



## **Ingersoll-Rand Third-Quarter 2001 Earnings at Low End of Estimated Range; Revises Full-Year Expectations**

Woodcliff Lake, N.J., October 8, 2001 - Ingersoll-Rand Company (NYSE:IR), a leading diversified industrial enterprise, today announced that it expects third-quarter diluted earnings per share (DEPS) to be at the low end of the company's previous guidance of 45 to 55 cents, excluding one-time charges related to its restructuring program. The estimate includes approximately 8 cents of benefit to DEPS from the positive results of ongoing tax planning initiatives.

Total revenues, excluding Dresser-Rand, for July and August were down about 4% compared to last year. However, the company experienced a 10% decline in revenues and a 15% decline in orders in the last three weeks of September, compared to the same period last year. Total revenues, excluding Dresser-Rand, are lower than originally expected in all four sectors and are expected to decline by approximately 5% compared to last year's third quarter.

Dresser-Rand's results will be consolidated into Ingersoll-Rand's third-quarter financial statements in accordance with GAAP, which requires reconsolidation of businesses held for sale for more than 12 months. Dresser-Rand's orders and operating earnings continue to improve, reflecting steady expansion in energy-related end markets.

The Climate Control Sector continues to be impacted by soft demand for transport refrigeration equipment and high levels of used equipment. Stationary refrigeration revenues have increased compared to the second quarter, in line with the normal seasonal business pattern; however, spending by major supermarket customers remains cautious at levels below prior forecasts.

The Industrial Productivity Sector continues to be impacted by the recession in the U.S. industrial economy as evidenced by the continuing decline in the Industrial Production Index, U.S. capacity utilization and durable goods orders.

The Infrastructure Sector's results for the third quarter are a reflection of declining demand from the company's distribution channel. Equipment dealers are protecting their cash flow by aggressively managing inventory and retail sales for the last three weeks of September fell off dramatically compared to original expectations. Demand from rental companies, which are major customers of the Infrastructure businesses, remains 70% to 80% below prior year levels.

The Security and Safety Sector was the strongest performer as revenues were off only slightly compared to the prior year. However, end-user demand in both the retail and commercial distribution channels fell in the last three weeks of the quarter.

### **2001 Full Year Outlook**

"Diluted EPS for 2001 is forecast to be in the range of \$2.00 to \$2.25, excluding charges related to restructuring," said Herbert L. Henkel, chairman, president and chief executive officer. "Ongoing demand continues to be very uncertain, especially in the U.S. market. Our earnings estimate reflects an increasing concern about the direction of the global economy. Fourth quarter results include normal seasonal improvement in Hussmann and Dresser-Rand."

### **Third Quarter Earnings Call**

IR will announce third quarter earnings on Thursday, October 18, 2001, at 7:00 a.m. Eastern Standard Time. Later that day, IR will host an analyst and investor teleconference at 11:00 a.m.

IR is a leading innovation and solutions provider for the major global markets of Security and Safety, Climate Control, Industrial Productivity and Infrastructure. The company's diverse product portfolio encompasses such leading industrial and commercial brands as Schlage locks and security solutions; Thermo King transport temperature control equipment; Hussmann commercial and retail refrigeration equipment; Bobcat compact equipment; Club Car golf cars and utility vehicles; Torrington bearings and components; PowerWorks microturbines; and Ingersoll-Rand industrial and construction equipment. In addition, IR offers products and services under many more premium brands for customers in industrial and commercial markets. Further information on IR can be found on the company's web site at [www.irco.com](http://www.irco.com).

This news release includes "forward-looking statements" that involve risks and uncertainties. Political, economic, climatic, currency, tax, regulatory, technological, competitive and other factors could cause actual results to differ materially from those

anticipated in the forward-looking statements. Additional information regarding these risk factors and uncertainties is detailed from time to time in the company's SEC filings, including but not limited to its report on Form 10-Q for the three months ended June 30, 2001.