

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 7, 2012**

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**XYLEM INC.**

(Exact name of registrant as specified in its charter)

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**Indiana**  
(State or other jurisdiction  
of incorporation)

**001-35229**  
(Commission  
File Number)

**45-2080495**  
(IRS Employer  
Identification No.)

**1133 Westchester Avenue, Suite N200**  
**White Plains, New York**  
(Address of principal executive offices)

**10604**  
(Zip Code)

**(914) 323-5700**  
(Registrant's telephone number, including area code)

**NOT APPLICABLE**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 7.01 Regulation FD Disclosure**

The following information is furnished pursuant to Item 7.01 Regulation FD Disclosure. This information shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. Company executives will present an overview of the Company at the Robert W. Baird's 42nd Annual Industrial Conference on November 7, 2012. The presentation slides will be posted on the Company's website and are attached and incorporated herein by reference as Exhibit 99.1.

**Caution Concerning Forward Looking Statements**

This document contains information that may constitute "forward-looking statements." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Generally, the words "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target" and similar expressions identify forward-looking statements, which generally are not historical in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking.

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 the 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. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to orders, sales, operating margins and earnings per share growth, and statements expressing general views about future operating results — are forward-looking statements.

Caution should be taken not to place undue reliance on any such forward-looking statements because they involve risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in, or reasonably inferred from, such statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those set forth in Item 1A of our Annual Report on Form 10-K, and those described from time to time in subsequent reports filed with the Securities and Exchange Commission.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

**Exhibit**

<b>No.</b>	<b>Description</b>
99.1	Presentation slides posted by Xylem Inc. on November 7, 2012.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

XYLEM INC.

Date: November 7, 2012

By: /s/ Michael T. Speetzen

Michael T. Speetzen  
Senior Vice President & Chief Financial Officer  
(Authorized Officer of Registrant)

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**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Presentation slides posted by Xylem Inc. on November 7, 2012.

# Robert W. Baird's 42<sup>nd</sup> Annual Industrial Conference

November 7, 2012



# Forward Looking Statements

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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 the 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. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to orders, revenues, operating margins and earnings per share growth, and statements expressing general views about future operating results — are forward-looking statements.

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# Global Leader in Water Application Solutions



- Design, Manufacture, & Service Highly Engineered Technologies
- A True Water Pure Play
- Diverse End Market & Geographic Mix
- Leading Brands & Application Expertise
- Resilient Portfolio & Large Installed Base
- Unrivalled Global Reach ...Serving 150+ Countries



**\$3.8B Company Uniquely Positioned in the Attractive Water Industry**

# Diversified Geographic Market Mix

## Geographical Mix\*



■ Europe	37%
■ U.S.	36%
■ Asia Pac	11%
■ Other	16%

## Emerging Markets

- BRIC & ROW Focused Growth Strategy
- 40+ Sales Units Spread Globally
- 2 Localized R&D Centers
- 14 Production Facilities
- '09 -'11 Revenue CAGR +20%
- Proj. Long-Term Revenue Growth 8-10+%

Region	Highlights
Europe	<ul style="list-style-type: none"> <li>• Large Installed Base</li> <li>• So. Europe ~8% Tot Revenue</li> <li>• 2011 Flat Organically</li> </ul>
U.S.	<ul style="list-style-type: none"> <li>• Large Installed Base</li> <li>• 2011 Up Low Single Digits</li> </ul>
Emerging Markets	<ul style="list-style-type: none"> <li>• Evenly Spread Across Latin America, Middle East &amp; Africa, Eastern Europe, Asia Pac</li> </ul>



**Xylem  
Emerging  
Market Revenue  
~19% in 2011**

\*2011 Revenues

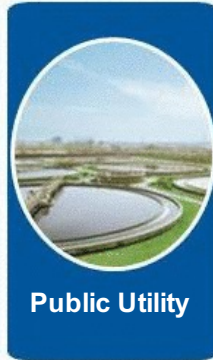
**... With Large Installed Base & Growing Emerging Market Exposure**



# Diversified End Market Mix

## LT Growth Drivers

- Depleting Water Supply
- Tightening Regulation
- Aging Infrastructure
- Population Growth
- Urbanization
- Sustainability
- Energy Efficiency



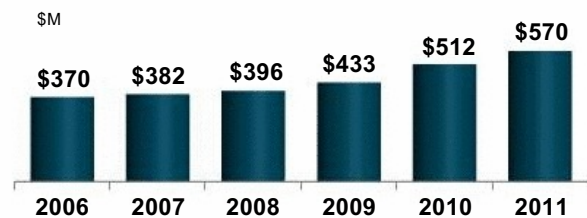
% of XYL Revenue	40%	36%	13%	9%	3%
<b>Cycle</b>	• Late/Less Cyclical	• Non-Cyclical	• Late Cycle	• Early Cycle	• Mid Cycle
<b>Fundamentals</b>	• Operation Critical • Aftermarket & Replacement	• Growing Tariffs • Aftermarket & Replacement	• Green Regulation • Strong Replacement	• Energy Efficiency • Strong Replacement	• Growing Demand
<b>XYL '12 Organic Growth</b>	• Flat to Up Low Single Digits	• Flat to Up Low Single Digits	• Flat to Down Low Single Digits	• Flat to Down Low Single Digits	• Up Low Single Digits

... With Strong Long Term Fundamentals & Growth Drivers

# Highly Attractive Recurring Revenue Profile

## Aftermarket Parts & Services Revenues

- 15% of Xylem revenue
- Strong global presence
  - 120+ owned service centers
  - 600+ service employees
  - Extensive channel partner network
- 9% Revenue CAGR '06-'11 despite economic downturn
  - ~11% revenue growth 2010-2011



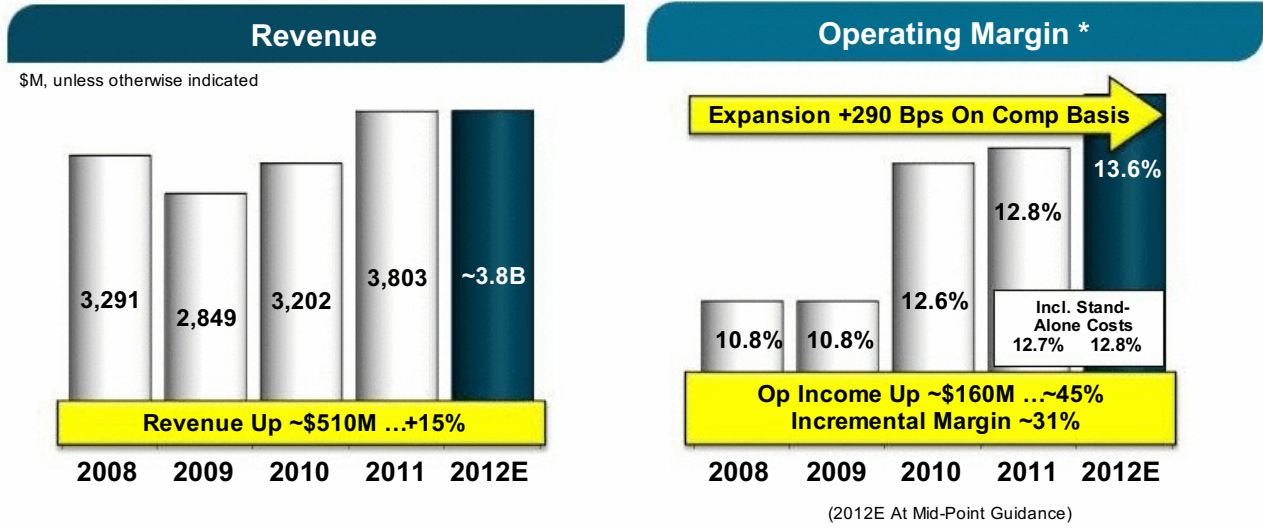
## Replacement Equipment (1)

- Approximately 22% of Xylem revenue
- Installed base drives replacement sales
- Brand loyalty drives like-for-like replacement
- Installed base provides opportunity for upgrades, next generation and services



## Aftermarket Provides Stability and Drives Strong Profitable Growth

# Resilient Portfolio & Increasing Profitability

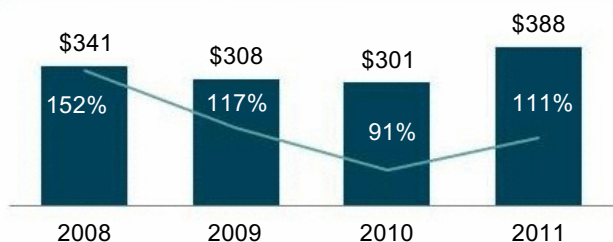


- Resilient Portfolio ...Despite Challenging End Market Conditions
- Management Discipline ...Proactive Actions (~\$100M of Restructuring & Realignment '08-'12)
- Operational Excellence ...Driving Productivity Initiatives
- Continued Investment Driving Growth in Core Business
- Key Acquisitions ...Transitioning Portfolio to Higher Profitability Levels

**... Proven Track Record, Continued Focus**

# Focused on Free Cash Flow

## Free Cash Flow<sup>1\*</sup> and Conversion (\$M)



<sup>1</sup> Free Cash Flow = Net cash from operating activities - Capital expenditures

## Capital Structure & Liquidity Position

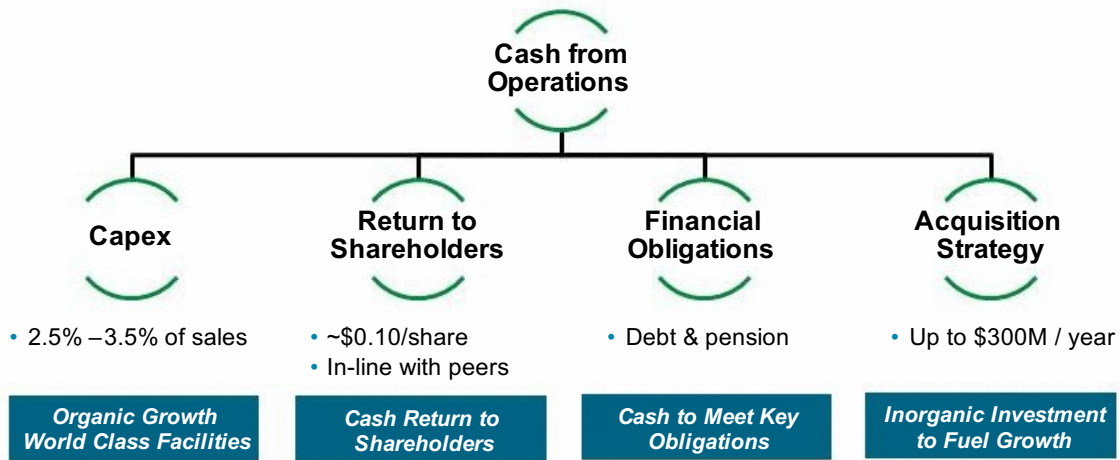
September 30, 2012

Cash	424
Debt	1,212
Net Debt	788
Shareholders' Equity	2,054
Net Capital	2,842
Net Debt to Net Capital	28%

- Strong Cash Flow Conversion
- Balance Sheet Flexibility
- No Significant Debt Maturities Until 2016
- 28% Net Debt to Net Capital
- 1.2x Net Debt/Adj. TTM EBITDA
- \$600M Revolving Credit Facility - Unutilized
- Access to Commercial Paper - Unutilized

## Strong Free Cash Flow & Solid Balance Sheet to Fund Growth Initiatives

# Disciplined Capital Deployment



## Capital Deployment Strategy

- Balance of organic & inorganic investment
- Return value to shareholders
- Maintain solid investment grade metrics



## Capital Deployment Evaluation

- Fold targeted performance into Operating plans
- Quarterly / Annual investment review
- Ensure targeted returns achieved

**Focused on Long Term Shareholder Return**

# Financial Projections

	2012 FY Guidance As of Nov. 1, 2012	2015 Target **
Revenues	~\$3.8B	\$4.5B to \$5.0B
Operating Margin*	12.7% to 12.9%	14.5% to 15.5%
Free Cash Flow Conversion	95%	100%
Normalized EPS Growth*	+4% to +8%	

## Long-Term Targets

- Market growth of 3-5%...4-6% Xylem targeted growth
  - Acquisition strategy adds 1-2 % points of growth
  - Emerging markets > 20% of revenues
- 
- Operational & Commercial excellence expand segment margins 50-75 bps per year
    - Gross margin > 40%
  - Continued cash management discipline to achieve cash conversion of ~100%
  - Capital deployment strategy to drive ROIC

## Xylem is Poised to Achieve its Long-Term Financial Objectives

10 \* See non-GAAP reconciliations.

\*\* See Xylem October 13, 2011 Investor Day Presentation for further details

## Investment Highlights



- **\$3.8B Company Uniquely Positioned in the Attractive Water Industry**
- **Resilient Portfolio & Proven Track Record of Increasing Profitability**
- **Leading Brands & World-Class Distribution Channels**
- **Diversified End & Geographic Markets Mix**
- **Attractive Growth Opportunities & Large Installed Base**
- **Solid Cash Flow Generation & Disciplined Capital Deployment Strategy**

**Ability to Deliver Strong & Consistent Financial Performance**



**NYSE: XYL**

**Phil De Sousa, Investor Relations Officer**

**(914) 323-5930**

**Janice Tedesco, Investor Relations Coordinator**

**(914) 323-5931**

**<http://investors.xyleminc.com>**

**Thank you for your interest !**



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# Appendix

# Uniquely Positioned ...



... Global Leader in Attractive Water Industry

# Segment Overview



## Water Infrastructure Overview

**Market Size: \$16B**

**2011 Revenues: \$2.4B**

**2011 Op Margin\*: 14.9%**

\*Excluding separation costs of \$16M

### Customers

Public Utilities  
Industrial Facilities

### Distribution

World-Class Global Direct (~70%) & Indirect Channels

Revenue by Application		Market Share <sup>(1)</sup>
Transport	73%	#1
Treatment	18%	#1
Test	9%	#2



## Applied Water Overview

**Market Size: \$14B**

**2011 Revenues: \$1.4B**

**2011 Op Margin\*: 12.0%**

\*Excluding separation costs of \$13M

### Customers

Residential & Commercial, Industrial Facilities, Agriculture

### Distribution

Primarily through World-Class Indirect (+70%) Channels

Revenue by Application		Market Share <sup>(1)</sup>
Bldg. Services	51%	#2
Industrial Water	42%	#2
Irrigation	7%	#3

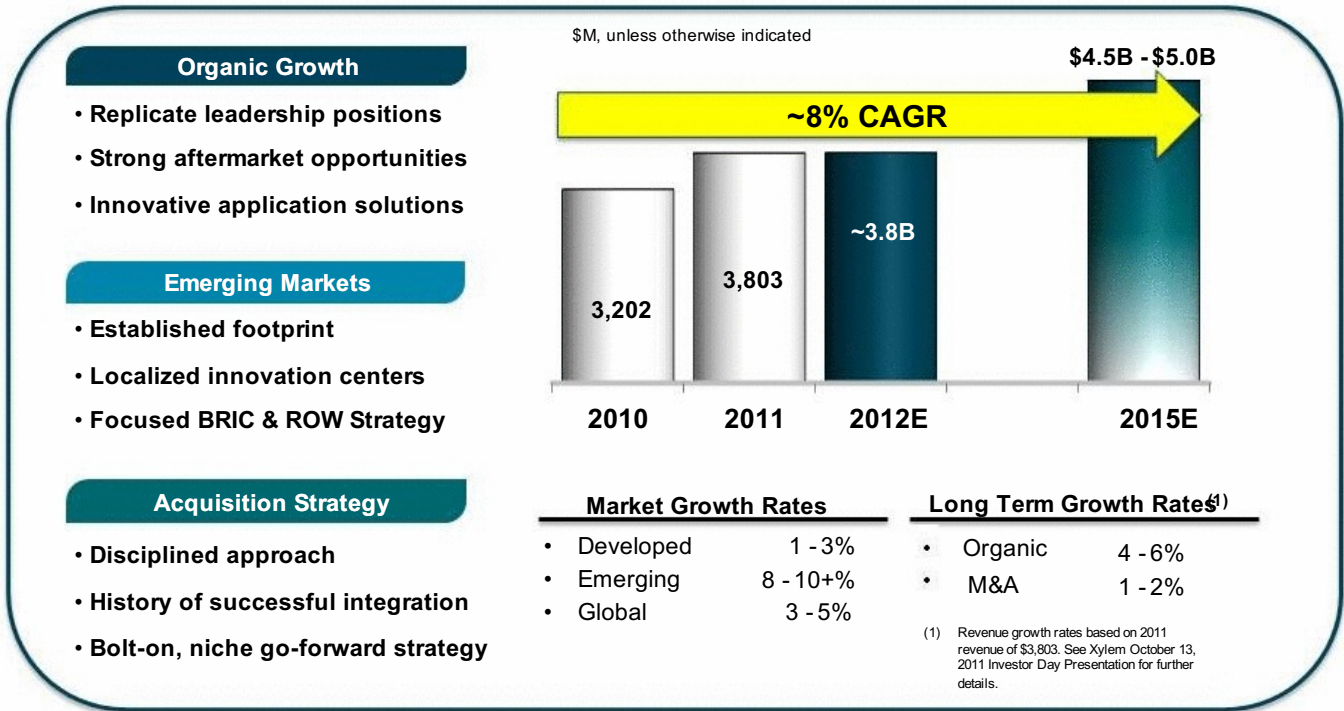


**Unique Position -Only Provider of All Three "T's"**

**Large Installed Base  
Growth Despite Slow New Construction**

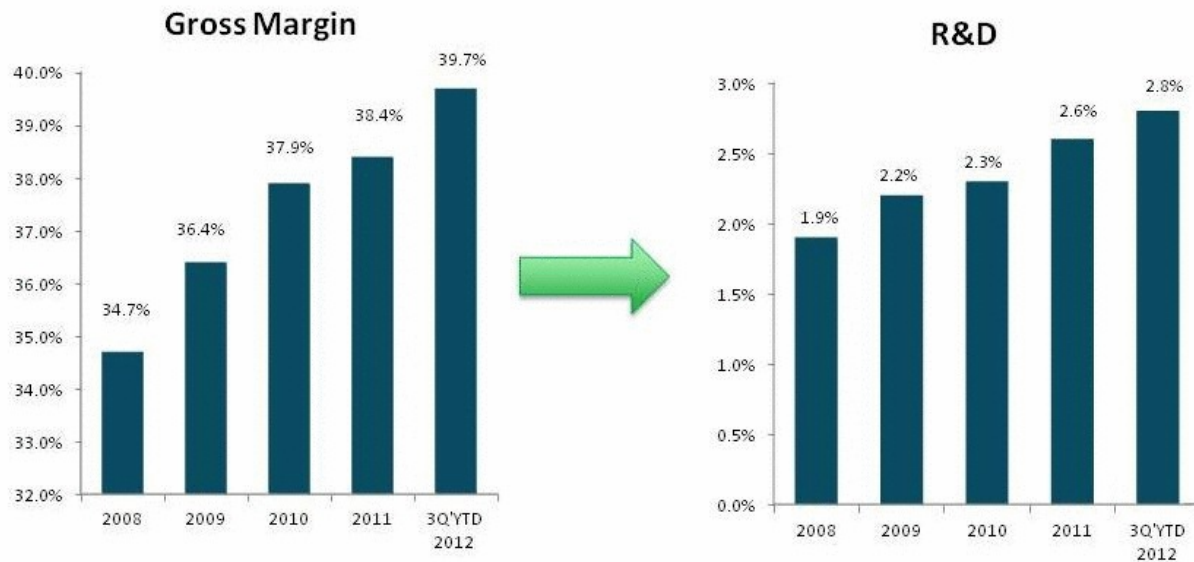
15 Note: (1) Global market share based on company estimates.

# Xylem Has a Focused Growth Strategy



## Organic & Inorganic Growth Expertise

# Gross Margin Improvement Funds Future Growth



- Operational and Commercial Excellence
- Growth in Higher Margin Analytics and Dewatering applications
- Xylem's Water Infrastructure Direct Sales Force a Key Competitive Advantage

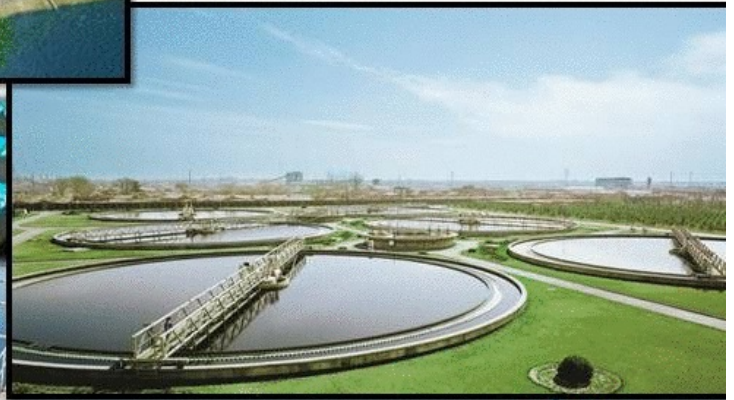
**Xylem Continues to Invest While Increasing Profitability**

# Public Utility & Industrial Transport & Treatment



## Application Technologies

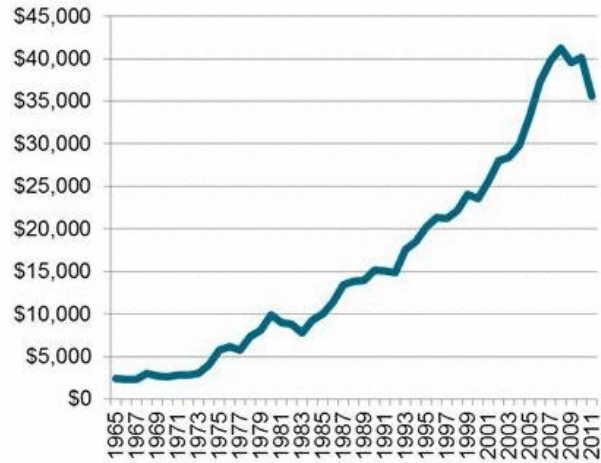
- Waste Water Transport
- Filtration
- Biological Treatment
- UV & Ozone Disinfection



# The Public Utility End Market

- 36% of Xylem Revenues related to Public Utility spending – in 2011:
  - ~\$1B for Maintenance Activities
- Public Utility spending grows long term
  - U.S.: ~6% CAGR 1965 – 2011
  - Europe similar to U.S.
  - Asia Pacific growing faster
- Funding of expenditures secure
  - ~80% funded by tariffs
    - Tariffs growing 8%/yr in U.S.
    - European Tariffs typically higher than U.S.
  - Funds typically can not be used for other purposes

**U.S. Water and Sewer Construction Spending - \$M**



- ~6% CAGR 1965 – 2011
- Only 3 years ('69, '83 and '11) saw >10% drop
- 10% drop reduces Total XYL Revs. by ~(1-2) ppts

Source: U.S. Census Bureau

**Strong Long-term Fundamentals...Xylem Provides Mission Critical Solutions**

# Test Applications

## Analytical Instrumentation



### Diverse Applications

- Environmental
- Water & Waste Water
- Food & Beverage
- Chemical
- Pharmaceutical
- Ocean/Coastal



# Dewatering and Industrial Water Applications



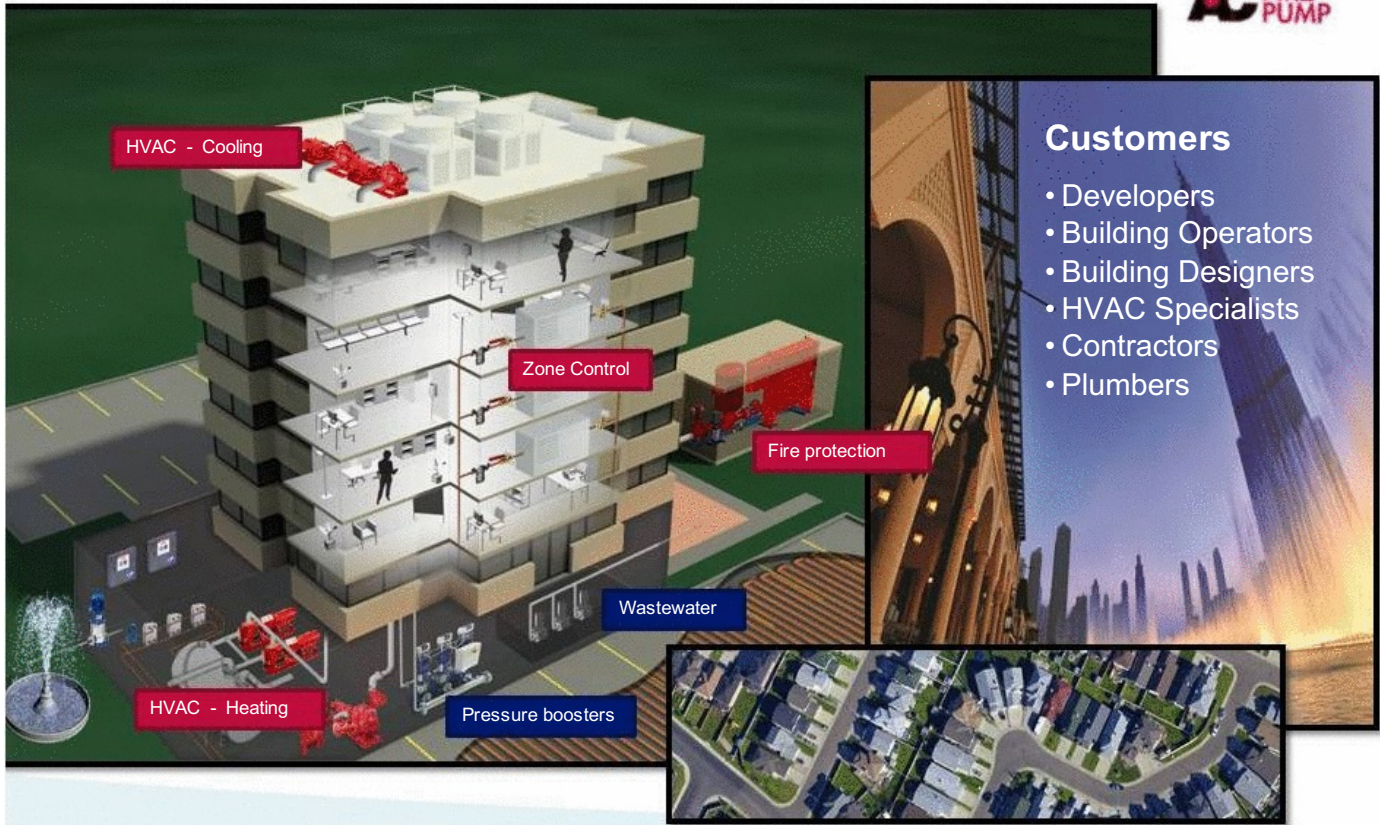
## Dewatering Applications



- ### Diverse Applications
- Construction
  - Disaster Recovery
  - Environmental
  - Heavy Industry
  - Mining
  - Oil, Gas & Chemical
  - Water & Waste Water
  - Marine

## Industrial Water Applications

# Commercial & Residential



## Customers

- Developers
- Building Operators
- Building Designers
- HVAC Specialists
- Contractors
- Plumbers

# 2012 Financial Guidance Summary

	2012 FY Guidance As of Nov. 1, 2012	Growth 2012E vs. 2011		
		<u>Constant Currency</u>	<u>Organic</u>	<u>Acquisition</u>
<b>Revenue</b>				
Xylem Consolidated	~\$3.8B	~3%	~1%	2%
Water Infrastructure	~\$2.4B	~5%	~1%	4%
Applied Water	~\$1.4B	~1%	~1%	0%
<b>Segment Margin *</b>	14.1% -14.3%	+10 to +30 bps		
<b>Operating Margin *</b>	12.7% - 12.9%	+0 to +20 bps		
<b>EPS *</b>	\$1.72 - \$1.79	\$1.76 Mid Point incl. Heartland Pump Acq. impact-\$0.01		
<b>Free Cash Flow Conversion</b>	95%	Excluding one-time separation costs		
<b>Guidance Assumptions:</b>				
Stand-Alone Costs	~\$28M	Included in EPS Guidance; In Line with Expectations		
Operating Tax Rate	~25%	Excludes Special Tax Items		
Share Count	~186.2M			
<b>Items Excluded from Guidance:</b>				
(1) Separation Costs	~\$20M	In Line with Expectations		
(2) Restructuring & Realignment Costs	~\$20M	Additional Actions Identified in 3Q'12 ~\$11M Total Run Rate Savings Beginning 2013		

\* See Appendix for Non-GAAP Reconciliations

# Non-GAAP Measures

Management views key performance indicators including revenue, gross margins, segment operating income and margins, orders growth, free cash flow, working capital, and backlog, among others. In addition, we consider certain measures to be useful to management and investors evaluating our operating performance for the periods presented, and provide a tool for evaluating our ongoing operations, liquidity and management of assets. This information can assist investors in assessing our financial performance and measures our ability to generate capital for deployment among competing strategic alternatives and initiatives. These metrics, however, are not measures of financial performance under GAAP and should not be considered a substitute for revenue, operating income, net income, earnings per share (basic and diluted) or net cash from operations as determined in accordance with GAAP. We consider the following non-GAAP measures, which may not be comparable to similarly titled measures reported by other companies, to be key performance indicators:

**"Organic revenue" and "Organic orders"** defined as revenue and orders, respectively, excluding the impact of foreign currency fluctuations, intercompany transactions, and contributions from acquisitions and divestitures. Divestitures include sales of portions of our business that did not meet the criteria for classification as a discontinued operation or insignificant portions of our business that we did not classify as a discontinued operation. The period-over-period change resulting from foreign currency fluctuations assumes no change in exchange rates from the prior period.

**"Constant currency"** defined as financial results adjusted for currency translation impacts by translating current period and prior period activity using the same currency conversion rate. This approach is used for countries whose functional currency is not the U.S. dollar.

**"EBITDA"** defined as earnings before interest, taxes, depreciation, amortization expense, and share-based compensation. **"Adjusted EBITDA"** reflects the adjustment to EBITDA to exclude for one-time separation costs associated with the Xylem spin-off from ITT Corporation as well as one-time restructuring and realignment costs.

**"Adjusted Operating Income", "Adjusted Segment Operating Income", and "Adjusted EPS"** defined as operating income and earnings per share, adjusted to exclude one-time separation costs associated with the Xylem spin-off from ITT Corporation, one-time restructuring and realignment costs and tax-related special items.

**"Normalized EPS"** defined as adjusted earnings per share, as well as adjustments to reflect the incremental current period amount of interest expense and stand alone costs in the prior comparable period.

**"Free Cash Flow"** defined as net cash from operating activities, as reported in the Statement of Cash Flow, less capital expenditures as well as adjustments for other significant items that impact current results which management believes are not related to our ongoing operations and performance. Our definition of free cash flows does not consider non-discretionary cash payments, such as debt.

## Non-GAAP Reconciliation: Earnings Per Share

**Xylem Inc. Non-GAAP Reconciliation  
Adjusted Diluted EPS  
2009, 2010, & 2011  
(\$ Millions, except per share amounts)**

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Net Income	263	329	279
Separation costs, net of tax	-	-	72
<u>Adjusted Net Income before Special Tax Items</u>	<u>263</u>	<u>329</u>	<u>351</u>
Special Tax Items	(61)	(43)	7
<u>Adjusted Net Income</u>	<u>202</u>	<u>286</u>	<u>358</u>
Diluted Earnings per Share	\$1.42	\$1.78	\$1.50
Separation costs per Share	-	-	\$0.39
Adjusted diluted EPS before Special Tax Items	\$1.42	\$1.78	\$1.89
Special Tax Items per Share	(\$0.32)	(\$0.23)	\$0.04
<u>Adjusted diluted EPS</u>	<u>\$1.10</u>	<u>\$1.55</u>	<u>\$1.93</u>

# Non-GAAP Reconciliation: Guidance

## Illustration of Mid Point Guidance

### 2012 Guidance

	FY '11					FY '12		
	As Reported	Adjustments	Adjusted	Adjustments	Normalized	As Projected	Adjustments	Adjusted
Total Revenue	3,803		3,803		3,803	3,800		3,800
Segment Operating Income	503	29 a	532	(10) d	522	516	25 h,i	541
Segment Operating Margin	13.2%		14.0%		13.7%	13.6%		14.2%
Corporate Expense	108	(58) b	50	18 e	68	68	(15) h	53
Operating Income	395	87	482	(28)	454	448	40	488
Operating Margin	10.4%		12.7%		11.9%	11.8%		12.8%
Interest Expense	(17)		(17)	(39) f	(56)	(54)		(54)
Other Non-Operating Income (Expense)	5		5		5	(1)		(1)
Income before Taxes	383	87	470	(67)	403	393	40	433
Provision for Income Taxes	(104)	(8) c	(112)	16 g	(96)	(99)	(7) j	(106)
Net Income	279	79	358	(51)	307	294	33	327
Diluted Shares	185.3				185.3	186.2		186.2
<b>Diluted EPS</b>	<b>\$ 1.50</b>	<b>\$ 0.43</b>	<b>\$ 1.93</b>	<b>\$ (0.27)</b>	<b>1.66</b>	<b>1.58</b>	<b>0.18</b>	<b>1.76</b>

a One time separation costs incurred at the segment level

b One time separation costs incurred at the corporate level

c Net tax impact of above items, plus the addition of 2011 special tax items

d Incremental stand alone costs to be incurred in 2012 at the segment level (\$10M)

e Incremental stand alone costs to be incurred in 2012 at the corporate level (\$18M)

f Incremental interest expense on long-term debt to be incurred in 2012

g Tax impact of incremental interest expense and stand alone costs to be incurred in 2012

h Expected one time separation costs of \$5M and \$15M to be incurred at the segments and headquarters, respectively.

i Restructuring & realignment costs of \$20M to be incurred at the segments.

j Tax impact of one time separation, restructuring & realignment costs expected to be incurred in 2012 and tax special items realized through Q3 2012.

## Non-GAAP Reconciliation: Free Cash Flow

Xylem Inc. Non-GAAP Reconciliation  
 Net Cash - Operating Activities vs. Free Cash Flow  
 Years ended 2011, 2010, 2009, & 2008  
 (\$ Millions)

	Year Ended			
	2011	2010	2009	2008
<b>Net Cash - Operating Activities</b>	449	395	370	408
Capital Expenditures	(126)	(94)	(62)	(67)
Free Cash Flow, including separation costs	<u>323</u>	<u>301</u>	<u>308</u>	<u>341</u>
Separation Costs (Cash Paid incl. Capex)	65	-	-	-
<b>Free Cash Flow, excluding separation costs</b>	<u><u>388</u></u>	<u><u>301</u></u>	<u><u>308</u></u>	<u><u>341</u></u>
Net Income	279	329	263	224
Separation Costs, net of tax	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Adjusted Net Income</b>	<u><u>351</u></u>	<u><u>329</u></u>	<u><u>263</u></u>	<u><u>224</u></u>
<b>Free Cash Flow Conversion</b>	<u><u>111%</u></u>	<u><u>91%</u></u>	<u><u>117%</u></u>	<u><u>152%</u></u>

## Non-GAAP Reconciliation: Adj. Operating Income & Margin

### Xylem Inc. Non-GAAP Reconciliation Adjusted Operating Income (\$ Millions)

	2008	2009	2010	2011	Mid Point Guidance 2012E
Revenue	3,291	2,849	3,202	3,803	3,800
Operating Income	315	276	388	395	448
Operating Margin	9.6%	9.7%	12.1%	10.4%	11.8%
Restructuring & Realignment Separation Costs	41 -	31 -	15 -	- 87	20 20
Adjusted Operating Income	356	307	403	482	488
Adjusted Operating Margin	10.8%	10.8%	12.6%	12.7%	12.8%
Standalone Costs	-	-	-	5	28
Adj. Operating Income, excl. Standalone Costs	356	307	403	487	516
Adjusted Operating Margin, excl. Standalone Costs	10.8%	10.8%	12.6%	12.8%	13.6%



## Non-GAAP Reconciliation: 2012 Xylem EBITDA & Adj. EBITDA

Xylem Inc. Non-GAAP Reconciliation  
EBITDA and Adjusted EBITDA by Quarter  
Total Xylem  
(\$ Millions)

	2012			
	Q1	Q2	Q3	YTD
Income Before Taxes	84	115	100	299
Interest, net	13	13	12	38
Depreciation	23	21	24	68
Amortization	11	12	12	35
Stock Compensation	5	5	6	16
EBITDA	136	166	154	456
Separation Costs	5	6	4	15
Restructuring & Realignment Costs	-	-	5	5
Adjusted EBITDA	141	172	163	476
Revenue	925	966	931	2,822
Adjusted EBITDA Margin	15.2%	17.8%	17.5%	16.9%

## Non-GAAP Reconciliation: 2011 Xylem EBITDA & Adj. EBITDA

Xylem Inc. Non-GAAP Reconciliation  
EBITDA and Adjusted EBITDA by Quarter  
Total Xylem  
(\$ Millions)

	2011				
	Q1	Q2	Q3	Q4	Total
Pre-Tax Net Income	101	115	82	85	383
Interest, net	-	-	1	16	17
Depreciation	22	25	25	21	93
Amortization	11	10	11	12	44
Stock Compensation	3	2	2	6	13
<b>EBITDA</b>	<b>137</b>	<b>152</b>	<b>121</b>	<b>140</b>	<b>550</b>
Separation Costs	3	18	46	20	87
<b>Adjusted EBITDA</b>	<b>140</b>	<b>170</b>	<b>167</b>	<b>160</b>	<b>637</b>
Revenues	890	971	939	1,003	3,803
<b>Adjusted EBITDA Margin</b>	<b>15.7%</b>	<b>17.5%</b>	<b>17.8%</b>	<b>16.0%</b>	<b>16.7%</b>