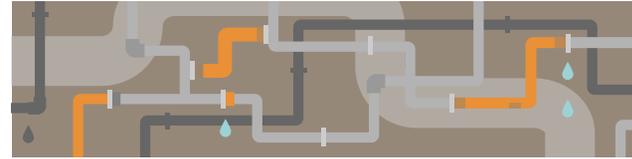


2012 Value of Water Index

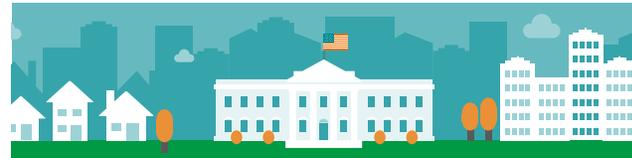
AMERICANS ON THE U.S. WATER CRISIS

3 Recognition of the Water Crisis



Americans recognize that demands on the nation's water resources are growing and are concerned about our infrastructure system. They believe reform or a complete overhaul are needed.

5 Government Has a Role to Play



Americans believe the government should invest more time and money into upgrading our water pipes and systems and trust local and municipal governments over other entities.

7 A Sense of Personal Responsibility



Americans recognize that they also have a personal role to play and are willing to pay for upgrades to the water system.

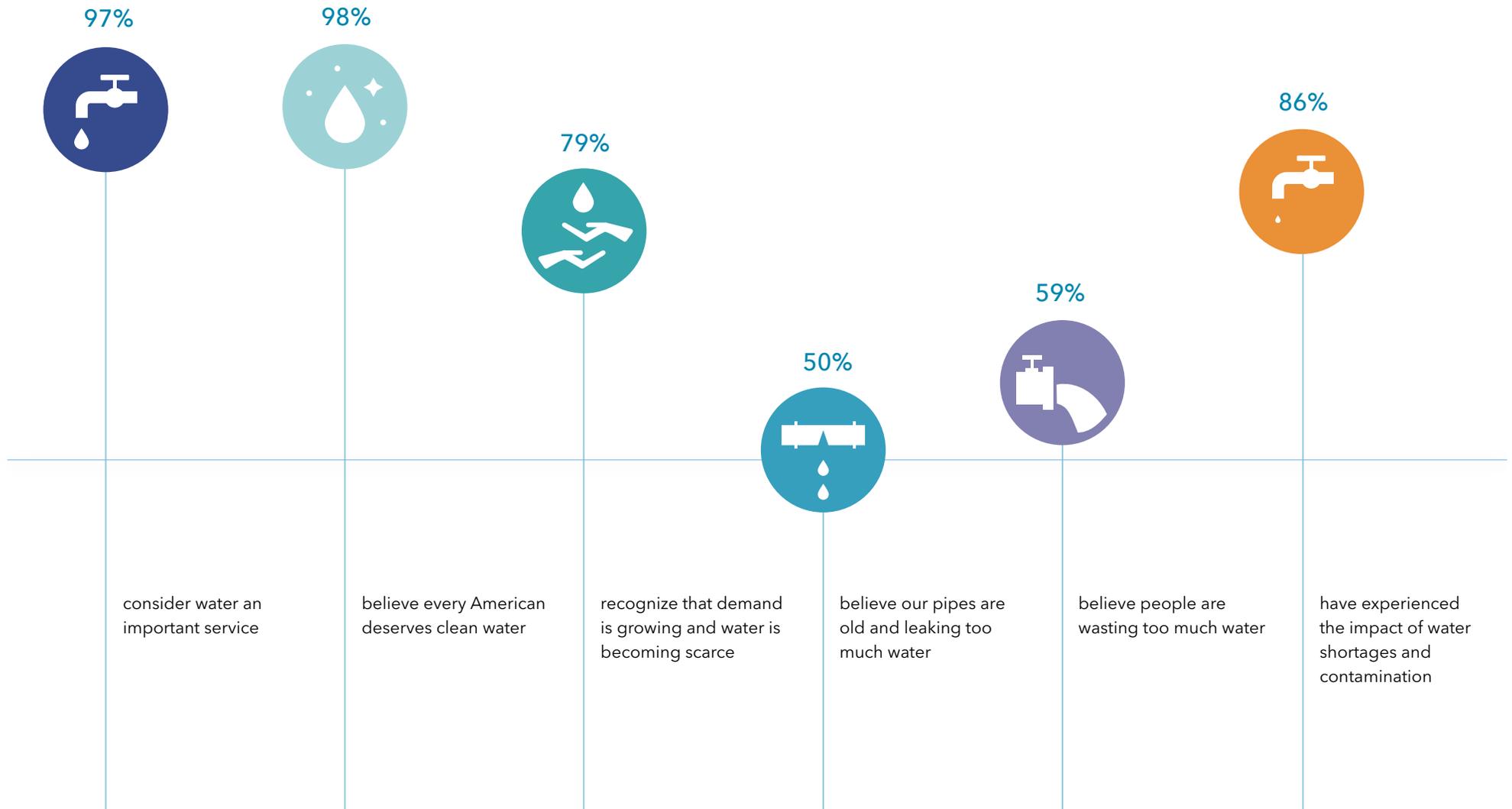
9 Level of Disconnect Remains



Americans are largely unaware of the factors impacting water costs, their water footprint or the extent to which water infrastructure problems would impact them personally.

10 Additional Background Information

Clean Water is Perceived as Vital and Increasingly at Risk



Concern About Water Infrastructure and Demand for Reform are Growing



77%
are concerned about
the state of the nation's
water infrastructure

31%
say very concerned
in 2012 as opposed
to 22% in 2010



66%
believe that water
pipes and systems in
America are crumbling
and approaching a
state of crisis

An increasing number of
Americans believe our
water infrastructure needs
some sort of reform



Belief That All Levels of Government Need to Invest in Water Infrastructure



believe government entities have a role to play in solving water-related issues

Americans believe that all levels of government have a role to play



33% Municipal/local



28% State



27% Federal



85% believe that our government should invest money in upgrading our water pipes and systems

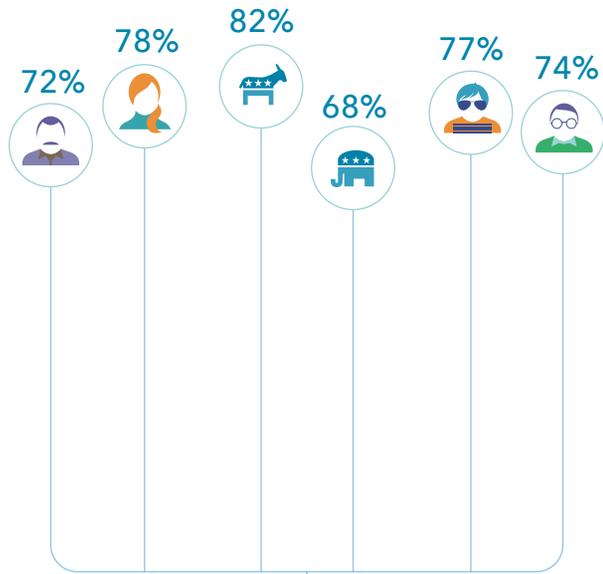


79% believe that our government officials should spend more time addressing water issues

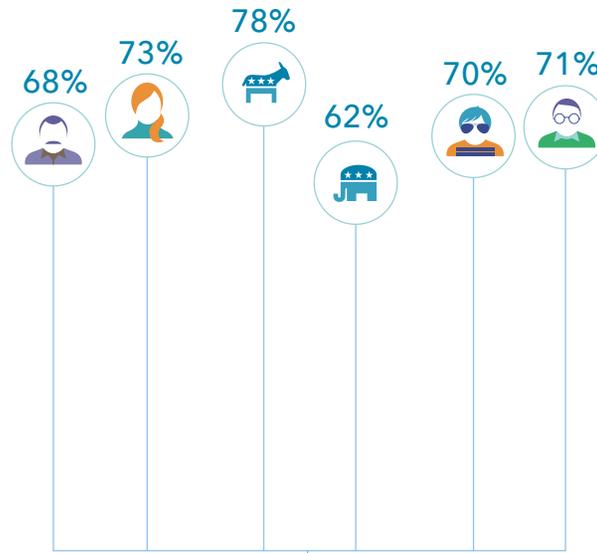
Local and Municipal Entities Trusted Most to Address the Problem



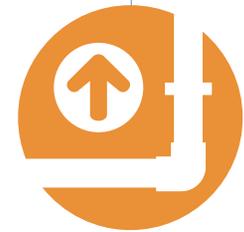
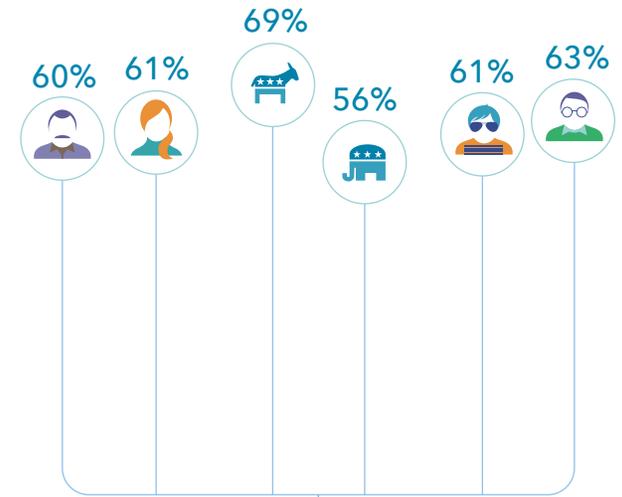
Willing to Pay More for Water Infrastructure Upgrades



75%
are willing to pay more
for water infrastructure
that conserves energy



70%
are willing to pay more to
ensure every American
has access to clean water



61%
are willing to pay
more to upgrade our
water system

Growing Willingness to Take Personal Responsibility

The amount Americans are willing to pay has increased by 24% compared to 2010.

\$6.20
more per month
on average
in 2010

\$7.70
more per month
on average
in 2012

\$7.70
more/month
=
12%
increase in water
infrastructure
investments



59%

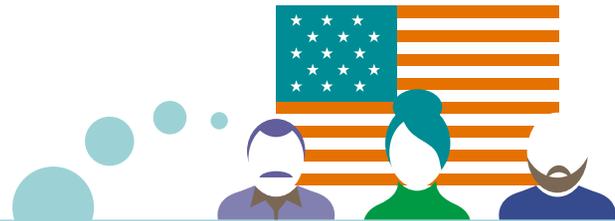
would pay more for water now to avoid excessive increases in the future



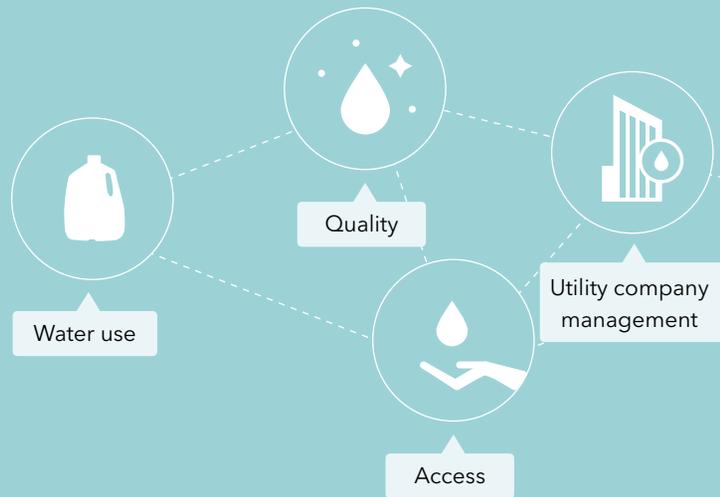
72%

would advocate about the positive economic impact of water infrastructure investment

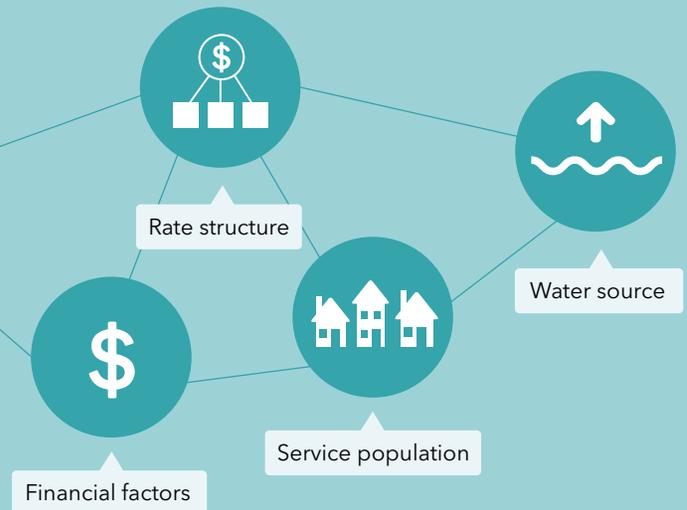
Unaware of Water Cost Drivers and Water Footprint



Few Americans are fully aware of the complex financial factors that influence the cost of water, associating cost with myriad factors:



However, according to analyses by the Columbia Water Center, the true factors driving cost are:



Half of Americans estimate their daily use of water to



50 gallons or less of water/day



Yet they traditionally use double that amount



100 gallons/day

Disregard Personal Impact of Water Challenges



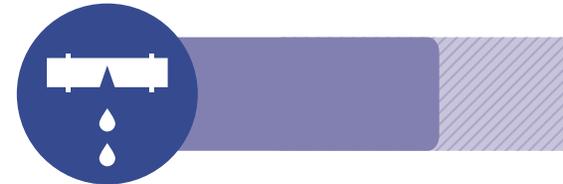
69%
of Americans generally
take access to clean water
for granted



64%
of Americans don't really worry
about the water that comes out
of their tap because it is generally
clean and unpolluted



29%
believe that water infrastructure
problems would affect them
"a great deal," compared to 41%
in 2010.



About the Xylem Value of Water Index

The 2012 Xylem Value of Water Index is a nationwide poll of American voters detailing what they think should be done about the country's water crisis and who should pay for it. This index is the second Value of Water Survey. The first was conducted by ITT Corporation in 2010. The 2012 study builds on the 2010 results, providing new insights into public perception of the U.S. water crisis.

Methodology

The 2012 Xylem Value of Water Index is based on a telephone study of 1,008 American voters age 18 years and older and an oversample of 250 New York City residents. The national sample of voters is representative of the 2006 U.S. voting population on gender, age, region and ethnicity. The margins of error at the 95% confidence level are +/- 3.1% for the voter sample, and +/- 6.2% for New York City oversample. The study was approximately 30 minutes in duration, utilizing computer-assisted telephone interviewing (CATI) technology. The study was conducted between August 16 and 23, 2012.

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 2011 revenues of \$3.8 billion and 12,500 employees worldwide. In 2012, Xylem was named to the Dow Jones Sustainability World Index and the Dow Jones Sustainability North America Index for advancing sustainable business practices and solutions 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 www.xylem.com.