Ingersoll Rand Announces 2009 Second-Quarter Earnings per Share of $0.41 from Continuing Operations; $0.50 per Share Excluding Restructuring Costs

- Earnings per share from continuing operations of $0.50 excluding restructuring costs compared with prior guidance of $0.30 to $0.50.
- Reported revenues of $3,474 million in the second quarter, down 23% compared with 2008 pro forma results (down by 19% excluding the impact of currency), at low end of prior guidance of down 18% to 23%.
- Gross productivity exceeded 5% target in the second quarter; on track to deliver $650 million in productivity savings for the full year.
- Available cash flow of $605 million year to date, significantly better than plan.
- Reduced total financing by $241 million year to date; cash balances up by $299 million since March 31, well on track to meet 2009 financing reduction target of $675 million.
- Revised full-year EPS guidance to $1.50 to $1.80 from continuing operations, excluding restructuring costs, compared with prior guidance of $1.40 to $1.90.

Swords, Ireland, July 24, 2009 - Ingersoll-Rand plc (NYSE:IR), the world leader in creating and sustaining safe, comfortable and energy efficient environments, today announced that total reported revenues increased by 13% for the second quarter of 2009 compared with the 2008 second quarter and diluted earnings per share (EPS) from continuing operations were at the high end of prior guidance.

The company reported net earnings of $122.1 million, and EPS of $0.38, for the second quarter of 2009. Second-quarter net income included $133.8 million, or EPS of $0.41 from continuing operations, as well as $11.7 million of after-tax costs, equal to EPS of $(0.03), from discontinued operations. Second-quarter earnings from continuing operations include approximately $41 million of pre-tax costs for restructuring. Excluding these restructuring costs, second-quarter EPS from continuing operations was $0.50 per share.

Net earnings for the 2008 second quarter of $256.1 million, or EPS of $0.88, included EPS of $0.90 from continuing operations and EPS of $(0.02) from discontinued operations, which represent the retained costs of divested businesses.

"Our revenues in the quarter came in at the low end of our guidance as we continue to see challenges in our major end markets," said Herbert L. Henkel, chairman and chief executive officer. "Despite the lower-than-expected revenue growth, we delivered adjusted EPS of $0.50, at the top end of our guidance, as we continued to control spending, drive productivity improvements and generate synergies across our global operations. We remain focused on closely managing the business activities under our direct control and making the strategic investments that will support our long-term growth and continued market leadership."

Additional Highlights for the 2009 Second Quarter

Revenues: The company's reported revenues increased by 13% to $3,473.8 million compared with revenues of $3,080.8 million for the 2008-second quarter. Second-quarter 2009 includes $1,776 million of revenues from Trane, which was acquired in June 2008 and is reported as the Air Conditioning Systems and Services (ACSS) segment. On a pro forma basis, total revenues declined by 23%, including a negative currency impact of 4%, compared with 2008. U.S. revenues decreased by 19%, and revenues from international operations declined by approximately 29%.

Operating Income and Margin: Reported operating income for the second quarter was $250.6 million compared with $361.6 million for the second quarter of 2008. Second-quarter 2009 included approximately $41 million of pre-tax costs related to restructuring. Second-quarter reported operating margin was 7.2% or 8.4% excluding restructuring. Substantial declines in volume, unfavorable product mix and negative currency impact caused significant decreases in operating profits and margins. The volume decline was partially offset by expense reductions, productivity actions, lower commodity costs and carryover pricing from 2008.

Interest Expense and Other Income/Expense: Interest expense of $81.9 million for the second quarter of 2009 increased compared with $45.6 million in the 2008 second quarter, due to higher average debt balances related to the acquisition of Trane. Other income totaled $3.4 million for the second quarter, compared with $32.8 million of income for the second quarter of 2008. The year-over-year difference is primarily attributable to significantly higher interest income in 2008.

Taxes: The company's tax rate, including discrete items, was 19% for the second quarter. The company reduced its projected

tax rate for 2009 from 20% to 18%, reflecting the reduction in the high-end of the forecast full-year earnings range.

Second-quarter Business Review
The company classifies its businesses into four reportable segments based on industry and market focus: Air Conditioning Systems and Services (added on June 5, 2008, with the acquisition of Trane), Climate Control Technologies, Industrial Technologies, and Security Technologies.

Air Conditioning Systems and Services (ACSS), which represents the results of Trane, provides systems and services that enhance the quality and comfort of the air in homes and non-residential buildings. Reported revenues for the second quarter of 2009 were $1,776 million with operating income of $105.0 million. Total pro forma revenues for the second quarter declined by 16%, including a 2% drag from currency. On a year-over-year pro forma basis, total commercial revenues decreased by 17% (down by 14% excluding currency), with a 25% decline (down by 21% excluding currency) in equipment and systems revenue and a 7% decrease (down by 4% excluding currency) in parts, services and solutions. Commercial revenues decreased in all major geographic regions during the quarter due to sharply lower activity in non-residential construction markets and ongoing deferral of normal maintenance by customers. Residential revenues declined by 12% compared with the second quarter of 2008 due to continuing weakness in the U.S. housing market. Second-quarter operating margin was 5.9% and includes purchase accounting, restructuring costs and incremental allocations. Productivity actions and lower commodity costs partially offset the negative impact of lower volumes on second quarter margins. Please see Table 6 attached to this release for detail on the impact of purchase accounting and other items on operating income.

Climate Control Technologies provides solutions to transport, preserve, store and display temperature-sensitive products, and includes the market-leading brands of Hussmann® and Thermo King®. Revenues for the sector of $626 million decreased by approximately 31% (down by 26% excluding currency) compared with the second quarter of 2008. Second-quarter 2009 operating margin, including $5.7 million of restructuring costs, declined to 7.9%, compared with 12.6% in the 2008-second quarter. Total worldwide refrigerated trailer and truck revenues declined by more than 45%, reflecting the decline of the heavy truck market primarily in Europe and North America, which were partially offset by share gains. Sea-going container revenues and worldwide bus and aftermarket revenues all declined due to the sharp decrease in end market activity. Worldwide revenues for refrigerated display cases and contracting decreased by 15% compared with the second quarter of 2008 as slower supermarket capital expenditures in Europe and regional customers in the United States offset market share gains by Hussmann in display cases at major national chains. The margin decrease was primarily due to a substantial decline in volumes, unfavorable product mix and currency, which were partially offset by significant operational improvements, productivity gains, savings from prior period restructuring actions and carryover pricing.

Industrial Technologies is focused on providing solutions to enhance customers' industrial and energy efficiency and provides equipment and services for compressed air systems, tools, fluid power production and energy generation systems. Total revenues in the second quarter of $540 million decreased by approximately 33% (down by 29% excluding currency) compared with the second quarter of 2008. Air and Productivity revenues declined by 31% due to lower volumes in all geographic regions and the negative impact of currency translation. Revenues in the Americas decreased by 31% compared with last year due to declines in major industrial, process and fluid handling end markets. Air and Productivity Solutions revenues in Europe, Asia and India were down by approximately 32% (down by 23% excluding currency) compared with 2008 due to declining industrial activity, especially in Europe. Club Car revenues declined by 38% compared with record results in the second quarter of 2008 as weakening fundamentals in key golf, hospitality and recreation markets in the United States were partially offset by market share gains in golf cars. Second-quarter operating margin for Industrial Technologies of 7.1%, including $9.1 million of restructuring costs, declined compared with 12.9% last year, due to lower volumes, unfavorable mix and currency, which were partially offset by cost productivity and carryover pricing benefits.

Security Technologies includes mechanical and electronic security products; biometric and access-control technologies; security and scheduling software; integration and services. Second-quarter revenues of $532 million declined by approximately 20% (down by 16% excluding currency) compared with the second quarter of 2008. This decline reflects contracting worldwide commercial and residential building markets. Commercial security revenues were down by approximately 21% (down by 16% excluding currency) compared with 2008, primarily resulting from declining new building and remodeling markets in the United States and Europe. North American residential revenues declined by approximately 14% (down 13% excluding currency) due to lower same store sales at "Big Box" customers and ongoing weakness in the new-homebuilder channel. This decline was partially offset by sales growth in South America. Second-quarter operating margin of 19.7%, which included $5.9 million of restructuring costs, increased by 1.3 percentage points compared with 18.4% in the second quarter of 2008. The operating margin increase was due to accelerated productivity actions, strong cost control, lower commodity costs and carryover pricing from 2008 which more than offset lower volumes.

Balance Sheet and Liquidity
Total debt at the end of the second quarter was approximately $4.7 billion, which included $574 million of commercial paper. During the first quarter the company implemented a series of actions designed to address its short-term debt requirements through 2010 and enhance its long-term liquidity profile. These actions included the sale of $1 billion of senior notes and exchangeable senior notes, and the expansion of its 364-day trade receivable financing facility. The net proceeds from the notes offering were used to repay the bridge loan that was scheduled to mature in June 2009. Year to date, the company

generated available cash flow of $605 million from earnings and working capital reductions. Total financing has been reduced by $241 million year to date and cash balances increased by $299 million from the March 31 level.

"Our focus on generating cash flow continues to pay off. Working capital reductions are better than targets, primarily driven by significant inventory reductions. We are ahead of plan in reducing our debt and we will be in a position to meet or exceed our $675 million debt pay down target this year," said Henkel.

Productivity Actions / Restructuring / Trane Acquisition Synergies
The company achieved a total productivity increase of 5.6% in the second quarter, and is on track to achieve the $650 million productivity plan for the full year. During the second quarter, the company expanded the scope of its restructuring program that was initiated in the fourth quarter of 2008 and now expects to spend approximately $140 million in total. Since the fourth quarter of 2008, the company has spent approximately $123 million, reducing headcount and closing facilities. The restructuring programs are expected to generate $180 million of annual gross pre-tax savings in 2009 and approximately $235 million of savings in 2010.

The company continued to make progress with the integration of Trane. During the second quarter the company initiated several major synergy actions, including the formation of the Residential Solutions business and the consolidation of the North American Trane Commercial and Hussmann field sales and service organizations. The company expects to generate $175 to $185 million of incremental savings and $300 million of cumulative savings in 2009.

Reincorporation into Ireland
On July 1, 2009 the company announced that it completed its previously announced reorganization changing the jurisdiction of incorporation of the parent company of Ingersoll Rand from Bermuda to Ireland. "Ireland has a stable tax, legal and regulatory environment, and enjoys strong relationships as a member of the European Union. Ireland also enjoys a long history of international investment and a good network of tax treaties with the United States, the European Union and other countries where Ingersoll Rand has major operations," said Henkel.

"In addition, Ireland is home to approximately 700 Ingersoll Rand employees operating in manufacturing, sales and corporate roles. Ingersoll Rand's Thermo King business has a major manufacturing site in Galway and many of the company's European Region shared services are based near Dublin."

2009 Outlook
All of Ingersoll Rand's major end markets continued to experience depressed levels of overall demand in the second quarter with weaker activity for both complete products and aftermarket parts and service. Second-quarter orders, excluding currency, declined by approximately 20% compared with last year, consistent with the year-over-year rate of change in the first quarter of 2009. "Based on our recent order pattern and a review of customer and channel activity, we expect to continue to see reduced activity levels year over year for most of our major end markets for the second half of 2009," said Henkel. "In the second half we see some tentative positive signs in residential HVAC, the North American refrigerated trailer builds, and our operations in China. However, U.S. non-residential construction and European markets continue to be especially difficult.

"Given our current macro economic view, we anticipate pro forma revenues for full-year 2009 in the range of $13.3 to $13.7 billion, or a year-over-year decline of 16% to 19% including 2 to 3 points of negative currency impact. This compares to our prior full-year revenue forecast of down 14% to 19%, including 3 to 4 percentage points of negative currency impact.

"For the balance of 2009, we expect to capture significant benefits from lower commodity costs, additional Trane acquisition synergies, restructuring savings and productivity programs.

"Full-year 2009 EPS from continuing operations is expected to be in the range of $1.50 to $1.80 and we expect to have discontinued costs equal to $0.11 per share. This full-year forecast excludes $69 million of restructuring expenses and reflects a tax rate of 18% for continuing operations and an average diluted share count of 325 million shares. This compares with the prior guidance range given by the company of $1.40 to $1.90 EPS from continuing operations in April 2009. Available cash flow for 2009 will be adequate to reduce financing by at least $675 million, based on projected earnings and working capital reductions.

"Third-quarter results will continue to be negatively influenced by the current uncertain economic conditions," said Henkel. "Third-quarter revenues are forecast to be in the range of $3.5 to $3.7 billion, which is down by approximately 14% to 19% compared with the third quarter of 2008. Reported EPS from continuing operations for the third quarter is expected to be in the range of $0.55 to $0.70, excluding $0.04 of restructuring expenses.

"Despite slower economic conditions, our business fundamentals remain strong. We have leading global brands and leading market shares in all of our major product lines. Our balance sheet is solid, we are generating significant cash, we are reducing debt, and we have significant available liquidity. Our number one priority is managing through the current economic slowdown so that we mitigate its impact and emerge as a stronger, more efficient company."

As a result of the recently issued SFAS No. 160 Noncontrolling Interests in Consolidated Financial Statements, all amounts reported within the earnings release above related to net earnings (loss), earnings (loss) from continuing operations, earnings (loss) from discontinued operations, and per share amounts are attributed to Ingersoll Rand's common shareholders.

Note: 2009 reduced financing of $675 million consists of forecasted debt repayments of $812 million less forecasted additional proceeds under the trade receivable financing facility of $137 million.

This news release includes "forward-looking statements," which are any statements that are not historical facts. These forward-looking statements are based on our current expectations and there can be no assurance that such expectations will prove to be correct. Forward-looking statements are subject to changes in circumstances, risks and uncertainties, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Information about factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2008, our Form 10-Q for the quarter ended March 31, 2009 and in our other SEC filings. General U.S. and international economic and political conditions, the outcome of litigation and governmental proceedings, changes in government regulations and tax laws, our ability to achieve our Trane acquisition synergies target and cost savings in connection with our strategic restructuring and our reorganization from Bermuda to Ireland are examples of factors, among others, that could cause actual results to differ materially from those anticipated in the forward-looking statements. These forward-looking statements are based on our current expectations and we assume no obligation to update these forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements.

Ingersoll Rand is a global diversified industrial firm providing products, services and solutions to enhance the quality and comfort of air in homes and buildings, transport and protect food and perishables, secure homes and commercial properties, and enhance industrial productivity and efficiency. Driven by a 100-year-old tradition of technological innovation, we enable companies and their customers to create progress. For more information, visit www.ingersollrand.com.

# # #

07/24/09

See Accompanying Tables

- Condensed Income Statement
- Segments
- Reconciliation of non-GAAP to GAAP - QTD
- Reconciliation of non-GAAP to GAAP - YTD
- Reconciliation of non-GAAP to GAAP - Segments
- Pro forma Reconciliation - ACSS
- Reconciliation of non-GAAP to GAAP - Available Cash Flow
- Balance Sheet Metrics

For more information, media may contact:
Paul Dickard
(732-652-6712)
paul_dickard@ingersollrand.com.

For more information, investors and financial analysts may contact:
Bruce Fisher
(732-652-6789)
bruce_fisher@ingersollrand.com
or
Joe Fimbianti
(732-652-6718)
joseph_fimbianti@irco.com.