Heighten Focus on US-based Programs
- Achieve Prime Positions on IDIQ contracts

Addressable Markets

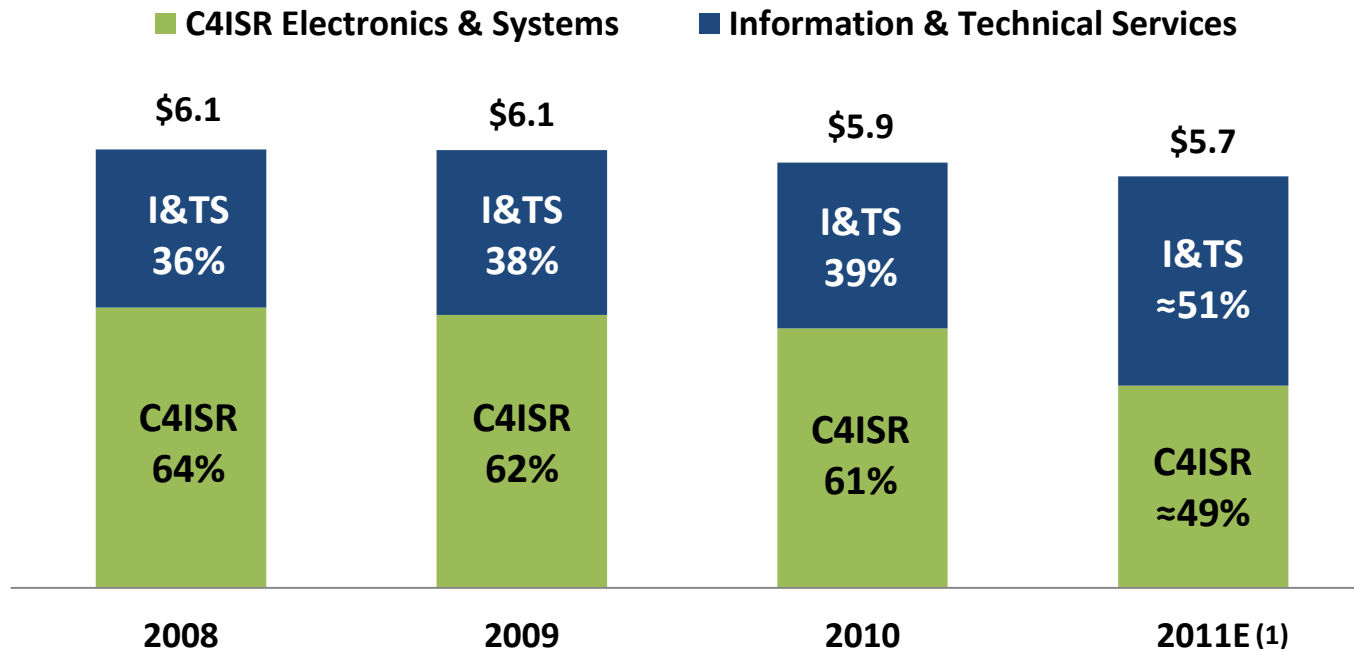
- Base Operations & Security Services
- Operations, Maintenance and Logistics
- Secure Communications Services
- Infrastructure Maintenance
- Maintenance and Transportation Services
- Public Works

Financial Highlights

Peter Milligan, Chief Financial Officer

October 14, 2011

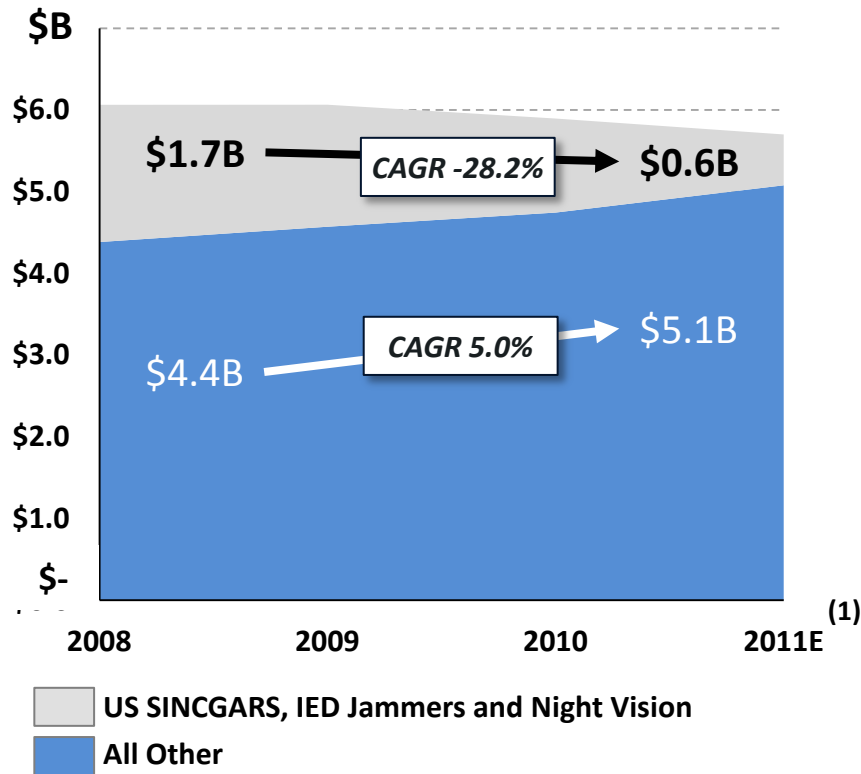
EXELIS REVENUE OVERVIEW (\$B)



- 2011 coming in strong due to large service task orders
- 2012 pressure in line with overall industry
- Longer term, well positioned to gain share in an uncertain market

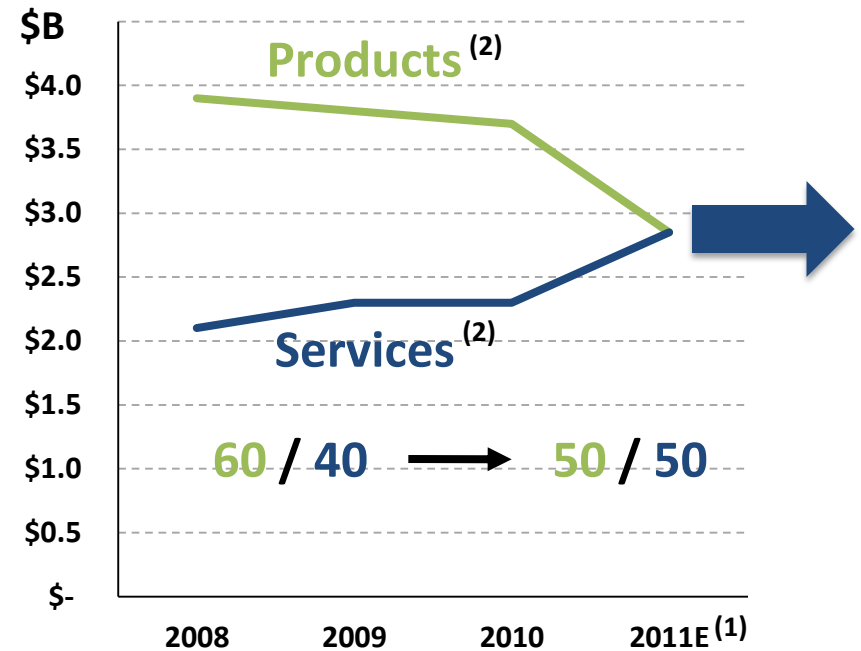
Significant revenue mix shift between C4ISR and I&TS in 2011

EVOLVING REVENUE MIX—BALANCE OF PRODUCTS AND SERVICES



“All other” represents 90% of 2011 revenue and is well positioned for continued market-share growth

(1) 2011E Guidance as previously provided on July 29, 2011



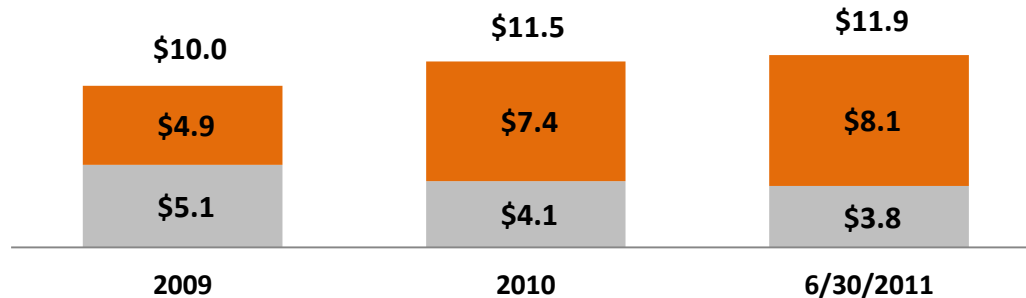
Service mix anticipated to remain in the ratio seen in 2011

(2) Product and service revenues serve as a close proxy for fixed price (product) and cost plus (service) revenues

STABLE BACKLOG DRIVES PREDICTABLE REVENUES

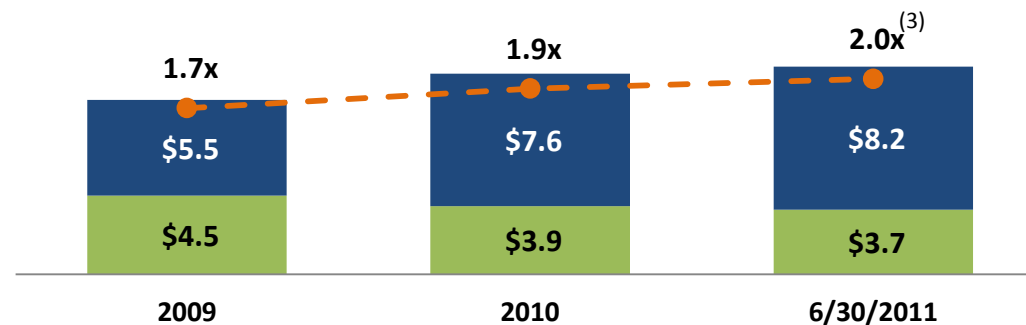
Funded & Unfunded Backlog (\$B)

■ Funded Backlog ■ Unfunded Backlog⁽¹⁾



C4ISR & I&TS – Total Backlog⁽²⁾ (\$B)

■ C4ISR ■ I&TS —●— Total Backlog / Revenue



- Change in funded backlog driven by delivery of the “Big 3” products
- Total backlog benefits from growth of I&TS business

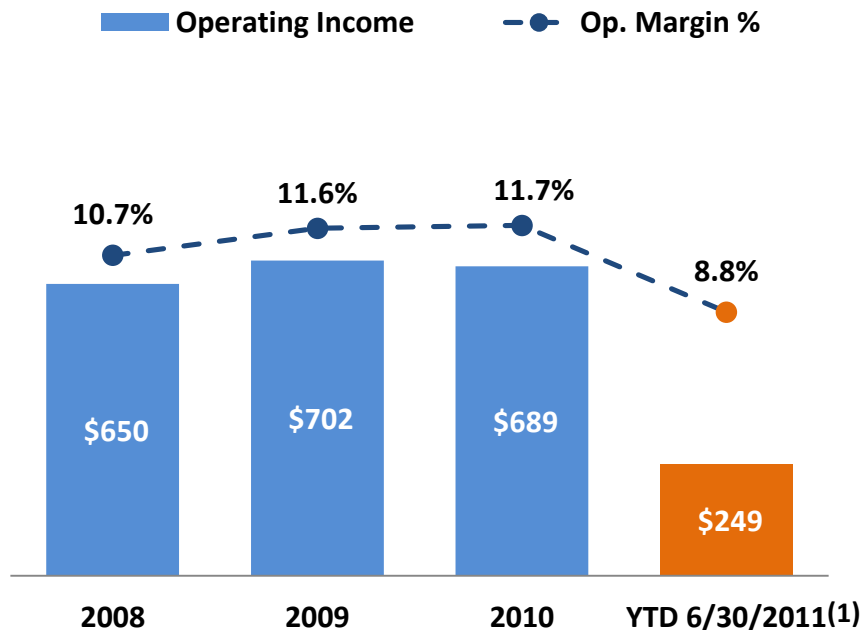
(1) Unfunded backlog represents firm orders and potential options on multi-year contracts, excluding protested awards and potential orders under IDIQ contracts

(2) Total Backlog includes unfunded awards

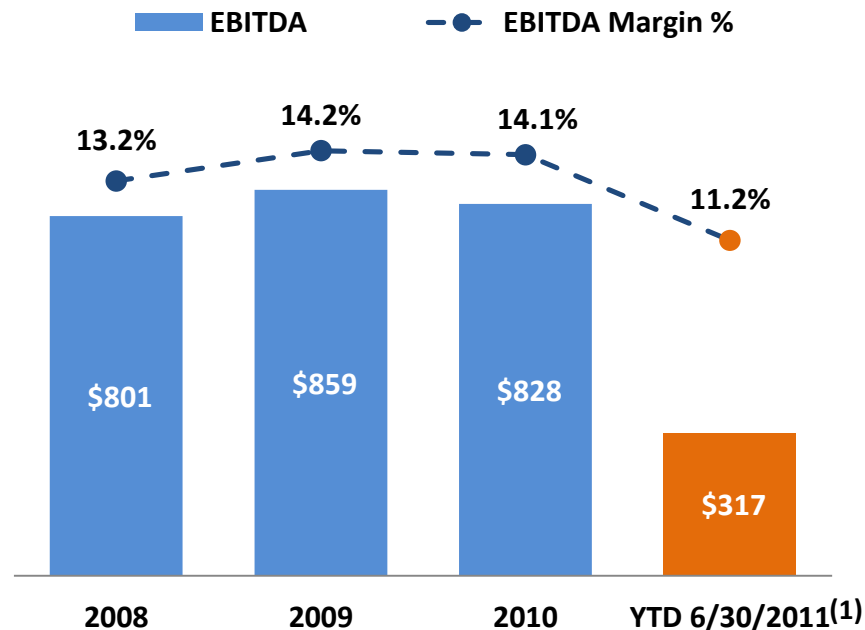
(3) Total Backlog to Revenue Ratio Estimate based on 6/30/2011 LTM Revenue

EXELIS OPERATING INCOME & EBITDA OVERVIEW

Operating Income (Pro Forma, \$M)



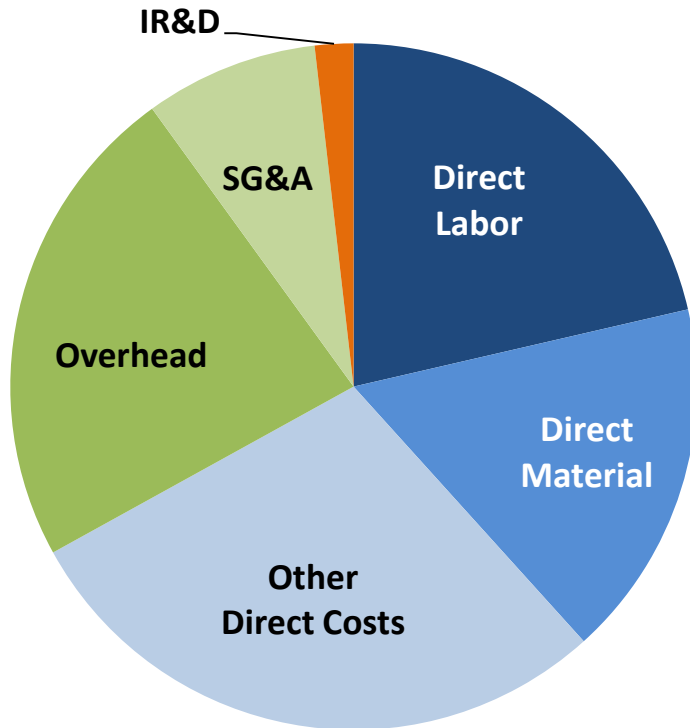
EBITDA⁽²⁾ (Pro Forma, \$M)



Revenue mix shift and postretirement expense drive 150 – 170 bps of full year margin decline (2011 vs. 2010)

FLEXIBLE & CONTROLLABLE COST STRUCTURE

Cost Structure 2011E



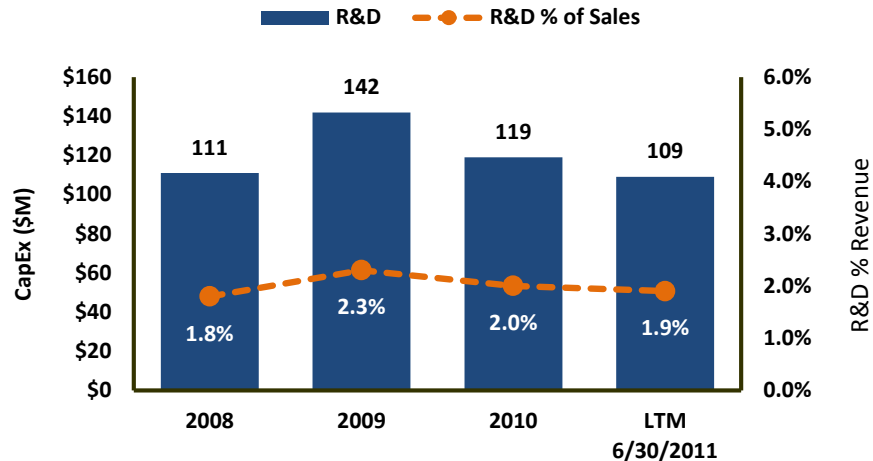
Drivers

- Monitoring direct labor utilization drives ongoing optimization of workforce
- Material purchased when contracts are placed—results in minimal inventory risk
- Other direct costs largely relates to contract labor within the I&TS business
- >40% of overhead is fringe costs driven by headcount

Substantial portion of overall cost structure is variable

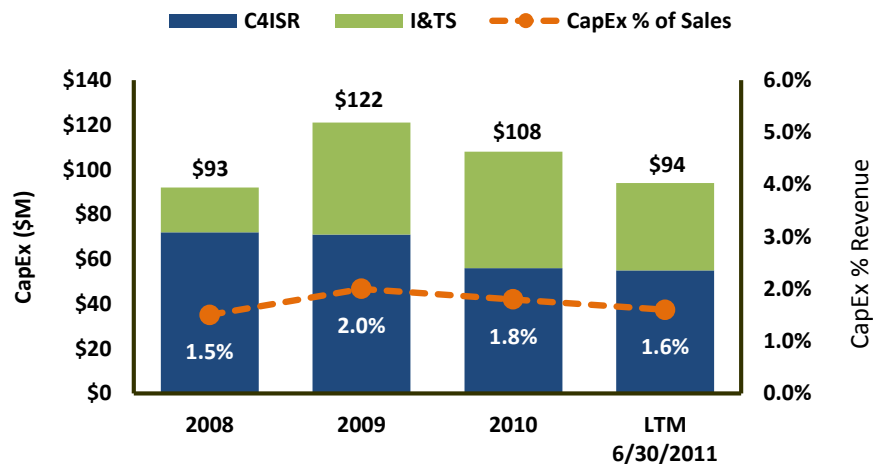
WELL-ALIGNED INVESTMENTS FOR GROWTH

Research & Development



- Targeted investments focused on:
 - ISR
 - Next Generation Electronic Warfare
 - Innovative Communication Solutions
 - Aerostructures
 - Air Traffic Solutions

Capital Expenditures



- ADS-B infrastructure investments drive I&TS capital expense
- Capital within C4ISR businesses driven by growth areas and productivity improvements
- Expected reinvestment ratio < 1

EXELIS FREE CASH FLOW OVERVIEW

- Free cash flow conversion \approx 100% of net income excluding pension contributions
- Pension funding profile⁽¹⁾ characterized by:
 - Unfunded liability of \approx \$1B expected to be funded over the next four years
 - Plan expected to be fully funded in 2015 with average contributions of \$0.2B-\$0.3B per year (before tax benefit)
 - Current P&L non-cash pension expense \approx \$0.1B
- Annual dividend anticipated to be \$76M
- Expected tax rate in 36% - 38% range

CAPITAL STRUCTURE

Capital Summary (\$M)

	<u>Pro forma</u> ⁽¹⁾	
Total cash	\$200	
Short-term debt	\$240	11.3%
Long-term debt	\$650	30.5%
Total debt	<u>\$890</u>	41.7%
Total shareholders' equity	\$1,242	58.3%
Total capitalization	\$2,132	100.0%
Net Debt (Excl. Pension)	\$690	

(1) As of June 30, 2011; see Form 10 for detailed notes to financial statements

Strong Liquidity Position

- Expected cash position of \$200M at spin
- \$600M four-year revolving credit facility
- Anticipated CP access
- Long-term debt composition:
 - \$400M due 2021 @ 5.550%
 - \$250M due 2016 @ 4.250%
- Intense focus on working capital

Well-capitalized balance sheet and strong liquidity position

EXELIS FINANCIAL HIGHLIGHTS

- Diversified revenue base with balanced outlook given budget uncertainty
- Highly variable and controllable cost structure
- Conservative pension funding assumptions
- Attractive dividend

**Strong cash flow available for incremental growth
and return to shareholders**



Recap

David Melcher, Chief Executive Officer

October 14, 2011

EXELIS – INVESTMENT HIGHLIGHTS

- Diversified portfolio with attractive positions in enduring market segments
 - Leader in electronic warfare, ISR, navigation and information exploitation
 - Strong contract positions in essential government services
 - Growing non-DoD positions: air traffic management, aerostructures and international
- Mission-critical and affordable ready-now solutions
 - Leveraging agility, customer intimacy and deep technology expertise
 - Cost-efficient products and services
- Proven record of solid program performance and operational excellence
- Large fielded base and platform-agnostic solutions drive sustainable revenue
- Strong cash generation to complement well-capitalized balance sheet
- Experienced management team

Question & Answer

Katy Herr, Investor Relations

October 14, 2011

Question & Answer



Closing Remarks

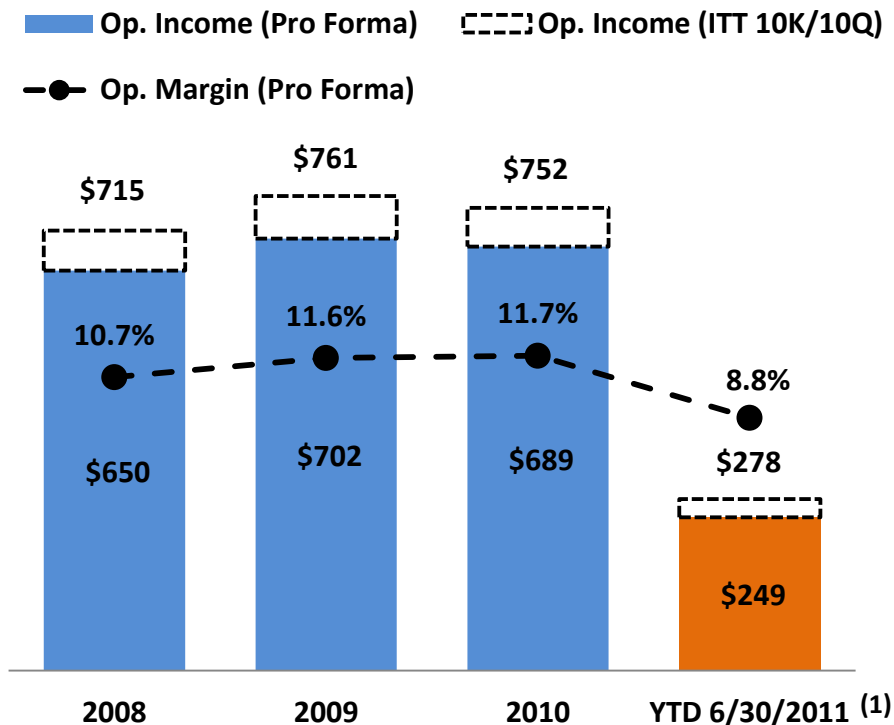
David Melcher, Chief Executive Officer

October 14, 2011

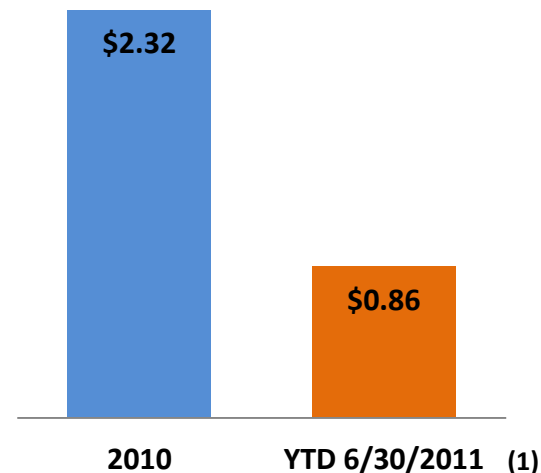
APPENDIX

OPERATING INCOME AND EPS

Op. Income: Pro Forma vs. ITT 10K/Q



Earnings Per Share – Pro Forma



Non-GAAP EBITDA RECONCILIATION

Year Ended December 31, (except YTD) <i>\$ in Millions</i>	2008	2009	2010	YTD 6/30/2011
ITT Exelis				
Operating Income	\$650	\$702	\$689	\$249
<i>Plus:</i>				
Depreciation & Amortization	\$151	\$157	\$139	\$68
EBITDA	\$801	\$859	\$828	\$317

ACRONYMS & ABBREVIATIONS

ABI	Advanced Baseline Imager	GPS	Global Positioning System
ADS-B	Automatic Dependent Surveillance - Broadcast	GS	Geospatial Systems
AFCAP	Air Force Civilian Augmentation Program	I1B1	Increment One Block One
ALQ-211 (SIRFC)	Suite of Integrated Radio Frequency Countermeasures	IDECM	Integrated Defensive Electronic Countermeasures
ANSF	Afghanistan National Security Forces	IDIQ	Indefinite Delivery, Indefinite Quantity
APS	Army Prepositioned Stocks	IED	Improvised Explosive Device
ASFF	Afghanistan Security Forces Fund	IP	Intellectual Property
ASW	Antisubmarine Warfare	IS	Information Systems
ATC	Air Traffic Control	ISR	Intelligence, Surveillance and Reconnaissance
ATM	Air Traffic Management	JCREW	Joint Counter Remote Control Improvised Explosive Device (RCIED) Electronic Warfare
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance	JTRS	Joint Tactical Radio System
CAGR	Compound Annual Growth Rate	KBOSSS	Kuwait Base Operations Support and Security Services
CIED	Counter Improvised Explosive Device	LOGCAP	Logistics Civil Augmentation Program
CIF	Central Issue Facility	MS	Mission Systems
COTS	Commercial Off-the-Shelf	NASA	National Aeronautics and Space Administration
CP	Cost Plus	NVS	National Airspace System (NAS) Voice Switch
CREW	Counter Remote Control Improvised Explosive Device (RCIED) Electronic Warfare	O&M	Operations & Maintenance
DCIS	Data Communications Integrated Services	OCX	Operational Control Segment
DISA	Defense Information Systems Agency	PED	Processing, Exploitation and Dissemination
DoD	Department of Defense	PNT	Positioning, Navigation, and Timing
ENVG	Enhanced Night Vision Goggle	Q-BOSS	Qatar Base Operations Support Services
ES	Electronic Systems	RFCM	Radio Frequency Countermeasures
ESM	Electronic Support Measures	S/W	Software
EW	Electronic Warfare	SCNS	Space Communications Network Service
FAA	Federal Aviation Administration	SINCGARS	Single Channel Ground and Airborne Radio System
FRP	Full Rate Production	SSA	Supply Support Activity
G&A	General & Administrative (expenses)	UAV	Unmanned Aerial Vehicle
GNOMAD	Global Network on the Move	WAN	Wide Area Network

APPENDIX

Presenting Management Biographies

David Melcher, Chief Executive Officer



- David F. Melcher is President of ITT Defense & Information Solutions, ITT's portfolio of businesses serving the defense and aerospace markets. He is also a corporate Senior Vice President and a member of the company's Strategic Council.
- He joined ITT Defense in August 2008 as Vice President of Strategy and Business Development, where he was responsible for continuing to shape ITT Defense into an increasingly market-centric, customer-focused organization by leading domestic and international business development teams. ITT is a top tier U.S. defense contractor providing essential defense and security systems, advanced C4ISR technologies and operational services for military and civilian customers.
- Lieutenant General (Ret) Melcher joined ITT following 32 years of distinguished service in the United States Army. His career was highlighted by troop assignments including battalion and brigade command in Infantry and Armored divisions and high-level military leadership and staff positions. As a General Officer, he served as the Army's Military Deputy for Budget and Deputy Chief of Staff for Programs (G8) in the Pentagon, and as Commander of the Corps of Engineers – Southwestern Division in Dallas, Texas. He has more than 25 years of defense community experience in program management, strategy development and finance, working with key decision makers within the Army, Department of Defense, Office of Management and Budget, and Congress.
- Mr. Melcher holds a bachelor's degree in civil engineering from the U.S. Military Academy at West Point and two masters' degrees, including one in business administration from Harvard University and another in public administration from Shippensburg University.
- He is a former White House Fellow who served as the Executive Assistant for the Director, Office of Management and Budget in the White House. He currently serves on the Board of Directors of the White House Fellows Foundation and Association, and is a registered Professional Engineer in the State of New Hampshire. In 2009, he was selected to serve on the National Defense Industrial Association's Board of Trustees.

APPENDIX

Presenting Management Biographies

Peter Milligan, Chief Financial Officer



- Peter Milligan is Vice President and Chief Financial Officer for ITT Defense & Information Solutions. Peter has more than 20 years of diversified financial experience across a number of industries within leading Fortune 500 companies and public accounting firms. In his current role, he assists in advancing ITT's Defense business through a strategically aligned financial approach and he serves as a key member of the leadership team, with primary day-to-day responsibilities for planning, implementing, managing and controlling all finance-related activities.
- Previously, Peter served as the Vice President and Controller for ITT Electronic Systems. In this role he was responsible for managing all aspects of the finance function including program finance, budgeting, forecasting, reporting monthly/quarterly results and contract proposal pricing. He also played a significant role in the successful integration of the majority of ITT's December 2007 acquisition of EDO Corp. Prior to that, Peter led ITT's Investor Relations organization where he was responsible for communication of the company's financial and strategic direction to the external financial community.
- Before joining ITT, he was Vice President of Finance for AT&T, where he led the Investor Relations function through numerous capital market transactions, including the company's merger with SBC Communications. Prior to that, he worked as a Director of Tax where his responsibilities included tax research and planning relating to mergers, acquisitions, dispositions, joint ventures and on-going corporate operations.
- Peter began his career in public accounting working for Price Waterhouse and Arthur Andersen.
- Peter holds a M.B.A. from New York University with a concentration in finance and economics, a M.S. in taxation from Seton Hall University and a B.A. in accounting from Hofstra University.

APPENDIX

Presenting Management Biographies

John Shephard, Senior Vice President - Strategy and Corporate Development



- John joined ITT in April 2009. His areas of responsibility include strategy, planning, and mergers & acquisitions for ITT's Defense and Information Solutions Group. He also led ITT Corporation government relations from April 2009 to September 2010, and global business development from April 2009 to April 2011.
- Prior to joining ITT, John was CEO of Pallas-Athena Group based in Williamsburg, Va., where he provided strategic, financial, and operations consultation to clients including start-ups and emerging technology-based ventures, private equity funds and Fortune Global 500 corporations.
- Previously, he was President, Newport News Industrial Co., and Sector Senior Vice President, Operations, Northrop Grumman-Newport News, where he led operations for a \$3 billion business sector that designs, builds and maintains nuclear-powered aircraft carriers and submarines. Ships produced during his tenure include the nuclear-powered carriers *U.S.S. Harry S. Truman*, *U.S.S. Ronald Reagan*, and *U.S.S. George H. W. Bush*, and several *U.S.S. Virginia* class submarines.
- Prior to that he served in a variety of leadership roles at Newport News Shipbuilding, Inc., to include Vice President, Manufacturing and Materials; Vice President, Strategy and Process Innovation; and Director, Strategic Planning.
- John began his work in industry at Tenneco, Inc., following a distinguished military career, which included command and staff assignments from platoon to division level, combat duty in Operation Desert Storm with the 101st Airborne Division, a NASA leadership post, and a teaching assignment at the United States Military Academy.
- John holds degrees from the U.S. Military Academy at West Point and the Massachusetts Institute of Technology, and was a White House Fellow. In 1999, the American Society of Engineering Management honored him as Engineering Manager of the Year.

APPENDIX

Presenting Management Biographies

Chris Young, President, Geospatial Systems



- Christopher Young is president and general manager of ITT Geospatial Systems. Young is responsible for managing a \$1.2 billion business for which his major areas of focus are strategic planning, business development, product development and operational excellence. Young has led the organization to be increasingly responsive to customer needs and has created a highly productive business environment that operates on innovation and integrity.
- Young has spent his career with ITT. Previously, Young was the president and general manager of ITT Space Systems Division, a position held since April 2006.
- Prior to this position, Young served as vice president and director for ITT Space Systems' Commercial & Space Sciences group in Fort Wayne, Indiana. In this position, he was instrumental in producing the Advanced Very High Resolution Radiometer (AVHRR) and High Resolution Infrared Radiation Sounder (HIRS) meteorological satellite instruments, which have become the world standard in weather imagery.
- In 2003, he was named director, Space Programs for ITT Aerospace/Communications Division. He served in a series of managerial and project engineering positions before he was named director of space engineering for Aerospace/Communications Division in 2001, where he was responsible for all space engineering activities, including process quality and process improvements. Young first joined the company's Aerospace/Communications Division in 1982.
- Young is a member of the Aerospace Industries Association (AIA) and the National Space Club. Young holds a Bachelor of Science degree in electrical engineering from the Ohio State University, and has taken graduate studies in the MBA program at Indiana University.

APPENDIX

Presenting Management Biographies

Chris Bernhardt, President, Electronic Systems



- Christopher Bernhardt is the President of ITT Electronic Systems – a \$1.7 billion leading global provider of advanced systems and technologies in the areas of: force protection/Counter-IED systems; integrated electronic warfare systems; tactical, satellite and special mission communications systems; C4 systems; reconnaissance, radar and acoustic systems; and integrated structures.
- Chris has more than 30 years of proven experience in the defense, aerospace and commercial electronics industries. He has held a broad array of leadership positions in the areas of general management (P&L), program management, business development, engineering, strategy development, M&A and operations with an emphasis on team building, technical innovation, process improvement, leadership development and customer satisfaction. Chris has also served in a dual role (from 2006 to 2008) as ITT Defense Vice President of Strategy/M&A and Business Development leading ITT Defense's organic and acquisitive growth from \$3.2Billion to \$6.4 billion, as a global supplier of defense systems and advanced technical and operational services.
- Prior to ITT, Chris served in executive leadership positions with General Electric Aerospace & Defense; Smiths Industries; Allied Signal as President Guidance and Controls; Litton Industries as President, Data and C3 Systems; and Stellex Technologies as Chairman, President and CEO.
- Chris holds a Bachelor of Science in Electrical Engineering from Duke University and an MBA in Finance and Marketing from Hofstra University. He is a graduate of ITT's Ashridge Management College, Wharton's Executive Finance Program and is a certified Value Based Six Sigma Green Belt. He is a member of AUSA, the Strategic Advisory Board of the Journal of Electronic Defense (JED), Navy league, Air Force Association, Association of Old Crows (AOC), Army Aviation Association of America, USMC Scholarship Association.

APPENDIX

Presenting Management Biographies

Mike Wilson, President, Information Systems



- Michael (Mike) Wilson is the President of ITT Information Systems – a leading provider of advanced systems and technologies in the areas of air traffic management, information and cyber solutions, integrated networked solutions, defense technologies and system engineering and integration. Headquartered in Herndon, VA, ITT Information Systems has a strong heritage of delivering world class technologies and solutions across a broad spectrum of customers.
- Appointed to this position in January 2010, Mr. Wilson is responsible for a rapidly growing business with more than 2,500 employees. Mr. Wilson joined ITT in 1986 and has held a succession of increasingly responsible technical and management positions with the company. Previously, he served as President of ITT Advanced Engineering & Sciences, leading a \$1B business providing advanced solutions to government, intelligence and military customers. Prior to 2007, he was Vice President of ITT's Communications, Intelligence and Information systems business unit where he led the business in providing advanced information and network solutions to the FAA, NASA and other government customers.
- Mr. Wilson is a Value Based Six Sigma (VBSS) certified Champion and has completed executive strategic management program at Ashridge Management College. Mr. Wilson began his career with four years of service in the United States Air Force and holds a B.S. in Electrical Engineering from the Pennsylvania State University.

APPENDIX

Presenting Management Biographies

Ken Hunzeker, President, Mission Systems



- Lieutenant General (Ret) Kenneth W. Hunzeker is the President of Mission Systems – a \$1.9B leading provider of operational services to the U.S. military and other government customers.
- He joined ITT in August 2010 after 35 years of distinguished service in the U.S. Army. Prior to assuming his current responsibilities, he was Vice President, Government Relations for ITT Defense and Information Solutions.
- Hunzeker’s Army career was highlighted by troop assignments in Infantry and Armored divisions and high-level military and joint staff positions. He has more than 20 years of defense community experience as a unit commander, in strategy development and finance, and working with key decision makers within the Army, Department of Defense, and Congress.
- Most recently he served as Deputy Commander, United States Forces – Iraq. During a previous tour, he commanded the Civilian Police Transition Team responsible for training and equipping over 400,000 Iraqi security forces. He also served as the Vice Director for Force Structure, Resources and Assessment, J-8, The Joint Staff, Washington, DC and commanded the 1st Infantry Division as well as 5th US Corps, both in US Army Europe.
- Hunzeker holds a bachelor’s degree from the U.S. Military Academy at West Point and two master’s degrees, including one in Systems Technology (Command Control and Communications) from the Naval Postgraduate School and the National Defense University.

APPENDIX

Board of Director Biographies



Ralph F. Hake, Chairman

Former Chairman and Chief Executive Officer, Maytag Corporation

An ITT director since 2002, Mr. Hake has considerable experience as chief executive officer and chief financial officer of Fortune 500 companies, enabling him to provide significant contributions to ITT. He currently serves on the board of Owens-Corning, and Rock-Tenn Corporation.



David F. Melcher

Chief Executive Officer, ITT Exelis

Mr. Melcher has been the President of ITT Defense and Information Solutions for three years, following selection as Vice President, Strategy and Business Development, and 32 years of government service. He retired as a Lieutenant General after serving as the Army's Deputy Chief of Staff for Programs and as the Military Deputy for Budget. He serves on several not-for-profit boards and is a registered Professional Engineer.



Christina A. Gold

Former Chief Executive Officer, The Western Union Company

An ITT director since 1997, Mrs. Gold brings to the board a broad range of financial, communications and consumer experience and expertise. She currently serves on the board of New York Life Insurance Company.

APPENDIX

Board of Director Biographies



John J. Hamre, Ph.D.

President and Chief Executive Officer, Center for Strategic & International Studies

An ITT director since 2000, Dr. Hamre leads one of the world's preeminent international policy institutions and formerly served as the U.S. Deputy Secretary of Defense. He currently serves on the boards of MITRE, Oshkosh and SAIC.



Paul J. Kern

Senior Counselor, The Cohen Group

An ITT director since 2008, retired U.S. Army General Kern brings 40 years of military experience to his board position and has served as Senior Counselor to the Cohen Group since January 2005. He was President and Chief Operating Officer of AM General LLC from August 2008 until January 2010, and served as Commanding General, Army Materiel Command (AMC). He is currently on the Boards of CoVant Technologies LLC, and AT Solutions, a subsidiary of CoVant Technologies.



Steven R. Loranger

Chairman, President and Chief Executive Officer, ITT Corporation

Mr. Loranger was chosen to lead ITT in 2004, and has been on ITT's Board of Directors since that time. He brings extensive multi-industry leadership experience to the company and has led ITT through several years of record growth. A former U.S. Navy pilot, he currently sits on the board of FedEx Corporation.