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## NEWS RELEASE

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### **Xylem launches as new global, pure-play water technology company**

*Spinoff from ITT complete*

*Xylem delivers powerful combination of water transport, treatment and testing capabilities*

WHITE PLAINS, N.Y., October 31, 2011 – Xylem Inc. (NYSE: XYL) today announced that it has completed its spinoff from ITT Corporation, and has begun operations as a \$3.2 billion standalone global water technology company. Xylem's market-leading product brands, applications expertise and technological strength enable the transport, treatment, testing and efficient use of water in public utility, residential and commercial building services, industrial and agricultural settings. The company serves customers in more than 150 countries to address critical water issues such as growing water scarcity, aging infrastructure and more stringent environmental regulations. On November 1, 2011, Xylem will begin regular trading on the New York Stock Exchange under the ticker symbol XYL, and will be listed on the Standard & Poor's 500 Index.

"I'm extremely proud to announce the launch of a unique company, the product of more than 100 years of experience in the water business and the collective work and expertise of our nearly 12,000 employees and our strategic partners around the world," said Gretchen McClain, president and CEO of Xylem. "While our name has changed with the spinoff, our customers will find in Xylem the same commitment to providing local service to meet their specific needs while leveraging our global network, technological strength and applications expertise."

Xylem serves a \$30 billion segment of the global water equipment and services market through a distribution network consisting of a direct sales force and independent channel partners. The company's products and services address the full cycle of water and are key in the collection, distribution and use of water. Well-known and respected product brands such as Bell and Gossett, Flojet, Flygt, Godwin, Goulds Water Technologies, WTW and YSI\*, among others, will continue their place in the water industry as a part of the Xylem portfolio.

Xylem's senior management team has significant water industry expertise and a demonstrated track record of growth and strategic execution. The Company's leadership team includes:

- Gretchen McClain, President and CEO
- Mike Speetzen, Chief Financial Officer
- Mike Kuchenbrod, President, Water Solutions

- Chris McIntire, President, Analytics
- Ken Napolitano, President, Residential & Commercial Water
- Bob Wolpert, President, Flow Control and China & India
- Angela Buonocore, Chief Communications Officer
- Frank Jimenez, General Counsel & Corporate Secretary
- Robyn Mingle, Chief Human Resources Officer
- Colin Sabol, Chief Strategy & Growth Officer

Additional information on Xylem's Board of Directors, the company's information statement and Form 10 Registration Statements filed with the U.S. Securities and Exchange Commission, as well as imagery and additional supporting information about Xylem's launch, can be found within the global press center on the company's website: [www.xylem.com](http://www.xylem.com).

Xylem's corporate citizenship and social investment program, Xylem Watermark, aims to provide and protect safe water resources in communities around the world. Xylem, the company's individual businesses and Xylem Watermark can also be found on major social networks, including Facebook, YouTube, Twitter and LinkedIn.

### **Xylem applications and solutions help customers around the world solve significant water challenges**

- Xylem pumps help defy gravity by moving water up to the highest floors of one of the world's tallest buildings – the Burj Khalifa in Dubai – which stands at more than 2,700 feet. The large pumps help distribute water to all of the offices, condominiums, restaurants and swimming pools in this landmark project, and Xylem variable speed controllers help get it all done in an energy-efficient manner.
- In India, Xylem's large water transport pumps are helping turn arid land into farmland. In one of the largest irrigation projects in the world, Xylem pumps are transporting water 155 miles to the arid Kutch district in Gujarat state. These large vertical turbine pumps are capable of moving 2.2 billion gallons of water per day to help irrigate 175 thousand acres of land to help feed India's people and growing economy.
- Xylem's PulpJet pump is helping a leading global fast food chain reliably deliver thick, blended liquid faster and at pressures more than five times higher than similar competing pumps. This enables our customers, who count on quick service, to meet the growing demand for smoothies and other frozen drinks.
- In Australia, which is experiencing a severe multi-year drought, Xylem water treatment products are helping Sydney Airport to treat and recycle storm water runoff for non-potable uses like cooling towers, washing vehicles and landscape irrigation. This saves the airport about 350 million liters of fresh water a year – enough water to fill 140 Olympic sized swimming pools.
- Xylem analytical instruments are at work in numerous applications to test and analyze water and other fluids. Last summer when the Deepwater Horizon disaster was spewing oil into the Gulf of Mexico, Xylem's analytical instrumentation was deployed by scientists to detect light

hydrocarbons and oxygen depletion associated with the spill. This provided vital information to monitor the long-term effects of water contamination and its threat to marine life.

- And at the site where New York City is rebuilding the World Trade Center, Xylem is supplying hundreds of pumps, nearly every one of the below-ground storm, sump, and wastewater pumps in Towers One, Two, Three and Four, and all phases of the WTC transportation hub. Xylem pumps are also providing the power and flow behind the water in the beautiful 9/11 memorial that opened recently.

### **About Xylem**

Xylem (XYL) is a leading global water technology provider, enabling customers to transport, treat, test and efficiently use water in public utility, residential and commercial building services, industrial and agricultural settings. The company does business in more than 150 countries through a number of market-leading product brands, and its people bring broad applications expertise with a strong focus on finding local solutions to the world's most challenging water and wastewater problems. Launched in 2011 from the spinoff of the water-related businesses of ITT Corporation, Xylem is headquartered in White Plains, N.Y., with 2010 annual revenues of \$3.2 billion and 12,000 employees worldwide.

The name Xylem is derived from classical Greek and is the tissue that transports water in plants, highlighting the engineering efficiency of our water-centric business by linking it with the best water transportation of all -- that which occurs in nature. For more information, please visit us at <http://www.xyleminc.com>.

\* Bell and Gossett, Flojet, Flygt, Godwin, Goulds Water Technologies, WTW and YSI are all registered trademarks of Xylem Inc.

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### **Forward-Looking and Cautionary Statements**

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 Xylem 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 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 the Company or the 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.