October 19, 2012

Ingersoll Rand Delivers Third-Quarter EPS from Continuing Operations of $1.07

- *Third-quarter total earnings per share (EPS), including discontinued operations, of $1.03*
- *EPS from continuing operations of $1.07 exceeded prior forecast, primarily due to strong execution of operational excellence programs*
- *Revenues of $3,593 million in the third quarter, down 8 percent compared with 2011 (down 1 percent excluding Hussmann)*
- *Q3 2012 operating margin of 12.5 percent, up by 1.1 percentage points*
- *$480 million of shares repurchased as of Oct. 18, 2012; expect to repurchase $840 million of shares by year end*
- *Full-year 2012 EPS from continuing operations forecast $3.17 to $3.23*

Swords, Ireland, October 19, 2012 - Ingersoll-Rand plc (NYSE:IR), a world leader in creating and sustaining safe, comfortable and efficient environments, today reported diluted earnings per share (EPS) from continuing operations of $1.07 for the third quarter of 2012.

The company reported net earnings of $321.6 million, or EPS of $1.03, for the third quarter of 2012. Third-quarter net earnings included $333.9 million, or EPS of $1.07, from continuing operations, as well as an after tax loss of $12.3 million, or EPS of ($0.04) from discontinued operations. This compares with net earnings for the 2011 third quarter of $86.2 million, which included EPS of $0.28 from continuing operations and an after-tax EPS loss of ($0.03) from discontinued operations. Third-quarter 2011 EPS included $180.6 million, or EPS of ($0.53), of impairment costs related to the disposition of the Hussmann refrigeration business. Excluding impairment costs, third-quarter 2011 adjusted EPS from continuing operations totaled $0.81. **(See table below)**

Third-Quarter EPS Table

	Q3 2012	Q3 2011
Reported EPS	$1.03*	$0.25
Adjustments: Add Back		
- Discontinued Operations	0.04	0.03
- Asset Impairment/Loss on Sale	---	0.53
Adjusted EPS Continuing Operations	$1.07*	$0.81

*Reported and adjusted EPS included $0.09 from a net discrete tax benefit

"We have delivered on our strategy to increase profitability and shareholder value with solid third-quarter earnings per share that exceeded our forecast," said Michael W. Lamach, chairman and chief executive officer. "We are continuing to generate significant operating leverage while we invest in future growth platforms. I believe the combination of our strategy and a sound use of capital will drive strong earnings growth in the coming years, even if economies do not improve. We will remain focused on organic revenue growth, expansion of operating margins and a balanced, disciplined capital allocation strategy in the face of expected economic headwinds."

Additional Highlights for the 2012 Third Quarter

Revenues: The company's reported revenues declined by 8 percent to $3,593 million, compared with revenues of $3,910 million for the 2011 third quarter. Total revenues, excluding the results of Hussmann, were down 1 percent compared with 2011 (up 1 percent excluding currency). U.S. revenues, excluding Hussmann, were up 3 percent compared to 2011, and revenues from international operations declined by approximately 7 percent (down 1 percent excluding currency).

Operating Income and Margin: Operating income for the 2012 third quarter was $448 million, compared with $181 million ($415 million excluding Hussmann's results and impairment costs) for the 2011 third quarter. The third-quarter operating margin was 12.5 percent compared with an operating margin of 4.6 percent (11.4 percent excluding Hussmann's results and impairment costs) for the same period of 2011. The year-over-year margin improvement was due to higher prices and productivity, partially offset by inflation, unfavorable product mix, currency translation and increased investments.

Interest Expense and Other Income/Expense: Interest expense of $61 million for the third quarter of 2012 decreased by approximately $9 million compared with the same period last year due to lower debt balances. Other income totaled $17 million for the third quarter of 2012, compared with approximately $21 million of income for the 2011 third quarter. The year-over-year change was primarily due to currency losses and lower interest income.

Taxes: The company had a tax rate of 16 percent in the third quarter of 2012. The rate for the third quarter of 2011 was 22 percent. During the three months ended Sept. 30, 2012, the company recorded a net discrete tax benefit of approximately $29 million, primarily resulting from the consolidation of legal entities outside of the United States.

Third-Quarter Business Review

Climate Solutions delivers energy-efficient solutions globally and includes Trane, which provides heating, ventilation and air conditioning (HVAC) systems and building services, parts, support and controls for commercial buildings, and Thermo King, the leader in transport temperature control solutions. The total results of the divested Hussmann refrigeration business are included through the third quarter of 2011. The company's ownership interest in Hussmann was reported within other income/ expense using the equity method of accounting for the third quarter of 2012. Third-quarter 2011 results included approximately $282 million of revenues and $30 million of operating income attributable to Hussmann.

Revenues for the third quarter of 2012 were $1,942 million and declined by 15 percent compared with the third quarter of 2011. Excluding Hussmann, revenue decreased by 3 percent (down 1 percent excluding currency). Bookings, excluding Hussmann, increased by 1 percent year-over-year (up 3 percent excluding currency).

On a year-over-year basis, total commercial HVAC revenues decreased by 2 percent (flat excluding currency) primarily due to declining markets in Western Europe and currency translation. Total Thermo King refrigerated transport revenues declined in the third quarter compared with last year as moderate growth in the Americas was more than offset by declines in European and Asian markets and unfavorable currency translation.

Third-quarter 2012 segment operating margin was 12.7 percent, compared with 11.5 percent (11.7 percent excluding Hussmann's results) last year. The year-over-year margin improvement was due to pricing and productivity actions, partially offset by inflation, negative currency, unfavorable revenue volume/mix and higher investment spending.

Industrial Technologies provides products, services and solutions to enhance customers' productivity, energy efficiency and operations. Products include compressed air systems, tools, fluid power products, and golf and utility vehicles. Total revenues in the third quarter of $702 million increased by 1 percent (up 4 percent excluding currency) compared with the third quarter of 2011. Air and productivity revenues declined slightly, as volume gains in the United States were more than offset by revenue declines in international markets, primarily related to currency translation.

Club Car revenues increased mid-single digits compared with the third quarter of 2011 from gains in the golf market.

Third-quarter segment operating margin for Industrial Technologies was 15.2 percent, and increased by 1.4 percentage points compared with last year. Margin benefits from improved productivity and pricing were partially offset by inflation and increased investment spending.

Residential Solutions includes the Trane and Schlage brands, which deliver safety, comfort and efficiency to homeowners throughout the Americas. Products, services and solutions include mechanical and electronic locks, HVAC systems, indoor air quality solutions and controls, and remote home management systems. Third-quarter revenues were $559 million, an increase of approximately 11 percent (up 11 percent excluding currency) compared with 2011.

Total reported residential security revenues were up low teens compared with 2011 due to sales gains from the new residential builder markets and "big box" customers in the United States and from strong growth in South America.

HVAC revenues were up low teens compared with the third quarter of 2011 due to improving market conditions and market share gains in air conditioning units and furnaces. Third-quarter segment operating margin was 8.1 percent, an increase of 4.3 percentage points, compared with 3.8 percent recorded in 2011. The segment margin increase was due to increased volume, improved productivity and higher pricing, which were partially offset by inflation and an unfavorable revenue mix shift to lower efficiency and opening price point air conditioning products.

Security Technologies is a leading global supplier of commercial security products and services. The segment's market-leading products include mechanical and electronic security products, biometric and access-control systems, and security and time and attendance scheduling software. Third-quarter revenues of $391 million decreased by approximately 7 percent (down 4 percent excluding currency) compared with the third quarter of 2011. Revenues in the Americas were down by low single digits, as price improvements were more than offset by lower volumes. Revenues in overseas markets also decreased primarily due to declining construction markets and currency translation. Third-quarter segment operating margin was 21.5 percent, up slightly compared with the third quarter of 2011. The higher segment operating margin was due to higher productivity and improved pricing, partially offset by inflation, unfavorable revenue mix and increased investment spending.

Balance Sheet

During the third quarter, working capital was 3.9 percent of revenues and increased slightly compared with 2011. Cash balances and total debt balances were $0.9 billion and $3.3 billion, respectively, at the end of the third quarter. The company repurchased 7.6 million shares during the third quarter. Approximately 10.8 million shares have been repurchased for approximately $480 million as of Oct. 18, 2012. The company expects to spend a total of $840 million during 2012 to complete the current $2 billion share repurchase authorization. Approximately 47 million shares have been repurchased for $1.6 billion since the program's inception in June of 2011.

Outlook

Ingersoll Rand's major end markets showed an uneven and choppy demand pattern in the third quarter of 2012 with moderate organic growth rates in the United States and Latin America, and declining activity in Western Europe and in Asia. Based on current order rates, the company expects fourth quarter revenues to be flat compared with last year.

Revenues for full-year 2012 are expected to be in the range of $13.95 billion to $14.05 billion. The year-over-year change in currency exchange rates is expected to reduce reported revenue growth by 2 percentage points in 2012. Full-year EPS from continuing operations are expected to be in the range of $3.17 to $3.23. The forecast includes a tax rate of 19 percent for continuing operations and an average diluted share count for the full year of approximately 311 million shares. Available cash flow for full-year 2012 is expected to approximate $1.0 billion, based on projected earnings, capital expenditures and working capital requirements.

Fourth-quarter 2012 revenues are expected to be in the range of $3.4 billion to $3.5 billion and EPS from continuing operations are expected to be in the range of $0.64 to $0.70. The fourth-quarter forecast reflects a tax rate of 29 percent for continuing operations (includes a $22 million discrete tax charge) and an average diluted share count of approximately 306 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 capital allocation strategy and our 2012 full-year and fourth-quarter financial performance. 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. Factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2011, Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, and in our 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 as superior to, the financial measure calculated in accordance with GAAP. Further information about the adjusted non-GAAP financial information, including reconciliation to the nearest GAAP measure, is included in financial tables 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 and sustaining safe, comfortable and efficient environments. Our people and our family of brands-including Club Car®, Ingersoll Rand®, Schlage®, Thermo King® and Trane®-work together to enhance the quality and comfort of air in homes and buildings; transport and protect food and perishables; secure homes and commercial properties; and increase industrial productivity and efficiency. We are a $14 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 Available Cash Flow

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