

INGERSOLL-RAND PLC
Reconciliation of non-GAAP to GAAP
(In millions, except per share amounts)
UNAUDITED

	For the quarter ended March 31, 2013		
	As Reported	Adjustments	As Adjusted
Net revenues	\$ 3,112.4	\$ -	\$ 3,112.4
Operating income	193.5	37.7 (a)	231.2
Operating margin	6.2%		7.4%
Earnings from continuing operations before income taxes	125.5	37.7 (a)	163.2
Provision for income taxes	(23.7)	(6.5) (b)	(30.2)
Tax rate	18.9%		18.5%
Earnings from continuing operations attributable to Ingersoll-Rand plc	95.2	31.2 (c)	126.4
<u>Diluted earnings per common share</u>			
Continuing operations	\$ 0.31	\$ 0.11	\$ 0.42
Weighted-average number of common shares outstanding			
Diluted	302.5	-	302.5
<u>Detail of Adjustments:</u>			
(a) Restructuring/spin costs		37.7	
(b) Tax impact		(6.5)	
(c) Impact of adjustments on earnings from continuing operations attributable to Ingersoll-Rand plc		\$ 31.2	

The Company reports its financial results in accordance with generally accepted accounting principles in the United States (GAAP). This supplemental schedule provides adjusted non-GAAP financial information and a quantitative reconciliation of the difference between the non-GAAP financial measures and the financial measures calculated and reported in accordance with GAAP.

The non-GAAP financial measures should be considered supplemental to, not a substitute for or superior to, financial measures calculated in accordance with GAAP. They have limitations in that they do not reflect all of the costs associated with the operations of our businesses as determined in accordance with GAAP. In addition, these measures may not be comparable to non-GAAP financial measures reported by other companies.

We believe the non-GAAP financial information provides important supplemental information to both management and investors regarding financial and business trends used in assessing our financial condition and results of operations. We believe that it is meaningful to provide the relative impact of restructuring and one-time charges and the corresponding tax impacts in order to present a better understanding of our results on a period to period comparative basis.

The non-GAAP financial measures for operating income and margin, tax rate and EPS assist investors with analyzing our business segment results as well as with predicting future performance. In addition, these non-GAAP financial measures are also reviewed by management in order to evaluate the financial performance of each segment. They are the basis for performance reviews, compensation and resource allocation. We believe that the presentation of these non-GAAP financial measures will permit investors to assess the performance of the Company on the same basis as management.

As a result, one should not consider these measures in isolation or as a substitute for our results reported under GAAP. We compensate for these limitations by analyzing results on a GAAP basis as well as a non-GAAP basis, prominently disclosing GAAP results and providing reconciliations from GAAP results to non-GAAP results.

SEE ATTACHED RELEASE FOR ADDITIONAL INFORMATION

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	For the quarter ended March 31, 2012		
	As Reported	Adjustments	As Adjusted
Net revenues	\$ 3,150.7	\$ -	\$ 3,150.7
Operating income	212.0	23.3 (a)	235.3
Operating margin	6.7%		7.5%
Earnings from continuing operations before income taxes	142.4	23.3 (a)	165.7
Provision for income taxes	(38.0)	(5.8) (b)	(43.8)
Tax rate	26.7%		26.4%
Earnings from continuing operations attributable to Ingersoll-Rand plc	97.8	17.5 (c)	115.3
<u>Diluted earnings per common share</u> Continuing operations	\$ 0.31	\$ 0.06	\$ 0.37
Weighted-average number of common shares outstanding Diluted	312.4	-	312.4
<u>Detail of Adjustments:</u>			
(a) Restructuring costs		23.3	
(b) Tax impact		(5.8)	
(c) Impact of adjustments on earnings from continuing operations attributable to Ingersoll-Rand plc		\$ 17.5	

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	For the quarter ended March 31, 2013		For the quarter ended March 31, 2012	
	As Reported	Margin	As Reported	Margin
Climate Solutions				
Net revenues	\$ 1,616.4		\$ 1,661.8	
Segment operating income	\$ 81.2	5.0%	\$ 94.0	5.7%
Restructuring costs	17.4	1.1%	11.3	0.6%
Adjusted operating income	98.6	6.1%	105.3	6.3%
Depreciation and amortization	41.8	2.6%	39.1	2.4%
EBITDA	\$ 140.4	8.7%	\$ 144.4	8.7%
Industrial Technologies				
Net revenues	\$ 680.3		\$ 688.7	
Segment operating income	\$ 102.1	15.0%	\$ 91.5	13.3%
Restructuring costs	2.8	0.4%	6.7	1.0%
Adjusted operating income	104.9	15.4%	98.2	14.3%
Depreciation and amortization	10.9	1.6%	10.4	1.5%
EBITDA	\$ 115.8	17.0%	\$ 108.6	15.8%
Residential Solutions				
Net revenues	\$ 464.0		\$ 421.7	
Segment operating income	\$ 6.9	1.5%	\$ (10.7)	(2.5%)
Restructuring costs	-	0.0%	0.5	0.1%
Adjusted operating income	6.9	1.5%	(10.2)	(2.4%)
Depreciation and amortization	24.7	5.3%	28.7	6.8%
EBITDA	\$ 31.6	6.8%	\$ 18.5	4.4%
Security Technologies				
Net revenues	\$ 351.7		\$ 378.5	
Segment operating income	\$ 58.8	16.7%	\$ 69.9	18.5%
Restructuring costs	4.5	1.3%	3.9	1.0%
Adjusted operating income	63.3	18.0%	73.8	19.5%
Depreciation and amortization	9.3	2.6%	8.7	2.3%
EBITDA	\$ 72.6	20.6%	\$ 82.5	21.8%
Corporate				
Unallocated corporate expense	\$ (55.5)		\$ (33.0)	
Restructuring/spin costs	13.0		1.2	
Adjusted corporate expense	(42.5)		(31.8)	
Depreciation and amortization	8.0		11.1	
EBITDA	\$ (34.5)		\$ (20.7)	
Total Company				
Net revenues	\$ 3,112.4		\$ 3,150.7	
Operating income	\$ 193.5	6.2%	\$ 212.0	6.7%
Restructuring/spin costs	37.7	1.2%	23.3	0.8%
Adjusted operating income	231.2	7.4%	235.3	7.5%
Depreciation and amortization	94.7	3.1%	98.0	3.1%
EBITDA	\$ 325.9	10.5%	\$ 333.3	10.6%

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We believe the non-GAAP financial information provides important supplemental information to both management and investors regarding financial and business trends used in assessing our financial condition and results of operations.

The non-GAAP financial measures of EBITDA and EBITDA margin assist investors with analyzing our business segment results as well as with predicting future performance. In addition, these non-GAAP financial measures are also reviewed by management in order to evaluate the financial performance of each segment. They are the basis for performance reviews, compensation and resource allocation. We believe that the presentation of these non-GAAP financial measures will permit investors to assess the performance of the Company on the same basis as management.

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