July 22, 2014

Ingersoll Rand Reports Second-Quarter EPS from Continuing Operations of $1.13, increases Full-Year 2014 EPS Outlook

- *Second-quarter continuing earnings per share (EPS) of $1.13; adjusted EPS excluding restructuring costs also $1.13, up by 22 percent compared with 2013 adjusted EPS of $0.93*
- *Revenues of $3.5 billion in the second quarter, up by 4.3 percent compared with 2013*
- *Q2 2014 operating margin of 13.1 percent, 1.5 percentage point adjusted margin improvement*
- *Full-year 2014 EPS from continuing operations forecast increased to $3.13 to $3.21 including $0.05 of restructuring costs*

Swords, Ireland, July 22, 2014 - Ingersoll-Rand plc (NYSE:IR), a world leader in creating comfortable, sustainable and efficient environments, today reported diluted earnings per share (EPS) from continuing operations of $1.13 for the second quarter of 2014.

The company reported net earnings of $306.0 million, or EPS of $1.12, for the second quarter of 2014. Second-quarter net earnings included $310.6 million, or EPS of $1.13, from continuing operations, as well as a net loss of $(4.6) million, or EPS of $(0.01) from discontinued operations. This compares with net earnings of $317.2 million, or EPS of $1.05, for the 2013 second quarter. Second-quarter 2013 net earnings included $269.2 million, or EPS of $0.89, from continuing operations, as well as net earnings of $48.0 million, or EPS of $0.16, from discontinued operations. The results for the second quarter of 2013 included $10.1 million of restructuring and other one-time costs equal to $(0.04) per share. Excluding restructuring and one-time costs from 2013 results, 2014 EPS from continuing operations increased by $0.20 per share, or 22 percent year-over-year **(see attached tables for additional details)**.

"We are pleased to have delivered on our earnings, revenue and margin improvement commitments in the second quarter, particularly with our adjusted EPS at a 22 percent year-over-year increase," said Michael W. Lamach, chairman and chief executive officer. "Our discipline and focus on growth, in coordination with ongoing productivity efforts, achieved adjusted operating leverage of 47 percent and strong revenue and order increases over last year. As we move into the second half of 2014, we are increasing our 2014 earnings forecast. We feel good about our positioning and our focus to deliver on our commitments to our customers and our shareholders."

Additional Highlights from the 2014 Second Quarter

Revenues: The company's reported revenues increased by 4.3 percent to $3,543 million, compared with revenues of $3,398 million for the 2013 second quarter. Total U.S. revenues were up 4 percent compared to 2013 and revenues from international operations increased by 5 percent (up 5 percent excluding currency). New equipment and aftermarket revenues were up 3 percent and 7 percent respectively, compared with the second quarter of 2013.

Operating Margin: The second-quarter operating margin was 13.1 percent compared with 11.4 percent in 2013. Adjusted for restructuring, the operating margin for the second quarter of 2013 was 11.6 percent. The year-over-year 1.5 percentage point adjusted margin improvement was due to higher volume, gains from productivity initiatives and pricing, partially offset by inflation and an increase in investment spending.

Interest Expense and Other Income/Expense: Interest expense of $53.0 million for the second quarter of 2014 declined by $8.9 million compared with the same period last year. Other income totaled $8.6 million for the second quarter of 2014, compared with $(2.4) million of other expense for the 2013 second quarter, primarily due to foreign exchange gains in 2014 compared with losses in 2013.

Taxes: The company had an effective tax rate of 24.8 percent in the second quarter of 2014. The effective rate for the second quarter of 2013 was 15.1 percent.

Second-Quarter Business Review
[Note: Adjusted margins for 2013 exclude restructuring costs. There were no restructuring costs in the second quarter of 2014 - see attached tables for additional details]

The Climate Segment delivers energy-efficient solutions globally and includes Trane® and American Standard® Heating and Air Conditioning which provides heating, ventilation and air conditioning (HVAC) systems and commercial and residential building services, parts, support and controls; and Thermo King®, the leader in transport temperature control solutions. Revenues for the second quarter of 2014 were $2,749 million and increased 4 percent compared with the second quarter of 2013. Bookings increased 6 percent year-over-year.

On a year-over-year basis, total commercial HVAC revenues increased by a low-single digit percentage with slight declines in year-over-year equipment revenues and a mid-single digit revenue increase in parts, service and solutions. Commercial HVAC revenues in North America increased by low-single digits in the quarter compared with last year and were down slightly in overseas operations. Second-quarter 2014 commercial HVAC bookings reflect a low-single digit percentage increase compared with last year.

Total Thermo King refrigerated transport revenues increased by a high-single digit percentage in the second quarter compared with last year with gains in all equipment categories and in aftermarket revenues. Bookings increased by a mid-teens percentage in the second quarter of 2014, primarily due to strong orders in the North American and European truck and trailer markets.

Residential HVAC revenues increased by an upper-single digit percentage in the second quarter compared with 2013, with volume gains in all major product categories. Bookings increased by an upper-single digit percentage compared with last year.

Second-quarter 2014 segment operating margin was 14.2 percent compared with 12.5 percent (12.7 percent adjusted operating margin) last year. The year-over-year margin improvement was due to higher volumes, pricing, productivity actions and lower restructuring costs, partially offset by inflation and higher investment spending. Year-over-year adjusted operating leverage was 48 percent.

The Industrial Segment delivers products and services that enhance energy efficiency, productivity and operations. It includes Ingersoll Rand® compressed air systems and services, power tools and material handling systems, and ARO® fluid management equipment, as well as Club Car® golf, utility and rough terrain vehicles. Total revenues in the second quarter of $794 million increased by 4 percent compared with the second quarter of 2013. Bookings increased by 2 percent compared with last year.

Revenues for air compressors and industrial products increased by a mid-single digit percentage compared with the second quarter of 2013 with gains in all major geographic regions. Bookings increased by a mid-single digit percentage compared with last year.

Club Car revenues declined by a low-single digit percentage compared with the second quarter of 2013 due to decreased activity in the North American golf market.

Second-quarter segment operating margin for Industrial was 16.4 percent compared with 15.8 percent (16.1 percent adjusted operating margin) last year. The increase in operating margin was due to higher volumes, productivity actions, pricing and lower restructuring costs, partially offset by inflation and higher investment spending.

Balance Sheet
At the end of the second quarter, working capital was 4.0 percent of revenues, compared with 3.1 percent in 2013. Cash balances and total debt balances were $930 million and $3.6 billion, respectively.

Share Repurchase
During the second quarter of 2014, the company repurchased approximately 4 million shares for approximately $200 million related to a $1.5 billion share repurchase program approved by the company's board of directors on February 5, 2014. The company is targeting to repurchase a total of $1,375 to $1,475 million of shares for full-year 2014.

Outlook
Based on a forecast of moderate growth in worldwide construction and modest growth in industrial markets for the remainder of the year, the company expects revenues for the full-year 2014 to increase by approximately 4 percent with full-year reported EPS from continuing operations expected to be in the range of $3.13 to $3.21.

Restructuring expenses are expected to approximate $0.05 per share. Excluding these costs, adjusted EPS for 2014 continuing operations are expected to be in the range of $3.18 to $3.26. The forecast includes a tax rate of 25 percent for continuing operations and an average diluted share count for the full year of approximately 275 million shares. Free cash flow for full-year

2014 is expected to approximate $900 million.

Third-quarter 2014 revenues are expected to increase approximately 4 percent with reported EPS from continuing operations for the third-quarter in the range of $1.00 to $1.04. Restructuring expenses are expected to approximate $(0.01) per share. The third-quarter forecast reflects an ongoing tax rate of 25 percent for continuing operations and an average diluted share count of approximately 273 million shares.

This news release includes "forward-looking statements," which are statements that are not historical facts, including statements that relate to the mix of and demand for our products, performance of the markets in which we operate, our share repurchase program including the amount of shares to be repurchased and timing of such repurchases, our projected 2014 third-quarter and full-year financial performance and assumptions regarding our effective tax rate. These forward-looking statements are based on our current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from our current expectations. Such factors include, but are not limited to, our ability to fully realize the expected benefits of the completed spinoff and restructuring, global economic conditions, demand for our products and services and tax law changes. Additional factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2013, Form 10-Q for the quarter ending March 31, 2014, and other SEC filings. We assume no obligation to update these forward-looking statements.

This news release also includes adjusted non-GAAP financial information which should be considered supplemental to, not a substitute for or superior to, the financial measure calculated in accordance with GAAP. Further information about the adjusted non-GAAP financial tables is attached to this news release.

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 ordinary shareholders.

Ingersoll Rand (NYSE:IR) advances the quality of life by creating comfortable, sustainable and efficient environments. Our people and our family of brands-including Club Car®, Ingersoll Rand®, Thermo King® and Trane®-work together to enhance the quality and comfort of air in homes and buildings; transport and protect food and perishables; and increase industrial productivity and efficiency. We are a $12 billion global business committed to a world of sustainable progress and enduring results. For more information, visit ingersollrand.com.

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(See Accompanying Tables)

- Condensed Consolidated Income Statement
- Segments
- Non-GAAP Financial Tables
- Condensed Consolidated Balance Sheet
- Condensed Consolidated Statement of Cash Flow
- Balance Sheet Metrics and Free Cash Flow

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