Driving Premier Performance

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Chairman, President & CEO

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Ingersoll Rand
Inspiring Progress™

Positioned to Achieve Premier Performance

Driving Premier Performance

- Well positioned in attractive end markets: Positive market trends and competitive position
- Customer-driven innovation
- Sustainable productivity
- Strong leaders and engaged workforce

Target 15%+ Operating Margin in 2013

- Annual revenue growth 7% to 8% (updated from 5% to 7%)
- 2 percentage point annual margin improvement
- EPS $5.00 to $5.75
- Available cash flow = 100% of after-tax income

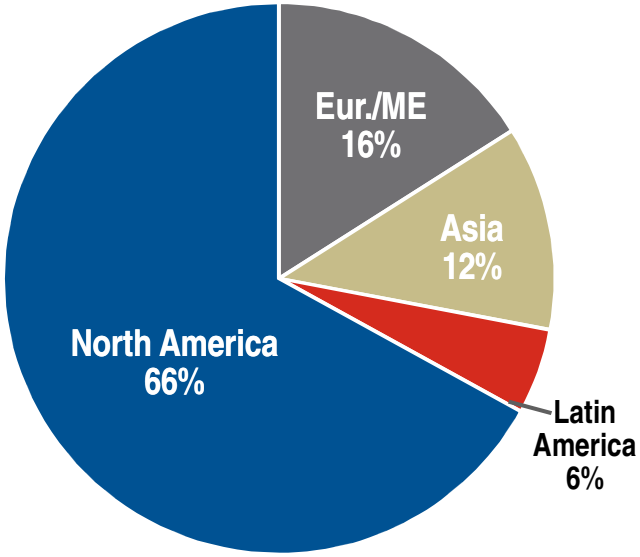
Deliver Top-Tier EPS Growth and ROIC

Progress

Framework Targets	2010 Results
Revenue Growth 7% to 8%	7.5% revenue growth
Operating Margin +2% points	8.9% + 2.2 percentage points
Cash Flow 1.0X After Tax Income	$874 million, 1.40X after tax income
Strengthen Balance Sheet	Reduced debt $510 million, funded pension Moving to balanced capital allocation model
People and Processes	Aligning organizational goals New incentive system that rewards revenue growth and margin expansion

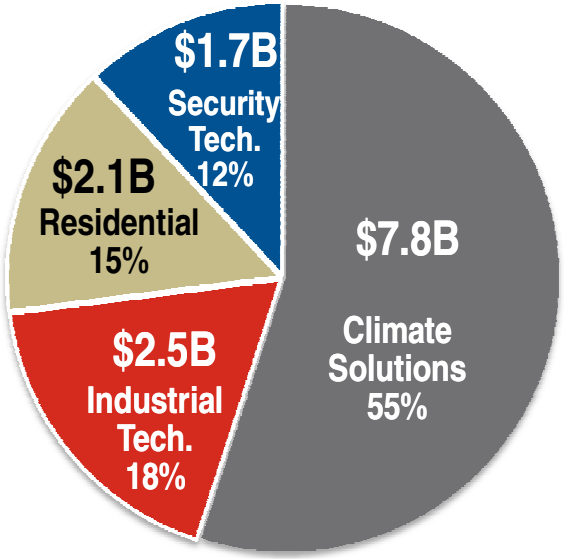
Continue to Lead Change and Manage to Aggressive Targets
Transparency: Inside and Outside Targets Aligned

Revenue Profile

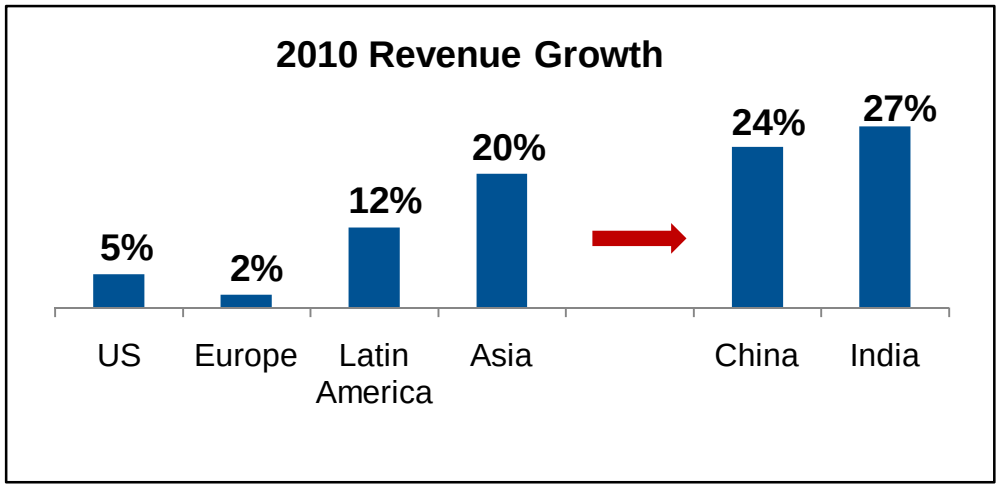


BY GEOGRAPHY

2010 Revenue: $14B
7.5% Growth

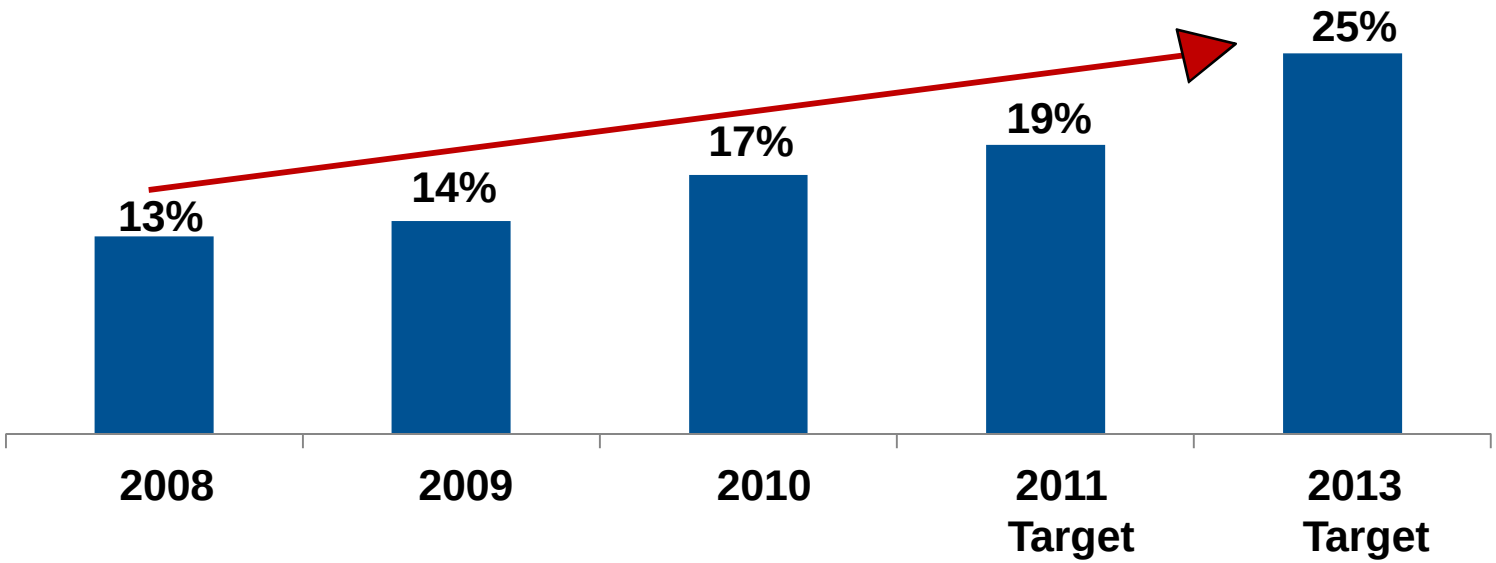


BY SEGMENT



2-3X GDP Growth in Emerging Markets

Growth Through Innovation



Products

Trane ComfortLink© Thermostat

Services

aptiQ© Smart Card

Business Model

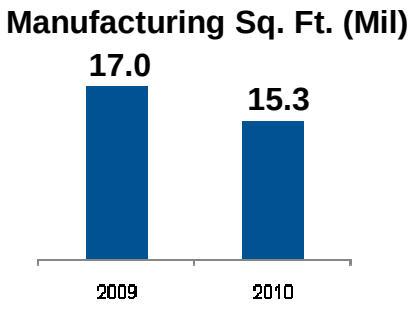
VISAGE
MOBILE GOLF INFORMATION SYSTEM

Targeting 25% of Revenue ($4B) from Innovation in 2013

Productivity and Pricing

Target 5% Annual Productivity

- Commencing Phase 2 restructuring
- Maturity building in organization
  - Organizational leadership in place
  - Operational excellence (lean transformation)

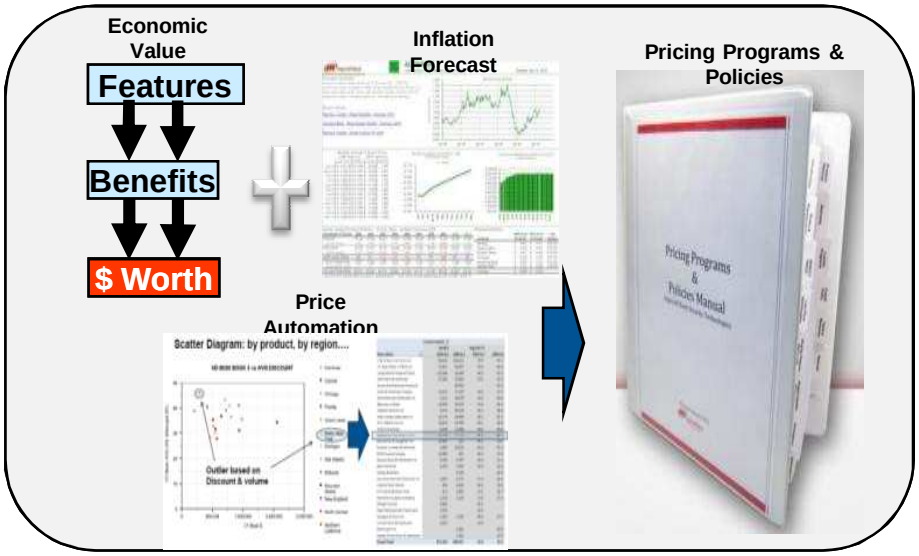


Reduced 10%

Total Cost Focus

Pricing to Offset Material Inflation

- Value analysis to identify and capture maximum price
- Automated analysis of value drivers
- Price policies, programs and metrics to offset inflation



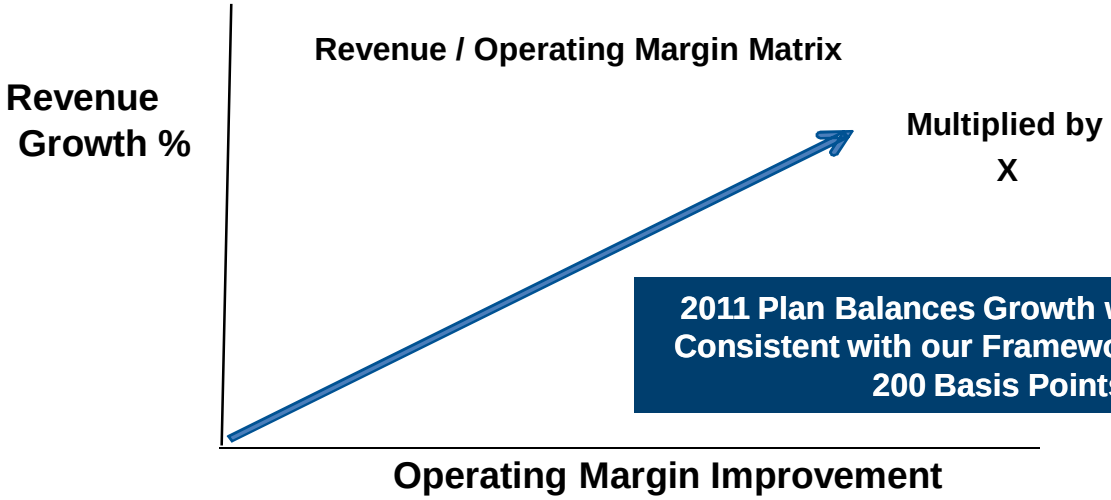
Productivity & Pricing: Key Drivers of Margin Improvement

Leading Change Through People and Processes

People and Leadership

- Leadership succession depth and internal development
- Strategic hiring to drive innovation and productivity
- Mobilizing leaders to drive change
- Developing a high-performance culture

Business Alignment and Incentives



Multiplied by X

Cash Flow Modifier
(Operating Cash Flow/ Operating Income)

2011 Plan Balances Growth with Operating Margin; Consistent with our Framework to Grow Margins by 200 Basis Points Per Year

Engaged People, Setting High Execution Standards

Driving Premier Performance

Brand and Distribution Strength:
Base to Build Performance

Revenue Growth

- Key end markets recovering
- Accelerating innovation
- Service growth
- Geographic expansion in high-growth areas

Expanding Operating Margins:
+2 Percentage Points

- Productivity and lean transformation
- Price management

Targeting 15%+ Operating Margins by 2013

Building a Customer-Focused Company
Committed to Delivering Top-Tier Shareholder Value

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