INGERSOLL-RAND plc

Directors' Report and Financial Statements
For the Year Ended 31 December 2011

INGERSOLL-RAND PLC

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DIRECTORS' REPORT

Group Directors' report for the year ended 31 December 2011

The directors present their report and audited consolidated financial statements for the fiscal year ended 31 December 2011.

Principal Activities

Ingersoll-Rand plc (IR-Ireland or the Company), an Irish public limited company, and its consolidated subsidiaries (collectively referred to as the Group) are a diversified, global company that provides products, services and solutions 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. Our business segments consist of Climate Solutions, Residential Solutions, Industrial Technologies and Security Technologies, each with strong brands and leading positions within their respective markets. We generate turnover and cash primarily through the design, manufacture, sale and service of a diverse portfolio of industrial and commercial products that include well-recognized, premium brand names such as Club Car®, Ingersoll-Rand®, Schlage®, Thermo King® and Trane®.

To achieve our mission of becoming a world leader in creating safe, comfortable and efficient environments, as well as to become a more diversified Group with strong growth and profitability prospects, we transformed our enterprise portfolio by divesting cyclical, low-growth and asset-intensive businesses. In addition, our acquisition strategy has helped deliver more consistent turnover and earnings performance across all phases of the economic cycle. Aside from our portfolio transformation, we continue to focus on increasing our recurring turnover stream, which includes turnover from parts, service, used equipment and rentals. We also intend to continuously improve the efficiencies, capabilities, products and services of our high-potential businesses.

Ireland Reorganization

On July 1, 2009, Ingersoll-Rand Company Limited (IR-Limited), a Bermuda company, completed a reorganization to change the jurisdiction of incorporation of our parent company from Bermuda to Ireland (the Ireland Reorganization). As a result, IR-Ireland replaced IR-Limited as the ultimate parent company effective July 1, 2009. The Ireland Reorganization was accounted for as a reorganization of entities under common control and accordingly, did not result in any changes to the consolidated amounts of assets, liabilities and equity. In conjunction with the Ireland Reorganization, IR-Limited became a wholly-owned subsidiary of IR-Ireland and the Class A ordinary shareholders of IR-Limited became ordinary shareholders of IR-Ireland. All references related to the Company prior to July 1, 2009 relate to IR-Limited.

The Ireland Reorganization did not have a material impact on our financial results. IR-Ireland continues to be subject to United States Securities and Exchange Commission (SEC) reporting requirements and prepares financial statements in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). Shares of IR-Ireland continue to trade on the New York Stock Exchange under the symbol "IR", the same symbol under which the IR-Limited Class A ordinary shares previously traded.

Review of Business Segments

Our business segments provide products, services and solutions used to increase the efficiency and productivity of both industrial and commercial operations and homes, as well as improve the security, safety, health and comfort of people around the world.

Our business segments are as follows:

Climate Solutions

Our Climate Solutions segment delivers energy-efficient refrigeration and Heating, Ventilation and Air Conditioning (HVAC) throughout the world. Encompassing the transport markets as well as the commercial HVAC markets, this segment offers customers a broad range of products, services and solutions to manage controlled temperature environments. This segment, which had 2011 net turnover of $8.3 billion, includes the market-leading brands of Thermo King and Trane.

On 30 September 2011 and 30 November 2011, we completed transactions to sell the Hussmann Business and Branches, respectively, to a newly-formed affiliate (Hussmann Parent) of private equity firm Clayton Dubilier & Rice, LLC (CD&R). As part of the deal terms we have an ongoing equity interest in Hussmann Parent, therefore operating results continue to be recorded within Continuing Operations. However, subsequent to the respective transaction dates our earnings from this equity interest is not reported in Segment operating income. During the year ended 31 December 2011, we recorded a pre-tax loss on sale/asset impairment charge related to the Hussmann divestiture totaling $647 million. These charges have been excluded from Segment operating income within the Climate Solutions segment as management excludes these charges from Operating income when making operating decisions about the business. See Note 11 to the Consolidated Financial Statements for a further discussion of our divested operations.

Segment operating profit for the year ended 31 December 2011 increased by 42.8%, or $246.9 million, compared with the same period of 2010. The increase, which improved Segment operating margin to 9.9% from 7.4%, was primarily related to improved pricing ($180 million), net productivity benefits ($122 million), and higher volumes and product mix ($90 million). However, the benefits resulting from these improvements were partially offset by increased material costs ($151 million), increased investment spending ($28 million) and the impacts of only a partial year of operations for the Hussmann Business and Branches in 2011 ($10 million). Included in Segment operating profit for 2011 was a $23 million gain associated with the sale of assets from a restructured business in China. This gain had a 0.3 point impact on Segment operating margin.

Residential Solutions
Our Residential Solutions segment provides safety, comfort and efficiency to homeowners throughout North America and parts of South America. It offers customers a broad range of products, services and solutions including mechanical and electronic locks, energy-efficient HVAC systems, indoor air quality solutions, advanced controls, portable security systems and remote home management. This segment, which had 2011 net turnover of $2.0 billion, is comprised of well-known brands like American Standard®, Schlage and Trane.

Segment operating profit for the year ended 31 December 2011 decreased by 66.4%, or $128.4 million, compared with the same period of 2010. The decrease, which lowered Segment operating margin to 3.2% from 9.1%, was primarily related to lower volumes and unfavorable product mix ($155 million), increased material costs ($82 million) and other inflation. However, these decreases were partially offset by improved pricing ($108 million).

Industrial Technologies
Our Industrial Technologies segment provides products, services and solutions that enhance energy efficiency, productivity and operations. It offers our global customers a diverse and innovative range of products including compressed air systems, tools, pumps, fluid and material handling systems, as well as golf, utility, and rough terrain vehicles. It also includes a diverse range of service offerings including full coverage and preventative maintenance service contracts, service parts, installation, and remanufactured compressors and tools. This segment, which had 2011 net turnover of $2.9 billion, includes the Club Car, Ingersoll Rand, and ARO® market-leading brands.

Segment operating profit increased by 30.9% or $96.0 million during 2011. The increase, which improved Segment operating margin to 14.2% from 12.5%, was primarily related to improved pricing ($68 million), net productivity benefits ($64 million), and higher volumes and product mix ($60 million). However, these improvements were partially offset by increased material costs ($50 million) and increased investment spending ($15 million).

Security Technologies
Our Security Technologies segment is a leading global provider of products and services that make environments safe, secure and productive. The segment's market-leading products include electronic and biometric access control systems and software, locks and locksets, door closers, exit devices, steel doors and frames, as well as time, attendance and personnel scheduling systems. These products serve a wide range of markets including the commercial construction market, healthcare, retail, and transport industries as well as educational and governmental facilities. This segment, which had 2011 net turnover of $1.6 billion, includes the CISA®, LCN®, Schlage and Von Duprin® market-leading brands.

On 30 December 2011, we completed the divestiture of our security installation and service business, which was sold under the Integrated Systems and Services brand in the United States and Canada, to Kratos Public Safety & Security Solutions, Inc. This business, which was previously reported as part of the Security Technologies segment, designs, installs and services security systems.

Segment operating profit for the year ended 31 December 2011 increased by 4.3% or $13.8 million, compared with the same period of 2010. Segment operating margin declined to 20.4% from 20.0%. The increase in Segment operating profit was primarily related to improved pricing ($27 million), net productivity benefits ($24 million), and favorable currency impacts ($2 million). However, these improvements were partially offset by increased material costs ($22 million), unfavorable mix ($20 million), and increased investment spending.

Operations by Geographic Area
More than 40% of our 2011 (2010: 35%) net turnover was derived outside the U.S. and we sold products in more than 100 countries. Therefore, the attendant risks of manufacturing or selling in a particular country, such as nationalization and establishment of common markets, would not be expected to have a significant effect on our non-U.S. operations.

Trends and Economic Events

We are a global corporation with worldwide operations. As a global business, our operations are affected by worldwide, regional and industry-specific economic factors, as well as political factors, wherever we operate or do business. Our geographic and industry diversity, as well as the diversity of our product sales and services, has helped limit the impact of any one industry or the economy of any single country on our consolidated operating results.

Given the broad range of products manufactured and geographic markets served, management uses a variety of factors to predict the outlook for the Group. We monitor key competitors and customers in order to gauge relative performance and the outlook for the future. In addition, our order rates are indicative of future turnover and thus a key measure of anticipated performance. In those industry segments where we are a capital equipment provider, turnover depends on the capital expenditure budgets and spending patterns of our customers, who may delay or accelerate purchases in reaction to changes in their businesses and in the economy.

Since the onset of the economic downturn in 2008, we have seen weaker demand for many of our products and services across each of our businesses. Current market conditions continue to impact our financial results. For example, depressed residential and consumer markets are impacting the operating results in our residential HVAC and golf equipment businesses. The residential HVAC business is also being impacted by a mix shift to units with a lower Seasonal Energy Efficiency Rating (SEER). Stagnant building activity is negatively impacting the results of our Security business. However, we have seen sustained recoveries in the worldwide industrial and refrigerated transport markets, global parts and service activity and across most of our businesses in Asia. We believe the North American commercial HVAC market is also slowly recovering. As economic conditions continue to stabilize, we expect modest revenue growth along with the continued benefits of restructuring savings and productivity programs.

Despite the current market environment, we believe we have a solid foundation of global brands and leading market shares in all of our major product lines. Our growing geographic and industry diversity coupled with our large installed product base provides growth opportunities within our service, parts and replacement revenue streams. In addition, we are investing substantial resources to innovate and develop new products and services which we expect will drive our future growth.

Key Performance Indicators

Net Turnover

Net turnover for the year ended 31 December 2011 increased by 5.6%, or $780.9 million, compared with the same period of 2010, which primarily resulted from the following:

Volume/product mix	2.7 %
Pricing	2.7 %
Currency exchange rates	1.6 %
Acquisitions/Divestitures	0.1 %
Hussmann*	(1.5)%
Total	5.6%

* Represents the impact of a partial year of operations for the Hussmann Business and Branches in 2011.

Net turnover for the year ended 31 December 2010 increased by 7.6%, or $992.0 million, compared with the same period of 2009, which primarily resulted from the following:

Volume/product mix	7.5 %
Pricing	0.2 %
Currency exchange rates	0.3 %
Devaluation of Venezuelan Bolivar	(0.5)%
Acquisitions	0.1 %
Total	7.6%

The increase in revenues was primarily driven by higher volumes and product mix experienced within the Climate Solutions and Industrial Technologies business segments, as well as improved pricing and favorable foreign currency impacts across all segments. However, the devaluation of the Venezuelan Bolivar had a $70.0 million impact on reported revenues during 2010.

Operating Margin

Operating margin for the year ended 31 December 2011 decreased to 5.8% from 9.0% for the same period in 2010. Included in Operating profit for 2011 is a $646.9 million loss on sale/asset impairment charge related to the divestiture of Hussmann, which had a 4.4 point impact on 2011 operating margin. Excluding the loss on sale/asset impairment, operating margin increased by 1.2 points. The increase was primarily due to improved pricing across all sectors, the realization of benefits resulting from restructuring programs and productivity actions, and higher volumes. These improvements were partially offset by unfavorable revenue mix within our Residential Solutions and Security Technologies segments, as well as increased investment spending and increased material and other costs. Also included in Operating profit for 2011 is a $23 million gain associated with the sale of assets from a restructured business in China. This gain had a 0.2 point impact on operating margin for 2011.

Interest payable

Interest expense for the year ended 31 December 2011 decreased by $3.2 million compared with the same period of 2010 as a result of lower average debt balances in 2011.

Provision for taxation

The 2011 tax provision of $187.2 million included an $88.9 million Hussmann related tax benefit. For the year ended 31 December 2011, the effective tax rate, excluding the Hussmann Loss on sale/asset impairment and the Hussmann related tax benefit, was 21.9% compared to 22.6% in 2010. The 2011 tax rate was below the U.S. Statutory rate of 35.0% primarily due to earnings in non-U.S. jurisdictions, which, in aggregate, have a lower effective rate and net changes in our valuation allowances, partially offset by the accrual of a previously unrecorded future withholding tax liability and net increases in our liability for unrecognized tax benefits. Included in the 2010 effective rate was a $40.5 million non-cash charge to income tax expense related to the Healthcare Reform Legislation, partially offset by net changes in our valuation allowance.

See Note 10 to the Consolidated Financial Statements for further discussion of tax matters.

Liquidity and Capital Resources

We earn a significant amount of our operating income in jurisdictions where it is deemed to be permanently reinvested. Our most prominent jurisdiction of operation is the U.S. We currently do not intend nor foresee a need to repatriate funds to the U.S., and no provision for U.S. income taxes has been made with respect to such earnings. We expect existing cash and cash equivalents available to the U.S., the cash generated by our U.S. operations, our committed credit lines as well as our expected ability to access the capital markets will be sufficient to fund our U.S. operating and capital needs for at least the next twelve months and thereafter for the foreseeable future. In addition, we expect existing non-U.S. cash and cash equivalents and the cash generated by our non-U.S. operations to be sufficient to fund our non-U.S. operating and capital needs for at least the next twelve months and thereafter for the foreseeable future. Should we require more capital in the U.S. than is generated by our U.S. operations, and we determined that repatriation of non-U.S. cash is necessary; such amounts would be subject to U.S. federal income taxes.

In April 2011, we increased our quarterly stock dividend from $0.07 to $0.12 per share beginning with our June 2011 payment. In addition, our Board of Directors authorized the repurchase of up to $2.0 billion of our ordinary shares under a new share repurchase program. On 8 June 2011, we commenced share repurchases under this program. During the year ended 31 December 2011, we repurchased 36.3 million shares for approximately $1.2 billion. The shares repurchased were cancelled and an amount equivalent to their nominal value was transferred to the capital redemption reserve in accordance with the requirement of Section 208 (b) of the Companies Act 1990. The transfer to capital redemption reserve and the premium paid on the shares repurchased were made out of retained profits. In December 2011, we announced an increase in our quarterly stock dividend from $0.12 per share to $0.16 per share beginning with our March 2012 payment.

Cash Flows

The following table reflects the major categories of cash flows for the years ended 31 December, respectively. For additional details, please see the Consolidated Statements of Cash Flows in the Consolidated Financial Statements.

	2011 $m	2010 $m
Operating cash flow provided by (used in) continuing operations	1,230.2	756.4
Investing cash flow provided by (used in) continuing operations	163.1	(179.0)
Financing cash flow provided by (used in) continuing operations	(1,246.4)	(403.7)

DIRECTORS' REPORT continued

Liquidity

The following table contains several key measures to gauge our financial condition and liquidity at the period ended 31 December:

	2011 $m	2010 $m
Cash and cash equivalents	1,160.7	1,014.3
Short-term borrowings and current maturities of long-term debt	763.3	761.6
Long-term debt	2,879.3	2,922.3
Total debt	3,642.6	3,683.9
Total Ingersoll-Rand plc equity shareholders' funds	6,924.3	7,964.3
Total shareholders' funds	7,012.4	8,059.1
Debt-to-total capital ratio	34.2%	31.3%

Short-term borrowings and current maturities of long-term debt consisted of the following:

	2011 $m	2010 $m
Debentures with put feature	343.6	343.6
Exchangeable Senior Notes	341.2	328.3
Current maturities of long-term debt	12.5	13.3
Other short-term borrowings	66.0	76.4
Total	763.3	761.6

Operating Activities

Net cash provided by operating activities from continuing operations was $1,230.2 million for the year ended 31 December 2011 compared with $756.4 million in 2010. Operating cash flows for 2011 reflect improved earnings from continuing operations after consideration of the non-cash loss on sale/asset impairment charge related to the Hussmann divestiture. Operating cash flows for 2010 reflect discretionary cash contributions to our pension funds of $444 million ($359 million after tax benefit received).

Net cash provided by operating activities from continuing operations was $756.4 million for the year ended 31 December 2010 compared with $1,756.9 million in 2009. While we continued to actively manage working capital in 2010, our operating cash flows reflected increased accounts receivable and inventory levels from 2009 as several of our end markets stabilized and we anticipated improvement in several of our key end markets during 2011. Additionally, during 2010 we made discretionary cash contributions to our pension funds of $444 million ($359 million after tax benefit received).

Investing Activities

Net cash provided by investing activities from continuing operations was $163.1 million for the year ended 31 December 2011 compared with net cash used in investing activities from continuing operations of $179.0 million in 2010. The change in investing activities is primarily attributable to net proceeds from the sale of the discontinued operations $356 million, as well as proceeds from the sale of assets from a restructured business in China. These proceeds were partially offset by an increase in capital expenditures during 2011.

Financing Activities

Net cash used in financing activities from continuing operations during the year ended 31 December 2011 was $1,246.4 million, compared with $403.7 million during 2010. The change in financing activities is primarily related to approximately $1.2 billion of share repurchases as well as increased dividend payments, partially offset by lower repayments of long term debt in 2011.

Capital Resources

Based on historical performance and current expectations, we believe our cash and cash equivalents balance, the cash generated from our operations, our committed credit lines and our expected ability to access capital markets will satisfy our working capital needs, capital expenditures and other liquidity requirements associated with our operations for the foreseeable future.

Capital expenditures were $242.9 million and $179.5 million for 2011 and 2010, respectively. Our investments continue to improve manufacturing productivity, reduce costs and provide environmental enhancements and advanced technologies for existing facilities. The capital expenditure program for 2012 is estimated to be approximately $250 million, including amounts approved in prior periods. Many of these projects are subject to review and cancellation at our option without incurring substantial charges.

Capitalization
In addition to cash on hand and operating cash flow, we maintain significant credit availability under our Commercial Paper Program. Our ability to borrow at a cost-effective rate under the Commercial Paper Program is contingent upon maintaining an investment-grade credit rating. As of December 31, 2011, our credit ratings were as follows:

	Short-term	Long-term
Moody's	P-2	Baa1
Standard and Poor's	A-2	BBB+

The credit ratings set forth above are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organization. Each rating should be evaluated independently of any other rating.

In May 2010, we entered into a 3-year $1.0 billion Senior Unsecured Revolving Credit Facility. On 20 May 2011, we entered into a 4-year, $1.0 billion revolving credit facility through our wholly-owned subsidiary, IR-Global. This new facility replaced our pre-existing $1.0 billion, 3-year revolving credit facility that was scheduled to mature in June 2011. At 31 December 2011, our total committed revolving credit facilities was $2.0 billion, of which $1.0 billion expires in May 2013 and $1.0 billion expires in May 2015. Each of IR-Ireland, IR-Limited and IR-International has provided an irrevocable and unconditional guarantee for these credit facilities. These lines are unused and provide support for our commercial paper program as well as for other general corporate purposes.

In addition, other available non-U.S. lines of credit were $617.2 million, of which $447.9 million was unused at 31 December 2011. These lines provide support for bank guarantees, letters of credit and other general corporate purposes.

Our public debt does not contain financial covenants and our revolving credit lines have a debt-to-total capital covenant of 65%. As of 31 December 2011, our debt-to-total capital ratio was significantly beneath this limit.

Guarantees
Subsequent to the Ireland Reorganization, IR-Ireland and IR-Limited guarantee fully and unconditionally the outstanding public debt of IR-International, IR-Global and IR-New Jersey. Neither IR-Ireland nor IR-Limited has issued or intends to issue guarantees in respect of any public indebtedness incurred by Trane.

Contractual Obligations
The following table summarizes our contractual cash obligations by required payment periods, in millions:

	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Short-term debt	$ 66.0	$ -	$ -	$ -	$ 66.0
Long-term debt	700.6 *	1,270.2	517.7	1,092.8	3,581.3
Interest payments on long-term debt	231.3	363.4	209.6	1,067.5	1,871.8
Purchase obligations	901.3	1.9	-	-	903.2
Operating leases	123.5	181.5	99.1	64.9	469.0
Total contractual cash obligations	$ 2,022.7	$ 1,817.0	$ 826.4	$ 2,225.2	$ 6,891.3

* Includes $343.6 million of debt redeemable at the option of the holder. The scheduled maturities of these bonds range between 2027 and 2028. Includes $345 million related to the Exchangeable Senior Notes due in 2012. See Note 23 in the consolidated financial statements for additional information.

Future expected obligations under our pension and postretirement benefit plans, income taxes, environmental and asbestos matters have not been included in the contractual cash obligations table above.

Pensions
At 31 December 2011, we had net obligations of $740.7 million, which consist of noncurrent pension assets of $4.7 million and current and non-current pension benefit liabilities of $745.4 million. It is our objective to contribute to the pension plans to ensure adequate funds are available in the plans to make benefit payments to plan participants and beneficiaries when required. We currently project that we will contribute approximately $98.3 million to our plans worldwide in 2012. See Note 25 to the Consolidated Financial Statements for additional information.

Postretirement Benefits Other than Pensions
At 31 December 2011, we had postretirement benefit obligations of $919.9 million. We fund postretirement benefit costs principally on a pay-as-you-go basis as medical costs are incurred by covered retiree populations. Benefit payments, which are net of expected plan participant contributions and Medicare Part D subsidy, are expected to be approximately $73.2 million in 2012. See Note 25 to the Consolidated Financial Statements for additional information.

Pension Plans
Our investment objectives in managing defined benefit plan assets are to ensure that present and future benefit obligations to all participants and beneficiaries are met as they become due; to provide a total return that, over the long-term, minimizes our required contributions at the appropriate levels of risk; and to meet any statutory or regulatory requirements.

We monitor the impact of market conditions on our funding requirements on a quarterly basis. None of our defined benefit pension plans have experienced any significant impact on their liquidity due to the volatility in the markets. For further details on pension plan activity, see Note 25 to the Consolidated Financial Statements.

Taxation
At 31 December 2011, we have total unrecognized tax benefits for uncertain tax positions of $536.9 million and $108.3 million of related accrued interest and penalties, net of tax. The liability has been excluded from the preceding table as we are unable to reasonably estimate the amount and period in which these liabilities might be paid. See Note 10 to the Consolidated Financial Statements for additional information regarding matters relating to income taxes, including unrecognized tax benefits and Internal Revenue Service (IRS) tax disputes.

Environmental and Asbestos Matters
We are involved in various litigations, claims and administrative proceedings, including those related to environmental, asbestos-related, and product liability matters. We believe that these liabilities are subject to the uncertainties inherent in estimating future costs for contingent liabilities, and will likely be resolved over an extended period of time. See Note 28 to the Consolidated Financial Statements for additional information.

Competitive Conditions
Our products are sold in highly competitive markets throughout the world. Due to the diversity of these products and the variety of markets served, we encounter a wide variety of competitors that vary by product line. They include well-established regional or specialized competitors, as well as larger U.S. and non-U.S. corporations or divisions of larger companies.

The principal methods of competition in these markets relate to price, quality, delivery, service and support, technology and innovation. We believe that we are one of the leading manufacturers in the world of HVAC systems and services, air compression systems, transport temperature control products, air tools, and golf and utility vehicles. In addition, we believe we are a leading supplier in U.S. markets for architectural hardware products, mechanical locks and electronic and biometric access-control technologies.

Distribution
Our products are distributed by a number of methods, which we believe are appropriate to the type of product. U.S. sales are made through branch sales offices and through distributors, dealers and large retailers across the country. Non-U.S. sales are made through numerous subsidiary sales and service companies with a supporting chain of distributors throughout the world.

Customers
We have no customer that accounted for more than 10% of our consolidated net turnover in 2011 or 2010. No material part of our business is dependent upon a single customer or a small group of customers; therefore, the loss of any one customer would not have a material adverse effect on our results of operations or cash flows.

Raw Materials
We manufacture many of the components included in our products, which requires us to employ a wide variety of commodities. Principal commodities, such as steel, copper and aluminum, are purchased from a large number of independent sources around the world. In the past, higher prices for some commodities, particularly steel and non-ferrous metals, have caused pricing pressures in some of our businesses; we have historically been able to pass certain of these cost increases on to customers in the form of price increases.

We believe that available sources of supply will generally be sufficient for the foreseeable future. There have been no commodity shortages which have had a material adverse effect on our businesses. However, significant changes in certain material costs may have an adverse impact on our costs and operating margins. To mitigate this potential impact, we enter into long-term supply contracts in order to manage our exposure to potential supply disruptions.

Working Capital
We manufacture products that usually must be readily available to meet our customers' rapid delivery requirements. Therefore, we maintain an adequate level of working capital to support our business needs and our customers' requirements. Such working capital requirements are not, however, in the opinion of management, materially different from those experienced by our major competitors. We believe our sales and payment terms are competitive in and appropriate for the markets in which we compete.

Patents and Licenses
We own numerous patents and patent applications, and are licensed under others. Although in aggregate we consider our patents and licenses to be valuable to our operations, we do not believe that our business is materially dependent on a single patent or license or any group of them. In our opinion, engineering, production skills and experience are more responsible for our market position than our patents and/or licenses.

Environmental Matters
We continue to be dedicated to an environmental program intended to reduce the utilization and generation of hazardous materials during the manufacturing process as well as to remediate identified environmental concerns. As to the latter, we are currently engaged in site investigations and remediation activities to address environmental cleanup from past operations at current and former manufacturing facilities.

We are sometimes a party to environmental lawsuits and claims and have received notices of potential violations of environmental laws and regulations from the Environmental Protection Agency and similar state authorities. We have been also identified as a potentially responsible party (PRP) for cleanup costs associated with off-site waste disposal at federal Superfund and state remediation sites. For all such sites, there are other PRPs and, in most instances, our involvement is minimal.

In estimating our liability, we have assumed that we will not bear the entire cost of remediation of any site to the exclusion of other PRPs who may be jointly and severally liable. The ability of other PRPs to participate has been taken into account, based on our understanding of the parties' financial condition and probable contributions on a per site basis. Additional lawsuits and claims involving environmental matters are likely to arise from time to time in the future.

We incurred $3.1 million and $1.0 million of expenses during the years ended 31 December 2011 and 2010, respectively, for environmental remediation at sites presently or formerly owned or leased by us. As of 31 December 2011 and 2010, we have recorded reserves for environmental matters of $71.7 million and $81.0 million, respectively. Of these amounts $51.3 million and $56.3 million relate to remediation of sites previously disposed by us. Our total current environmental reserve at 31 December 2011 and 2010 was $26.9 million and $28.1 million, respectively. Given the evolving nature of environmental laws, regulations and technology, the ultimate cost of future compliance is uncertain.

Principal Risks

Risks Relating to Our Businesses

The following are certain risk factors that could affect our business, financial condition, results of operations, and cash flows. The risk factors below are not the only risks faced by the Group.

Our global operations subject us to economic risks.

Our global operations are dependent upon products manufactured, purchased and sold in the U.S. and internationally, including Europe, China, Brazil, Venezuela, Africa, India and Turkey. These activities are subject to risks that are inherent in operating globally, including:

- changes in local laws and regulations or imposition of currency restrictions and other restraints;

- limitation of ownership rights, including expropriation of assets by a local government, and limitation on the ability to repatriate earnings;
- imposition of burdensome tariffs and quotas;
- difficulty in staffing and managing global operations;
- difficulty of enforcing agreements, collecting receivables and protecting assets through non-U.S. legal systems;
- national and international conflict, including war, civil disturbances and terrorist acts; and
- economic downturns and social and political instability.

These risks could increase our cost of doing business internationally, disrupt our operations, disrupt the ability of suppliers to fulfill their obligations, limit our ability to sell products in certain markets and have a material adverse impact on our results of operations, financial condition, and cash flows.

Our growth is dependent, in part, on the development, commercialization and acceptance of new products and services.

We must develop and commercialize new products and services in order to remain competitive in our current and future markets and in order to continue to grow our business. The development and commercialization of new products and services require a significant investment of resources. We cannot provide any assurance that any new product or service will be successfully commercialized in a timely manner, if ever, or, if commercialized, will result in returns greater than our investment. Investment in a product or service could divert our attention and resources from other projects that become more commercially viable in the market. We also cannot provide any assurance that any new product or service will be accepted by the market. Failure to develop new products and services that are accepted by the market could have a material adverse impact on our competitive position, results of operations, financial condition, and cash flows.

Currency exchange rate fluctuations may adversely affect our results.

More than 40% of our 2011 net turnover was derived outside the U.S., and we expect turnover to non-U.S. customers to continue to represent a significant portion of our consolidated net turnover. Although we enter into currency exchange contracts to reduce our risk related to currency exchange fluctuations, changes in the relative values of currencies occur from time to time and may, in some instances, have a significant effect on our results of operations. Because we do not hedge against all of our currency exposure, our business will continue to be susceptible to currency fluctuations.

We also translate assets, liabilities, revenues and expenses denominated in non-U.S. dollar currencies into U.S. dollars for our consolidated financial statements based on the applicable exchange rates. Consequently, fluctuations in the value of the U.S. dollar versus other currencies will have a material impact on the value of these items in our consolidated financial statements, even if their value has not changed in their original currency.

Material adverse legal judgments, fines, penalties or settlements could adversely affect our results of operations or financial condition.

We are currently and may in the future become involved in legal proceedings and disputes incidental to the operation of our business. Our business may be adversely affected by the outcome of these proceedings and other contingencies (including, without limitation, asbestos-related matters) that cannot be predicted with certainty. As required by generally accepted accounting principles in the United States, we establish reserves based on our assessment of contingencies. Subsequent developments in legal proceedings and other contingencies may affect our assessment and estimates of the loss contingency recorded as a reserve and we may be required to make additional material payments, which could have a material adverse impact on our liquidity, results of operations, financial condition, and cash flows.

Our reputation, ability to do business and results of operations could be impaired by improper conduct by any of our employees, agents or business partners.

We are subject to regulation under a wide variety of U.S. federal and state and non-U.S. laws, regulations and policies, including laws related to anti-corruption, export and import compliance, anti-trust and money laundering, due to our global operations. We cannot provide assurance our internal controls will always protect us from the improper conduct of our employees, agents and business partners. Any improper conduct could damage our reputation and subject us to, among other things, civil and criminal penalties, material fines, equitable remedies (including profit disgorgement and injunctions on future conduct), securities litigation and a general loss of investor confidence, any one of which could have a material adverse impact on our business prospects, financial condition, results of operations, cash flows, and the market value of our stock.

We may be subject to risks relating to our information technology systems.

We rely extensively on information technology systems to manage and operate our business. We are also investing in new information technology systems that are designed to continue improving our operations. If these systems cease to function properly or if these systems do not provide the anticipated benefits, our ability to manage our operations could be impaired which could have a material adverse impact on our results of operations, financial condition, and cash flows?

Commodity shortages and price increases and higher energy prices could adversely affect our financial results.

We rely on suppliers to secure commodities, particularly steel and non-ferrous metals, required for the manufacture of our products. A disruption in deliveries from our suppliers or decreased availability of commodities could have an adverse effect on our ability to meet our commitments to customers or increase our operating costs. We believe that available sources of supply will generally be sufficient for our needs for the foreseeable future. Nonetheless, the unavailability of some commodities could have a material adverse impact on our results of operations and cash flows.

Volatility in the prices of these commodities could increase the costs of our products and services. We may not be able to pass on these costs to our customers and this could have a material adverse impact on our results of operations and cash flows. We do not currently hedge against this volatility. While we use fixed price contracts to mitigate this exposure, we expect any future hedging activity to seek to minimize near-term volatility of the commodity prices which would not protect us from long-term commodity price increases.

Additionally, we are exposed to large fluctuations in the price of petroleum-based fuel due to the instability of current market prices. Higher energy costs increase our operating costs and the cost of shipping our products, and supplying services, to customers around the world. Consequently, sharp price increases the imposition of taxes or an interruption of supply, could cause us to lose the ability to effectively manage the risk of rising fuel prices and may have a material adverse impact on our results of operations and cash flows.

We may be required to recognize impairment charges for our goodwill and other indefinite-lived intangible assets.

At 31 December 2011, the net carrying value of our goodwill and other indefinite-lived intangible assets totaled \$6.1 billion and \$2.6 billion, respectively. In accordance with generally accepted accounting principles, we periodically assess these assets to determine if they are impaired. Significant negative industry or economic trends, disruptions to our business, unexpected significant changes or planned changes in use of the assets, divestitures and market capitalization declines may result in recognition of impairments to goodwill or other indefinite-lived assets. Any charges relating to such impairments could have a material adverse impact on our results of operations in the periods recognized.

If the distribution of WABCO's shares by Trane on 31 July 2007 were to fail to qualify as tax-free for U.S. federal income tax purposes under Section 355 of the Internal Revenue Code (the Code), then Trane and Trane's shareholders who received WABCO common stock in the distribution may be required to pay U.S. federal income taxes.

Trane received a private letter ruling from the Internal Revenue Service (IRS) substantially to the effect that the distribution of WABCO shares to its shareholders qualified as tax-free for U.S. federal income tax purposes under Section 355 of the Code. Trane also received an opinion of Skadden, Arps, Slate, Meagher & Flom, LLP, at the time of the distribution, as to the tax-free nature of the transaction. Moreover, in connection with our subsequent acquisition of Trane, we received an opinion of Simpson, Thacher & Bartlett LLP, substantially to the effect that the distribution should continue to qualify as tax-free to Trane, WABCO and Trane shareholders under Section 355 and related provisions of the Code. The ruling and opinions were based on, among other things, certain assumptions as well as on the accuracy of certain factual representations and statements made by the Company, WABCO and Trane. In rendering its ruling, the IRS also relied on certain covenants that Trane and WABCO entered into, including the adherence to certain restrictions on WABCO's and Trane's future actions.

Notwithstanding the private letter ruling or the opinions of counsel, there can be no assurance that the IRS will not later assert that the distribution should be treated as a taxable transaction. If the WABCO distribution is determined to be taxable, we would recognize a gain in an amount equal to the excess of (i) the fair market value of WABCO's common stock distributed to the Trane shareholders over (ii) Trane's tax basis in such common stock. We have a Tax Sharing Agreement with WABCO under which WABCO would be responsible for all taxes imposed on Trane as a result of the distribution except where taxes are imposed as a result of actions taken after the distribution by Trane or any of its subsidiaries or shareholders. If WABCO was unable to satisfy its obligations under the Tax Sharing Agreement or if Trane was unable to rely on the Tax Sharing Agreement for any reason, any potential liability arising from the distribution of WABCO's shares by Trane could have a material adverse impact on our financial condition, results of operations, and cash flows.

Risks Relating to Our Past Reorganizations

We effected a corporate reorganization in December 2001 to become a Bermuda company (the Bermuda Reorganization) and a subsequent corporate reorganization in July 2009 to become an Irish public limited company. These reorganizations exposed us and our shareholders to the risks described below. In addition, we cannot be assured that all of the anticipated benefits of the reorganizations will be realized.

Changes in tax laws, regulations or treaties, changes in our status under U.S. or non-U.S. tax laws or adverse determinations by taxing authorities could increase our tax burden or otherwise affect our financial condition or operating results, as well as subject our shareholders to additional taxes.

The realization of any tax benefit related to our reorganizations could be impacted by changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof by the U.S. tax authorities or non-U.S. tax authorities. From time to time, proposals have been made and/or legislation has been introduced to change the tax laws of various jurisdictions or limit tax treaty benefits that if enacted could materially increase our tax burden and/or effective tax rate and could have a material adverse impact on our financial condition and results of operations. For instance, recent U.S. legislative proposals would broaden the circumstances under which we would be considered a U.S. resident for U.S. tax purposes, which would significantly diminish the realization of any tax benefit related to our reorganizations. There are other recent U.S. legislative proposals that could modify or eliminate the tax deductibility of various currently deductible payments, which could materially and adversely affect our effective tax rate and cash tax position. Moreover, other U.S. legislative proposals could have a material adverse impact on us by overriding certain tax treaties and limiting the treaty benefits on certain payments by our U.S. subsidiaries to our non-U.S. affiliates, which could increase our tax liability. We cannot predict the outcome of any specific legislation in any jurisdiction.

While we monitor proposals that would materially impact our tax burden and/or effective tax rate and investigate our options, we could still be subject to increased taxation on a going forward basis no matter what action we undertake if certain legislative proposals are enacted, certain tax treaties are amended and/or our interpretation of applicable tax law is challenged and determined to be incorrect. In particular, any changes and/or differing interpretations of applicable tax law that have the effect of disregarding the Ireland Reorganization, limiting our ability to take advantage of tax treaties between jurisdictions, modifying or eliminating the deductibility of various currently deductible payments, or increasing the tax burden of operating or being resident in a particular country, could subject us to increased taxation.

While our U.S. operations are subject to U.S. tax, we believe that a significant portion of our non-U.S. operations are generally not subject to U.S. tax other than withholding taxes. The IRS or a court, however, may not concur with our conclusions including our determination that we, and a significant number of our foreign subsidiaries, are not currently controlled foreign corporations (CFC) within the meaning of the U.S. tax laws. A contrary determination, which could also arise through significant future acquisitions of our stock by U.S. persons, could also potentially cause U.S. holders (direct, indirect or constructive owners) of 10% or more of our stock (or the voting stock of our non-U.S. subsidiaries) to include in their gross income their pro rata share of certain of our and our non-U.S. subsidiary income for the period during which we (and our non-U.S. subsidiaries) were a CFC. In addition, gain (or a portion of such gain) realized on CFC shares sold by such shareholders may be treated as ordinary income depending on certain facts. Treatment of us or any of our non-U.S. subsidiaries as a CFC could have a material adverse impact on our results of operations, financial condition, and cash flows.
As described further in "Legal Proceedings", we have received several notices from the IRS containing proposed adjustments to our tax filings in connection with an audit of the 2001-2002 tax years. The IRS has not contested the validity of our reincorporation in Bermuda in any of these notices. We have and intend to continue to vigorously contest these proposed adjustments.

Although the outcome of this matter cannot be predicted with certainty, based upon an analysis of the merits of our position, we believe that we are adequately reserved for this matter and do not expect that the ultimate resolution will have a material adverse impact on our future results of operations, financial condition, or cash flows. As we move forward to resolve this matter with the IRS, the reserves established may be adjusted. Although we continue to contest the IRS's position, there can be no assurance that we will be successful. If the IRS's position with respect to 2002 is ultimately sustained it will have a material adverse impact on our future results of operations, financial condition and cash flows.

Although we expect them to do so, at this time the IRS has not yet proposed any similar adjustments for years subsequent to 2002 as the federal income tax audits for those years are still in process or have not yet begun. It is unclear how the IRS will apply their position to subsequent years or whether the IRS will take a similar position with respect to other intercompany debt instruments.

The inability to realize any anticipated tax benefits related to our reorganizations could have a material adverse impact on our results of operations, financial condition, and cash flows.

Legislative and regulatory action could materially and adversely affect us.

The U.S. federal government and various states and municipalities have enacted or may enact legislation intended to deny government contracts to U.S. companies that reincorporate outside of the U.S. or have reincorporated outside of the U.S.

For instance, the Homeland Security Act of 2002, as amended, includes a provision that prohibits "inverted domestic corporations" and their subsidiaries from entering into contracts with the Department of Homeland Security. In addition, the State of California adopted legislation intended to limit the eligibility of certain non-U.S. chartered companies to participate in certain state contracts. More recently, the 2008, 2009 and 2010 Consolidated Appropriations Acts prohibit any federal government agency from using funds appropriated by Congress for fiscal years 2008, 2009 and 2010 to pay an inverted domestic corporation or any of its subsidiaries for work performed or products provided under certain federal contracts ("Affected Contracts"). Although the amount of monies already paid to us or to be paid to us under the Affected Contracts is not material to the Company, we cannot provide any assurance that the impact of future actions taken by the government in this area will not be materially adverse to our operations.

In addition, there continues to be negative publicity regarding, and criticism of, companies that conduct business in the United States and in other countries but have changed their place of incorporation to another country.

Irish law differs from the laws in effect in the United States and may afford less protection to holders of our securities.

The United States currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As such, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on U.S. federal or state civil liability laws, including the civil liability provisions of the U.S. federal or state securities laws, or hear actions against us or those persons based on those laws.

As an Irish company, we are governed by the Irish Companies Act, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the United States.

In addition, Irish law allows shareholders to authorize share capital which then can be issued by a board of directors without shareholder approval. Also, subject to specified exceptions, Irish law grants statutory pre-emptive rights to existing shareholders to subscribe for new issuances of shares for cash, but allows shareholders to authorize the waiver of the statutory pre-emptive rights with respect to any particular allotment of shares. These authorizations must be renewed by the shareholders every five years and we cannot guarantee that these authorizations will always be approved.

Dividends received by our shareholders may be subject to Irish dividend withholding tax.

In certain circumstances, we are required to deduct Irish dividend withholding tax (currently at the rate of 20%) from dividends paid to our shareholders. In the majority of cases, shareholders resident in the United States will not be subject to Irish withholding tax, and shareholders resident in a number of other countries will not be subject to Irish withholding tax provided that they complete certain Irish dividend withholding tax forms. However, some shareholders may be subject to withholding tax, which could have an adverse impact on the price of our shares.

Dividends received by our shareholders could be subject to Irish income tax.

Dividends paid in respect of our shares will generally not be subject to Irish income tax where the beneficial owner of these dividends is exempt from dividend withholding tax, unless the beneficial owner of the dividend has some connection with Ireland other than his or her shareholding in IR-Ireland.

Our shareholders who receive their dividends subject to Irish dividend withholding tax will generally have no further liability to Irish income tax on the dividends unless the beneficial owner of the dividend has some connection with Ireland other than his or her shareholding in IR-Ireland.

Significant events in 2011

Dividend Increase and Share Repurchase Program
In April 2011, we increased our quarterly stock dividend from $0.07 to $0.12 per share beginning with our June 2011 payment. In addition, our Board of Directors authorized the repurchase of up to $2.0 billion of our ordinary shares under a new share repurchase program. On 8 June 2011, we commenced share repurchases under this program. During the year ended 31 December 2011, we repurchased 36.3 million shares for approximately $1.2 billion. These repurchases were accounted for as a reduction of Ordinary shares and Capital in excess of par value as they were canceled upon repurchase. In December 2011, we announced an increase in our quarterly stock dividend from $0.12 per share to $0.16 per share beginning with our March 2012 payment.

Discontinued Operations
On 30 December 2011, we completed the divestiture of our security installation and service business, which was sold under the Integrated Systems and Services brand in the United States and Canada, to Kratos Public Safety & Security Solutions, Inc. This business, which was previously reported as part of the Security Technologies segment, designs, installs and services security systems. As a result of the sale, we have reported this business as a discontinued operation for all periods presented.

Divested Operations
On 30 September 2011, we completed a transaction to sell our Hussmann refrigerated display case business to a newly-formed affiliate (Hussmann Parent) of private equity firm Clayton Dubilier & Rice, LLC (CD&R). This transaction included the equipment business and certain of the service branches in the U.S. and Canada, and the equipment, service and installation businesses in Mexico, Chile, Australia, New Zealand, and Japan (Hussmann Business). The transaction allowed Hussmann Parent the option to acquire the remaining North American Hussmann service and installation branches (Hussmann Branches). Hussmann Parent completed the acquisition of the Hussmann Branches on 30 November 2011. The Hussmann Business and Branches, which were reported as part of the Climate Solutions segment through their respective transaction dates, manufacture, market, distribute, install, and service refrigerated display merchandising equipment, refrigeration systems, over the counter parts, and other commercial and industrial refrigeration applications.

The assets and liabilities related to the Hussmann Business and Branches are classified as held for sale for all historical periods presented. However, the business does not qualify for treatment as a discontinued operation as the final deal terms included, among other things, an ongoing equity ownership interest by us in Hussmann Parent which now owns the Hussmann Business and Branches.

2011 Impairment Test

As a result of the planned divestiture of Hussmann, we were required to test Goodwill within the Climate Solutions segment for impairment in the first quarter of 2011, and no impairment charge was required. Based on year to date operational results, and management turnover within the Residential HVAC reporting unit, we updated our fair value assessment of the reporting unit in the third quarter of 2011 and noted that the fair value of the reporting unit continued to exceed its carrying amount. For our annual impairment testing performed during the fourth quarter of 2011, we determined that the fair value of the reporting units and indefinite-lived intangible assets exceeded their respective carrying values. The estimates of fair value are based on the best information available as of the date of the assessment, which primarily incorporates management assumptions about expected future cash flows.

Research and Development

We engage in research and development activities in an effort to introduce new products, enhance existing product effectiveness, increase safety, improve ease of use and reliability as well as expand the various applications for which our products may be appropriate. In addition, we continually evaluate developing technologies in areas that we believe will enhance our business for possible investment or acquisition. We anticipate that we will continue to make significant expenditures for research and development activities as we look to maintain and improve our competitive position. Research and development expenditures, including qualifying engineering costs, were approximately $257.3 million in 2011 and $244.0 million in 2010.

Dividends paid and proposed

The dividends paid in 2011 to ordinary shareholders and minority interests were $167.3 million (2010: $110.7 million). The directors declared a further dividend of $0.16c per ordinary share on 9 December 2011 payable 30 March 2012 to shareholders on record on 12 March 2012. Interim dividends unpaid at the year end are not recognized in these financial statements.

Results for the year and proposed transfer to reserves

The results for the year are set out in the Group consolidated profit and loss account on page 22. The balance to be transferred to reserves is $343.2 million.

Future Developments

The Group is very focused on achieving margin expansion through pricing and sustained productivity. We aspire to and are working toward growing through customer-driven innovation. Successful execution of all these critical focus areas will be essential for Ingersoll Rand to become a top-tier company, among our peers and across industry lines.

Company Books of Account

The directors are responsible for ensuring that the Company keeps proper books of accounting records and appropriate accounting systems. To achieve this, the directors have appointed a Chief Financial Officer who makes regular reports to the Board of Directors and ensures compliance with the requirements of Section 202 of the Companies Act, 1990. The Chief Financial Officer makes regular reports to the Audit Committee of the Board of Directors. In addition, the head of the Company's internal audit department makes regular reports to the Audit Committee regarding fraud and other financial-related irregularities. The Audit Committee, in turn, briefs the full Board of Directors on significant financial matters arising from reports of the Chief Financial Officer, the head of internal audit and the external auditor.

The measures taken by the directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at 170-175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Republic of Ireland.

Significant Events Since Year End

There have been no significant events affecting the Group since the year-end.

Political Donations

The Electoral Act, 1997 requires companies to disclose all political donations over €5,079 in aggregate made during the financial year. The Directors, on enquiry, have satisfied themselves that no such donations have been made by the company during the financial year.

Subsidiary Companies and Associates

Information regarding subsidiary undertakings and associates are provided in Note 37 to the consolidated financial statements.

Branches

The Company does not operate any branches outside of the State**.**

Going Concern

The board has formed a judgment at the time of approving the financial statements that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion the board has taken account of current and anticipated trading performance, together with the current and anticipated levels of net debt and the availability of the committed borrowing facilities. For this reason, the going concern basis continues to be adopted in the preparation of the Group and the Company financial statements.

DIRECTORS' REPORT continued

Directors and Secretary

The names of the persons who were directors or secretary at any time during the year ended 31 December 2011 are set out below.

Ann C. Berzin
John Bruton
Jared L. Cohon
Gary D. Forsee
Peter C. Godsoe
Edward E. Hagenlocker
Constance J. Horner
Michael W. Lamach
Theodore E. Martin
Orin R. Smith (Retired 2 June 2011)
Richard J. Swift
Tony L. White

Barbara A. Santoro (Company Secretary)
Kenneth Yi (Assistant Secretary, Appointed 16 February 2011 Resigned 13 May 2011)
Samuel W. Sheek (Assistant Secretary, Appointed 5 August 2011)

Directors' and Secretary's Interests in Shares

No director, the secretary or any member of their immediate families had any interest in shares or debentures of any subsidiary. The names of the persons who were directors and secretary at any time during the year ended 31 December 2011 are set out below. The directors and secretary interests in the ordinary share capital of the Company at 31 December 2011 and 2010 are as follows:

	At 31 December 2011		At 31 December 2010	
	Shares	Options	Shares	Options
Directors	Number	Number	Number	Number
Ann C. Berzin	11,049	9,000	11,049	9,000
John Bruton	1,637	-	287	-
Jared L. Cohon	20,736	52,992	33,808	67,392
Gary D. Forsee	17,303	-	13,813	-
Peter C. Godsoe	6,000	-	6,000	-
Edward E. Hagenlocker	19,449	29,420	19,449	29,420
Constance J. Horner	1,863	-	1,863	-
Michael W. Lamach	44,659	1,021,692	16,559	811,165
Theodore E. Martin	27,195	-	13,695	13,500
Richard J. Swift	11,610	-	11,610	9,000
Tony L. White	21,760	9,000	17,260	13,500
Company Secretary				
Barbara A. Santoro	3,940	108,921	6,904	116,394
Samuel W. Sheek (Assistant Secretary)	-	3,500	-	-

AGM

The Annual General Meeting of the Company will take place at Dromoland Castle, Co. Clare, Ireland on 7 June 2012. The notice of meeting and a description of the business to be transacted is available on the Company's website at www.irco.com.

DIRECTORS' REPORT continued

Auditors

PricewaterhouseCoopers (PwC) were re-appointed as auditors during the year and have expressed their willingness to continue in office in accordance with Section 160 (2) of the Companies Act, 1963.

On behalf of the Directors

/s/ Richard Swift	/s/ Peter Godsoe
Richard Swift	Peter Godsoe
Director	Director

STATEMENT OF DIRECTORS' REPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Irish company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the Group financial statements in accordance with applicable Irish law and accounting principles generally accepted in the United States of America (U.S. GAAP), as defined in Section 1(1) of the Companies (Miscellaneous Provisions) Act 2009, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Companies Acts or of any regulations made thereunder. The directors have elected to prepare the Company financial statements in accordance with Generally Accepted Accounting Principles in Ireland (Irish GAAP), comprising the financial reporting standards issued by the Accounting Standards Board (ASB) and published by the Institute of Chartered Accountants in Ireland (ICAI) together with the Companies Acts, 1963 to 2009. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the Group financial statements comply with U.S. GAAP to the extent that it does not contravene Irish Company Law and that the Company financial statements comply with the accounting standards issued by the Accounting Standards Board and Irish GAAP.
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Irish Companies Acts, 1963 to 2009 and the European Communities (Companies: Group Accounts) Regulations, 1992. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the website (www.irco.com). Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Ingersoll-Rand plc

We have audited the group financial statements of Ingersoll-Rand plc for the year ended 31 December 2011 which comprise the Consolidated Balance Sheet, the Consolidated Profit and Loss Account, the Consolidated Reconciliation of Movement in Shareholders' Funds, the Consolidated Statement of Cash Flows and the related notes. These group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of Ingersoll-Rand plc for the year ended 31 December 2011.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the group financial statements, in accordance with applicable Irish law and accounting principles generally accepted in the United States of America (U.S. GAAP), as defined in Section 1(1) of the Companies (Miscellaneous Provisions) Act 2009, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Companies Acts or of any regulations made thereunder, are set out in the Statement of Directors' Responsibilities on page 19.

Our responsibility is to audit the group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the group financial statements give a true and fair view, in accordance with U.S. GAAP to the extent that the use of those principles in the preparation of the group financial statements does not contravene any provision of the Companies Acts or of any regulations made thereunder, and have been properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Companies: Group Accounts) Regulations 1992. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit. We also report to you our opinion as to whether the directors' report is consistent with the group financial statements.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited group financial statements. The other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the group financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the group financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the group financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

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Chartered Accountants

Independent auditors' report to the members of Ingersoll-Rand plc - continued

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the group financial statements.

Opinion

In our opinion the group financial statements:

- give a true and fair view, in accordance with U.S. GAAP to the extent that the use of those principles in the preparation of the group financial statements does not contravene any provision of the Companies Acts or of any regulations made thereunder, of the state of the group's affairs as at 31 December 2011 and of the profit and cash flows of the group for the year then ended; and

- have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and the European Communities (Companies: Group Accounts) Regulations 1992.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the information given in the directors' report is consistent with the group financial statements.

/s/ Alisa Hayden
Alisa Hayden
for and behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

4 April 2012

Ingersoll-Rand plc
Consolidated profit and loss account
For the year ended 31 December 2011

	Note		2011 $m		2010 $m
Turnover	3		14,782.0		14,001.1
Cost of sales			(10,493.6)		(10,059.9)
Gross profit			4,288.4		3,941.2
Distribution costs			(1,403.5)		(1,324.3)
Administrative expenses			(1,377.7)		(1,355.5)
Asset impairment	11		(646.9)		-
Other operating expenses	4		10.3		17.4
			(3,417.9)		(2,662.5)
Operating profit			870.5		1,278.7
Income from shares in associate undertakings	5		(3.5)		-
Interest receivable and similar income	6		25.9		15.2
Other finance income			0.4		0.0
Interest payable and similar charges	7		(280.0)		(283.2)
Profit on ordinary activities before taxation	8		613.3		1,010.7
Taxation	10		(187.2)		(228.1)
Profit on ordinary activities after taxation			426.1		782.6
Discontinued operations net of taxation	11		(56.8)		(117.5)
Profit after taxation			369.3		665.1
Minority interest in subsidiary undertaking	33		(26.1)		(22.9)
Profit for the financial year			343.2		642.2
Earnings/(loss) per share attributable to Ingersoll-Rand plc ordinary shareholders:					
Basic:	13				
Continuing operations		$	1.23	$	2.34
Discontinued operations			(0.17)		(0.36)
Net earnings		$	1.06	$	1.98
Diluted:	13				
Continuing operations		$	1.18	$	2.24
Discontinued operations			(0.17)		(0.35)
Net earnings		$	1.01	$	1.89

Approved by the Board of Directors on 4 April 2012 and signed on its behalf by:

/s/ Richard Swift
Richard Swift
Director

/s/ Peter Godsoe
Peter Godsoe
Director

Ingersoll-Rand plc
Consolidated balance sheet
At 31 December 2011

	Note	2011	2010
		$m	$m
Fixed Assets			
Intangible assets	15	10,442.2	10,629.3
Tangible assets	16	1,640.6	1,669.0
Financial assets	14	191.5	173.6
		12,274.3	12,471.9
Current Assets			
Stock	17	1,282.0	1,288.5
Debtors	18	2,568.0	2,665.8
Cash at bank and in hand	19	1,160.7	1,014.3
Assets held for sale	11	0.9	1,168.2
		5,011.6	6,136.8
Debtors - Amounts falling due after more than one year	20	1,468.3	1,382.2
Creditors - Amounts falling due within one year	21	(3,566.9)	(3,772.9)
Net current assets		1,444.7	2,363.9
Total assets less current liabilities		15,187.3	16,218.0
Creditors - Amounts falling due after more than one year	22	(2,965.4)	(3,023.4)
Net assets excluding provisions for liabilities and charges		12,221.8	13,194.6
Provisions for liabilities and charges	27	(5,161.9)	(5,135.5)
Net assets including provisions for liabilities and charges		7,059.9	8,059.1
Capital and reserves			
Called up share capital	31	297.1	328.2
Share premium account	32	300.5	174.7
Capital redemption reserve	32	36.3	0.0
Other reserves	32	(410.9)	(238.2)
Profit and loss account	32	6,748.9	7,699.7
Equity shareholders' funds		6,971.8	7,964.3
Minority interests	33	88.1	94.8
		7,059.9	8,059.1

Approved by the Board of Directors on 4 April 2012 and signed on its behalf by:

/s/ Richard Swift	/s/ Peter Godsoe
Richard Swift	Peter Godsoe
Director	Director

Ingersoll-Rand plc

Consolidated Reconciliation of Movement in Shareholders' Funds

	Total Shareholders' Equity $m	Called up Share Capital Amount $m	Called up Share Capital Shares Number	Share Premium Account $m	Capital Redemption Reserve $m	Profit and Loss Account $m	Other Reserves $m	Minority Interest $m
Balance at 31 December 2009	7,175.7	320.6	320.6	30.9	0.0	7,154.6	(434.3)	103.9
Net earnings	665.1	-	-	-	-	642.2	-	22.9
Currency translation	1.8	-	-	-	-	-	1.8	-
Change in value of marketable securities and cash flow hedges, net of tax of $0.1	7.9	-	-	-	-	-	7.9	-
Pension and OPEB adjustments, net of tax of $11.4	98.8	-	-	-	-	-	99.6	(0.8)
Shares issued under incentive stock plans	149.4	7.6	7.6	143.8	-	(2.0)	-	-
Accretion of exchangeable notes	13.3	-	-	-	-	-	13.3	-
Share-based compensation	73.5	-	-	-	-	-	73.5	-
Acquisition of minority interests	(8.4)	-	-	-	-	(4.5)	-	(3.9)
Dividends to minority interests	(20.2)	-	-	-	-	-	-	(20.2)
Cash dividends, declared and paid ($0.28 per share)	(90.5)	-	-	-	-	(90.5)	-	-
Other	(7.3)	-	-	-	-	(0.2)	-	(7.1)
Balance at 31 December 2010	8,059.1	328.2	328.2	174.7	0.0	7,699.6	(238.2)	94.8
Net earnings	369.3	-	-	-	-	343.2	-	26.1
Currency translation	(158.1)	-	-	-	-	-	(158.1)	-
Change in value of marketable securities and cash flow hedges, net of tax of $(0.6)	0.9	-	-	-	-	-	0.9	-
Pension and OPEB adjustments, net of tax of $60.7	(72.0)	-	-	-	-	-	(71.4)	(0.6)
Shares issued under incentive stock plans	133.6	5.2	5.2	125.8	-	2.6	-	-
Repurchase of ordinary shares	(1,157.5)	(36.3)	(36.3)	-	36.3	(1,157.5)		
Accretion of exchangeable notes	13.3	-	-	-	-	-	13.3	-
Share-based compensation	42.6	-	-	-	-	-	42.6	-
Acquisition/divestiture of minority interests	(2.4)	-	-	-	-	(1.3)	-	(1.1)
Dividends to minority interests	(30.1)	-	-	-	-	-	-	(30.1)
Cash dividends, declared and paid ($0.43 per share)	(137.2)	-	-	-	-	(137.2)	-	-
Other	(1.6)	-	-	-	-	(0.6)	-	(1.0)
Balance at 31 December 2011	7,059.9	297.1	297.1	300.5	36.3	6,748.9	(410.9)	88.1

Ingersoll-Rand plc

Consolidated Statement of Cash Flows

For the year ended 31 December 2011	2011 $m	2010 $m
Cash flows from operating activities:		
Profit after taxation	369.3	665.1
Loss from discontinued operations, net of tax	56.8	117.5
Adjustments to arrive at net cash provided by (used in) operating activities:		
Loss on sale/asset impairment	646.9	-
Depreciation and amortization	402.7	436.8
Share based compensation	42.6	73.5
(Gain)/loss on sale of tangible fixed assets	(22.6)	4.6
Equity earnings, net of dividends	5.4	0.8
Deferred income taxes	(74.6)	82.6
Other items	15.6	101.2
Changes in other assets and liabilities		
(Increase) decrease in:		
Debtors	8.1	(238.9)
Stock	(14.3)	(213.0)
Other current and noncurrent assets	(55.0)	159.8
Increase (decrease) in:		
Creditors	(29.0)	246.9
Other current and noncurrent liabilities	(121.7)	(680.5)
Net cash (used in) provided by continuing operating activities	1,230.2	756.4
Net cash (used in) provided by discontinued operating activities	(43.4)	(61.0)
Cash flows from investing activities:		
Capital expenditures	(242.9)	(179.5)
Acquisition of business, net of cash acquired	(1.9)	(14.0)
Proceeds from sale of tangible fixed assets	52.0	14.5
Proceeds from business disposals, net of cash sold	355.9	-
Net cash (used in) provided by continuing investing activities	163.1	(179.0)
Net cash (used in) provided by discontinued investing activities	44.4	0.4
Cash flows from financing activities:		
Other short-term borrowings (net)	35.5	33.1
Proceeds from long-term debt	3.6	62.9
Payments of long-term debt	(93.1)	(524.8)
Net proceeds (repayments) in debt	(54.0)	(428.8)
Debt issue costs	(2.3)	(5.5)
Excess tax benefit from share based compensation	24.6	4.2
Dividends paid to ordinary shareholders	(137.2)	(90.5)
Dividends paid to minority interests	(26.2)	(20.2)
Acquisition/divestiture of minority interest	(1.3)	(8.0)
Proceeds from exercise of stock options	109.0	145.3
Repurchase of ordinary shares	(1,157.5)	-
Other	(1.5)	(0.2)
Net cash (used in) provided by continuing financing activities	(1,246.4)	(403.7)
Effect of exchange rate changes on cash and cash equivalents	(1.5)	24.5
Net increase (decrease) in cash and cash equivalents	146.4	137.6
Cash at bank and in hand - beginning of period	1,014.3	876.7
Cash at bank and in hand - end of period	1,160.7	1,014.3
Cash paid during the year for:		
Interest, net of amounts capitalized	232.5	225.7
Income taxes, net of refunds	189.7	117.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The directors have elected to prepare the consolidated financial statements of Ingersoll-Rand plc (IR-Ireland or the Company) and its consolidated subsidiaries (collectively referred to as the Group) in accordance with applicable Irish law and accounting principles generally accepted in the United States of America (U.S. GAAP), as defined in Section 1(1) of the Companies (Miscellaneous Provisions) Act 2009, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Companies Acts or of any regulations made thereunder.

The separate financial statements of the Company have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009, and the European Communities (Companies: Group Accounts) Regulations, 1992. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

The loss attributable to equity shareholders dealt within the financial statements of the Company in 2011 was $15.7 million. In accordance with Section 148(8) of the Companies Act, 1963 and Section 7(1A) of the Companies Amendment Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies.

The financial statements are presented in U.S. dollars.

2. SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies used in the preparation of the accompanying financial statements follows:

Reorganization: IR-Ireland is the successor to IR-Limited following a corporate reorganization that became effective on 1 July 2009 (the Ireland Reorganization). IR-Limited is the successor to Ingersoll-Rand Company, a New Jersey corporation (IR-New Jersey), following a corporate reorganization that occurred on 31 December 2001 (the Bermuda Reorganization). Both the Ireland Reorganization and the Bermuda Reorganization were accounted for as a reorganization of entities under common control and accordingly, did not result in any changes to the consolidated amounts of assets, liabilities and equity shareholders' funds.

Accounting Convention: These Financial Statements are prepared under the historical cost convention.

Basis of Consolidation: The Consolidated Financial Statements include all majority-owned subsidiaries of the Company. A minority interest in a subsidiary is considered an ownership interest in a majority-owned subsidiary that is not attributable to the parent. The Group includes Minority interest as a component of Total equity in the Consolidated Balance Sheet and the Net earnings attributable to minority interests are presented as an adjustment from profit after taxation used to arrive at Net earnings attributable to Ingersoll-Rand plc in the Consolidated Statement of Income.

Partially-owned equity affiliates represent 20-50% ownership interests in investments where we demonstrate significant influence, but do not have a controlling financial interest. Partially-owned equity affiliates are accounted for under the equity method. The Group is also required to consolidate variable interest entities in which it bears a majority of the risk to the entities' potential losses or stands to gain from a majority of the entities' expected returns. Intercompany accounts and transactions have been eliminated. The assets, liabilities, results of operations and cash flows of all discontinued operations have been separately reported as discontinued operations and held for sale for all periods presented.

Turnover Recognition: Turnover is recognized and earned when all of the following criteria are satisfied: (a) persuasive evidence of a sales arrangement exists; (b) price is fixed or determinable; (c) collectability is reasonably assured; and (d) delivery has occurred or service has been rendered. Delivery generally occurs when the title and the risks and rewards of ownership have substantially transferred to the customer. Turnover from maintenance contracts or extended warranties is recognized on a straight-line basis over the life of the contract, unless another method is more representative of the costs incurred. The Group enters into agreements that contain multiple elements, such as equipment, installation and service turnover. For multiple-element arrangements, the Group recognizes turnover for delivered elements when the delivered item has stand-alone value to the customer, fair values of undelivered elements are known, customer acceptance has occurred, and only customary refund or return rights exist related to the delivered elements. Turnover from certain of our equipment and the related installation sold under construction-type contracts are recorded using the percentage-of-completion method in accordance with U.S. GAAP.

Dividends: Dividend income is recognized when the right to receive the payment is established. Quarterly dividends on ordinary shares are recognized in the financial statements when they are paid.

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of turnover and expenses during the reporting period. Estimates are based on several factors including the facts and circumstances available at the time the estimates are made, historical experience, risk of loss, general economic conditions and trends, and the assessment of the probable future outcome. Some of the more significant estimates include accounting for doubtful accounts, useful lives of property, plant and equipment and intangible assets, purchase price allocations of acquired businesses, valuation of assets including goodwill and other intangible assets, product warranties, sales allowances, pension plans, postretirement benefits other than pensions, taxes, environmental costs, product liability, asbestos matters and other contingencies. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of changes, if any, are reflected in the profit and loss account in the period that they are determined.

Foreign Currency: Assets and liabilities of non-U.S. subsidiaries, where the functional currency is not the U.S. dollar, have been translated at year-end exchange rates, and income and expenses accounts have been translated using average exchange rates throughout the year. Adjustments resulting from the process of translating an entity's financial statements into the U.S. dollar have been recorded in the equity section of the balance sheet within other reserves. Transactions that are denominated in a currency other than an entity's functional currency are subject to changes in exchange rates with the resulting gains and losses recorded within net earnings.

Cash at Bank and in Hand: Cash at bank and in hand include cash on hand, demand deposits and all highly liquid investments with original maturities at the time of purchase of three months or less.

Marketable Securities: The Group has classified its marketable securities as available-for-sale in accordance with U.S. GAAP. Available-for-sale marketable securities are accounted for at fair value, with the unrealized gain or loss, less applicable deferred income taxes, recorded within other reserves. If any of the Group's marketable securities experience other than temporary declines in value as defined by U.S. GAAP, a loss is recorded in the Consolidated profit and loss account.

Stock: Depending on the business, U.S. stocks are stated at the lower of cost or market using the last-in, first-out (LIFO) method or the lower of cost or market using the first-in, first-out (FIFO) method. Non-U.S. inventories are primarily stated at the lower of cost or market using the FIFO method. At 31 December 2011 and 2010, approximately 51% of all stock utilized the LIFO method.

Allowance for Doubtful Accounts: The Group has provided an allowance for doubtful accounts reserve which represents the best estimate of probable loss inherent in the Group's account receivables portfolio. This estimate is based upon company policy, derived from knowledge of its end markets, customer base and products. The Group reserved $27.1 million and $40.7 million for doubtful accounts as at 31 December 2011 and 2010, respectively.

Tangible Fixed Assets: Tangible fixed assets are stated at cost, less accumulated depreciation. Assets placed in service are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset except for leasehold improvements, which are depreciated over the shorter of their economic useful life or their lease term. The range of useful lives used to depreciate tangible fixed assets is as follows:

Buildings:	10 to 50 years
Machinery and equipment:	2 to 12 years
Software:	2 to 7 years

Repair and maintenance costs that do not extend the useful life of the asset are charged against earnings as incurred. Major replacements and significant improvements that increase asset values and extend useful lives are capitalized.

The Group assesses the recoverability of the carrying value of its tangible fixed assets whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of an asset to the future net undiscounted cash flows expected to be generated by the asset. If the undiscounted cash flows are less than the carrying amount of the asset, an impairment loss is recognized for the amount by which the carrying value of the asset exceeds the fair value of the assets.

Goodwill and Intangible Assets: The Group records as goodwill the excess of the purchase price over the fair value of the net assets acquired. Once the final valuation has been performed for each acquisition, adjustments may be recorded.

In accordance with U.S. GAAP, goodwill and other indefinite-lived intangible assets are tested and reviewed annually for impairment during the fourth quarter or whenever there is a significant change in events or circumstances that indicate that the fair value of the asset may be less than the carrying amount of the asset.

Recoverability of goodwill is measured at the reporting unit level and determined using a two step process. The first step compares the carrying amount of the reporting unit to its estimated fair value. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired and the second step of the impairment test is not necessary. To the extent that the carrying value of the reporting unit exceeds its estimated fair value, a second step is performed, wherein the reporting unit's carrying value of goodwill is compared to the implied fair value of goodwill. To the extent that the carrying value exceeds the implied fair value, impairment exists and must be recognized.

The calculation of estimated fair value is based on two valuation techniques, a discounted cash flow model (income approach) and a market adjusted multiple of earnings and revenues (market approach), with each method being equally weighted in the calculation. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. The estimated fair value of the reporting unit is allocated to all of the assets and liabilities of the reporting unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit, as determined in the first step of the goodwill impairment test, was the price paid to acquire that reporting unit.

Recoverability of other indefinite-lived intangible assets (i.e. Tradenames) is measured by a comparison of the carrying amount of the intangible assets to the estimated fair value of the respective intangible assets. Any excess of the carrying value over the estimated fair value is recognized as an impairment loss equal to that excess.

The calculation of estimated fair value is determined on a relief from royalty methodology (income approach), which is based on the implied royalty paid, at an appropriate discount rate, to license the use of an asset rather than owning the asset. The present value of the after-tax cost savings (i.e. royalty relief) indicates the estimated fair value of the asset.

Intangible assets such as patents, customer-related intangible assets and other intangible assets with finite useful lives are amortized on a straight-line basis over their estimated economic lives. The weighted-average useful lives approximate the following:

Customer relationships	20 years
Trademarks	25 years
Completed technology/patents	10 years
Other	15 years

Recoverability of intangible assets with finite useful lives is assessed in the same manner as tangible fixed assets as described above.

Taxation: Current tax represents the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantially enacted at the balance sheet date, along with any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, applying enacted tax rates expected to be in effect for the year in which the differences are expected to reverse. The Group recognizes future tax benefits, such as net operating losses and non-U.S. tax credits, to the extent that realizing these benefits is considered in its judgment to be more likely than not. The Group regularly reviews the recoverability of its deferred tax assets considering its historic profitability, projected future taxable income, timing of the reversals of existing temporary differences and the feasibility of its tax planning strategies. Where appropriate, the Group records a valuation allowance with respect to a future tax benefit.

Product Warranties: Warranty accruals are recorded at the time of sale and are estimated based upon product warranty terms and historical experience. The Group assesses the adequacy of its liabilities and will make adjustments as necessary based on known or anticipated warranty claims, or as new information becomes available.

Treasury Stock: The Company, through one of its consolidated subsidiaries, has repurchased its ordinary shares from time to time in the open market and in privately negotiated transactions as authorized by the Board of Directors. These repurchases are based upon current market conditions and the discretion of management. Amounts are recorded at cost and included within the Shareholders' equity section. At 31 December 2011, a subsidiary of the Company held 23,985 (2010: 25,249) ordinary shares in trust for a deferred compensation plan. These ordinary shares have been reflected as treasury shares in the consolidated balance sheet. Refer to Note 31 for further detail of the Company's share capital.

Research and Development Costs: The Group conducts research and development activities for the purpose of developing and improving new products and services. These expenditures, including qualifying engineering costs, are expensed when incurred.

Environmental Costs: The Group is subject to laws and regulations relating to protecting the environment. Environmental expenditures relating to current operations are expensed or capitalized as appropriate. Expenditures relating to existing conditions caused by past operations, which do not contribute to current or future turnover, are expensed. Liabilities for remediation costs are recorded when they are probable and can be reasonably estimated, generally no later than the completion of feasibility studies or the Group's commitment to a plan of action. The assessment of this liability, which is calculated based on existing technology, does not reflect any offset for possible recoveries from insurance companies, and is not discounted.

Asbestos Matters: Certain of our wholly-owned subsidiaries are named as defendants in asbestos-related lawsuits in state and federal courts. The Group records a liability for its actual and anticipated future claims as well as an asset for anticipated insurance settlements. Although the Group was neither a manufacturer nor producer of asbestos, some of its formerly manufactured components from third party suppliers utilized asbestos-related components. As a result, amounts related to asbestos are recorded within Discontinued operations, net of tax, except for amounts related to Trane asbestos liabilities, which are recorded in Operating Income. Refer to Note 28 for further details of asbestos-related matters.

Software Costs: The Group follows the guidance outlined in FASB ASC 350, "Intangibles – Goodwill and Other" (ASC 350) for all software developed or obtained for internal use, which requires companies to capitalize certain internal-use software costs once specific criteria are met and subsequently amortize these costs over the software's useful life, which ranges from 2 to 7 years.

Employee Benefit Plans: The Group provides a range of benefits to eligible employees and retired employees, including pensions, postretirement and postemployment benefits. Determining the cost associated with such benefits is dependent on various actuarial assumptions including discount rates, expected return on plan assets, compensation increases, employee mortality, turnover rates and healthcare cost trend rates. Actuaries perform the required calculations to determine expense in accordance with U.S. GAAP. Actual results may differ from the actuarial assumptions and are generally accumulated into Accumulated other comprehensive income (loss) and amortized into Net earnings over future periods. The Group reviews its actuarial assumptions at each measurement date and makes modifications to the assumptions based on current rates and trends, if appropriate.

Provisions: Provisions are recorded for various liabilities arising in the normal course of business, including litigation and administrative proceedings, environmental matters, product liability, product warranty, worker's compensation and other claims. The Group has recorded provisions in the financial statements related to these matters, which are developed using input derived from actuarial estimates and historical and anticipated experience data depending on the nature of the provision, and in certain instances with consultation of legal counsel, internal and external consultants and engineers. Subject to the uncertainties inherent in estimating future costs for these types of liabilities, the Group believes its estimated provisions are reasonable and does not believe the final determination of the liabilities with respect to these matters would have a material effect on the financial condition, results of operations, liquidity or cash flows of the Group for any year.

Derivative Instruments: The Group periodically enters into cash flow and other hedge transactions to specifically hedge exposure to various risks related to interest rates, currency rates and commodity pricing. The Group recognizes all derivatives on the consolidated balance sheet at their fair value as either assets or liabilities. For cash flow designated hedges, the effective portion of the changes in fair value of the derivative contract are recorded in other reserves, net of taxes, and are recognized in the profit and loss account at the time earnings are affected by the hedged transaction. For other derivative transactions, the changes in the fair value of the derivative contract are recognized in the Consolidated profit and loss account.

Recently Adopted Accounting Pronouncements

In October 2009, the FASB issued Accounting Standards Update (ASU) 2009-13, "Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements, a consensus of the FASB Emerging Issues Task Force," which revised guidance within ASC 605, "Revenue Recognition." These revisions include additional disclosures regarding multiple-deliverable revenue arrangements, such as any significant assumptions made and the effects of the relative selling price method on revenue recognition. The new disclosure requirements were effective for the Company as of 1 January 2011. The provisions of ASU 2009-13 did not have a material impact on the Group's Consolidated Financial Statements and Notes.

In September 2011, the FASB issued ASU 2011-09, "Compensation - Retirement Benefits - Multiemployer Plans (Subtopic 715-80)." The revised guidance expands the required disclosures of employers on multiemployer pension plan participation, obligations, and funded status. The revised disclosure requirements are reflected in Note 25.

Recently Issued Accounting Pronouncements:
In May 2011, the FASB issued ASU 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRS)." ASU 2011-04 represents converged guidance between GAAP and IFRS resulting in common requirements for measuring fair value and for disclosing information about fair value measurements. This new guidance will be effective for fiscal years beginning after 15 December 2011 and subsequent interim periods. The Group is currently assessing the impact on its Consolidated Financial Statements.

In June 2011, the FASB issued ASU 2011-05, "Presentation of Comprehensive Income." ASU 2011-05 requires the Group to present components of other comprehensive income and of net income in one continuous statement of comprehensive income, or in two separate, but consecutive statements. The option to report other comprehensive income within the statement of equity has been removed. This new presentation of comprehensive income will be effective for fiscal years beginning after 15 December 2011 and subsequent interim periods.

In September 2011, the FASB issued ASU 2011-08, "Testing Goodwill for Impairment." This revised standard provides entities with the option to first use an assessment of qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If a conclusion is reached that reporting unit fair value is not more likely than not below carrying value, no further impairment testing is necessary. This revised guidance applies to fiscal years beginning after 15 December 2011, and the related interim and annual goodwill impairment tests. The Group does not believe it will have a material impact on its Consolidated Financial Statements**.**

Reclassification: Certain comparative balances relating to businesses disposed of during the year have been re-classified from their original presentation to "Assets held for sale" in the current year financial statements. Details of these comparative balances can be found in Note 11.

3. BUSINESS SEGMENT INFORMATION

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies except that the operating segments' results are prepared on a management basis that is consistent with the manner in which the Group disaggregates financial information for internal review and decision making. The Group largely evaluates performance based on Segment operating profit and Segment operating margins. Intercompany sales between segments are considered immaterial.

Segment operating profit is the measure of profit and loss that the Group's chief operating decision maker uses to evaluate the financial performance of the business and as the basis for performance reviews, compensation and resource allocation. For these reasons, the Group believes that Segment operating profit represents the most relevant measure of segment profit and loss. The Group may exclude certain charges or gains from Operating profit to arrive at a Segment operating profit that is a more meaningful measure of profit and loss upon which to base its operating decisions.

On 30 September 2011 and 30 November 2011, the Group completed transactions to sell the Hussmann Business and Branches, respectively, to a newly-formed affiliate (Hussmann Parent) of private equity firm Clayton Dubilier & Rice, LLC (CD&R). The Group recorded a pre-tax loss on sale and impairment charges related to the Hussmann divestiture of $646.9 million. These charges have been excluded from Segment operating profit within the Climate Solutions segment as management excludes these charges from Operating profit when making operating decisions about the business. See Note 11 for a further discussion of the Hussmann divestiture.

Turnover and Segment operating profit in 2011 for the Climate Solutions segment includes the operating results of the Hussmann Business and Branches for the nine months and eleven months, respectively, prior to the sale. The operating results for the Hussmann Business and Branches are included in Turnover and Segment operating profit for the Climate Solutions segment for the years ended 31 December as follows:

	2011 $m	2010 $m
Turnover	818.5	1,106.1
Operating profit	58.6	84.4

On 30 December 2011, the Group completed the divestiture of its security installation and service business, which was sold under the Integrated Systems and Services brand in the United States and Canada, to Kratos Public Safety & Security Solutions, Inc. This business, which was previously reported as part of the Security Technologies segment, designs, installs and services security systems. Segment information has been revised to exclude the results of this business for all periods presented.

On 30 December 2010, the Group completed the divestiture of its gas microturbine generator business, which was sold under the Energy Systems brand, to Flex Energy, Inc. The business, which was previously reported as part of the Industrial Technologies segment, designs, manufactures, markets, distributes, and services gas powered microturbine generators which feature energy efficient design and low emissions technology. Segment information has been revised to exclude the results of this business for all periods presented.

On 4 October 2010, the Group completed the divestiture of its European refrigerated display case business, which was sold under the KOXKA brand, to an affiliate of American Industrial Acquisition Corporation (AIAC Group). The business, which was previously reported as part of the Climate Solutions segment, designs, manufactures and markets commercial refrigeration equipment through sales branches and a network of distributors throughout Europe, Africa and the Middle East. Segment information has been revised to exclude the results of this business for all periods presented.

Each reportable segment is based primarily on the types of products it generates. The operating segments have been aggregated as required by U.S. GAAP. A description of the Group's reportable segments is as follows:

The Climate Solutions segment delivers energy-efficient refrigeration and Heating, Ventilation and Air Conditioning (HVAC) throughout the world. Encompassing the transport markets as well as the commercial HVAC markets, this segment offers customers a broad range of products, services and solutions to manage controlled temperature environments. This segment includes the market-leading brands of Thermo King and Trane.

The Residential Solutions segment provides safety, comfort and efficiency to homeowners throughout North America and parts of South America. It offers customers a broad range of products, services and solutions including mechanical and electronic locks, energy-efficient HVAC systems, indoor air quality solutions, advanced controls, portable security systems and remote home management. This segment is comprised of well-known brands like American Standard, Schlage and Trane.

The Industrial Technologies segment provides products, services and solutions that enhance energy efficiency, productivity and operations. It offers its global customers a diverse and innovative range of products including compressed air systems, tools, pumps, fluid and material handling systems, as well as golf, utility, and rough terrain vehicles. It also includes a diverse range of service offerings including full coverage and preventative maintenance service contracts, service parts, installation, and remanufactured compressors and tools. This segment includes the Club Car, Ingersoll Rand, and ARO market-leading brands.

The Security Technologies segment is a leading global provider of products and services that make environments safe, secure and productive. The segment's market-leading products include electronic and biometric access control systems and software, locks and locksets, door closers, exit devices, steel doors and frames, as well as time, attendance and personnel scheduling systems. These products serve a wide range of markets including the commercial construction market, healthcare, retail, and transport industries as well as educational and governmental facilities. This segment includes the CISA, LCN, Schlage and Von Duprin market-leading brands.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

A summary of operations by reportable segments for the years ended December 31 were as follows:

	2011 $m		2010 $m
Climate Solutions			
Turnover	8,284.6		7,800.8
Operating profit	824.2	*	577.4
Operating profit as a percentage of turnover	9.9%		7.4%
Depreciation and amortization	171.4		206.0
Capital expenditures	81.6		67.0
Residential Solutions			
Turnover	2,012.7		2,121.7
Operating profit	64.9		193.3
Operating profit as a percentage of turnover	3.2%		9.1%
Depreciation and amortization	110.1		107.4
Capital expenditures	27.7		35.9
Industrial Technologies			
Turnover	2,852.9		2,485.2
Operating profit	406.4		310.4
Operating profit as a percentage of turnover	14.2%		12.5%
Depreciation and amortization	40.3		41.5
Capital expenditures	57.2		31.3
Security Technologies			
Turnover	1,631.8		1,593.4
Operating profit	332.9		319.1
Operating profit as a percentage of turnover	20.4%		20.0%
Depreciation and amortization	37.2		38.7
Capital expenditures	22.8		14.6
Total turnover	14,782.0		14,001.1
Operating profit from reportable segments	1,628.5		1,400.2
Loss on sale/asset impairment	(646.9)	*	-
Unallocated corporate expense	(111.1)		(121.5)
Total operating profit	870.5		1,278.7
Total operating profit as a percentage of turnover	5.9%		9.1%
Depreciation and amortization from reportable segments	359.0		393.6
Unallocated depreciation and amortization	43.7		43.2
Total depreciation and amortization	402.7		436.8
Capital expenditures from reportable segments	189.3		148.8
Corporate capital expenditures	53.6		30.7
Total capital expenditures	242.9		179.5

* During the year ended 31 December 2011, the Group recorded a pre-tax loss on sale and impairment charges related to the Hussmann divestiture of $646.9 million. These charges have been excluded from Segment operating income within the Climate Solutions segment as management excludes these charges from Operating income when making operating decisions about the business.

Included in Segment operating profit for Climate Solutions for the year ended 31 December 2011 is a $23 million gain associated with the sale of assets from a restructured business in China.

Turnover by destination and long-lived assets by geographic area for the years ended 31 December were as follows:

	2011 $m	2010 $m
Turnover		
United States	8,683.7	8,585.9
Non-U.S.	6,098.3	5,415.2
Total	14,782.0	14,001.1

	2011 $m	2010 $m
Long-lived assets		
United States	2,583.2	2,698.3
Non-U.S.	783.5	838.8
Total	3,366.7	3,537.1

4. OTHER OPERATING EXPENSES

	2011 $m	2010 $m
Net foreign exchange gain/(loss)	2.8	0.9
Other miscellaneous income	7.5	16.4
	10.3	17.4

The Group made a change in classification to certain earnings from equity investments deemed to be integral to its operations from Income from shares in associated undertakings to Cost of goods sold. This change in classification had a $9.8 million and $8.0 million impact, respectively, on the Consolidated profit and loss for the year ended 31 December 2010.

In addition, effective 1 January 2010, Venezuela was designated highly inflationary, as the blended Consumer Price Index/National Consumer Price Index reached cumulative three-year inflation in excess of 100% during the fourth quarter of 2009. Accordingly, the U.S. dollar was determined to be the functional currency of the Group's Venezuelan subsidiaries and all foreign currency fluctuations during 2011 and 2010 have been recorded in Other operating expenses. On 17 May 2010, the government of Venezuela effectively closed down the parallel market claiming it was a significant cause of inflation in Venezuela. On 9 June 2010, a new parallel market (SITME) opened under control of the Central Bank at which time the Group began utilizing it for currency exchange, subject to any limitations under local regulations. Effective August 2011, we began utilizing the official rate (now 4.29 Bolivars to the U.S. dollar) for re-measurement purposes due to our increased ability to settle transactions at that rate.

5. INCOME FROM SHARES IN ASSOCIATED UNDERTAKINGS

	2011 $m	2010 $m
(Loss)/ Income from equity investments	(3.5)	0.0

Included within (loss)/income from equity investments for 2011, subsequent to the Hussmann divestiture transaction dates is a $3.5 million equity loss on the Hussmann equity investment.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 $m	2010 $m
Short term investments	25.7	14.8
Long term investments	0.2	0.4
	25.9	15.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 $m	2010 $m
Interest on bank debt (Note 23)	(270.9)	(257.4)
Amortization of debt issue costs (Note 23)	(8.6)	(7.9)
Interest on discounted receivables	(0.0)	(0.5)
Penalties	1.1	(0.6)
Interest derivatives (Note 24)	(0.9)	(1.1)
Other	(0.7)	(15.7)
	(280.0)	(283.2)

8. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 $m	2010 $m
Profit on ordinary activities before taxation has been arrived at after charging:		
Staff costs		
Wages & salaries	2,796.7	1,882.2
Social welfare & other pension costs	1,011.3	695.0
Depreciation (Note 16)	236.2	261.8
Amortization of intangible assets (Note 15)	144.6	153.2
Auditors' remuneration	21.1	20.8
Restructuring costs (Note 12)	24.3	45.3
Research and development	257.3	244.0

Auditors Remuneration

	2011 $'000	2010 $'000
Audit of the group accounts [a]	250.8	304.8
Other assurance services [a]	613.2	475.8
Tax	13.9	23.5
Other non-audit	-	3.3
	877.9	807.4

[a] The group incurred additional fees of $20.3m and $19.9m for 2011 and 2010, respectively, payable to affiliates of PricewaterhouseCoopers, Ireland. These additional amounts reflect fees for professional services rendered, including audit fees payable to PricewaterhouseCoopers in the United States for the audit of the Group's consolidated financial statements.

9. EMPLOYEE COSTS

The average number of persons employed in the Group, including executive directors, during the year was as follows:

Business segment	2011	2010
Climate Solutions	29,900	31,696
Industrial Technologies	9,508	9,235
Residential Solutions	6,981	7,597
Security Technologies	8,197	8,676
Corporate	2,317	1,238
	56,904	58,443

Employee costs	2011 $m	2010 $m
Wages & salaries	2,796.7	1,866.7
Social welfare & other pension costs	1,011.3	692.7
	3,808.0	2,577.2

Directors' remuneration	2011 $m	2010 $m
Fees	3.0	3.0
Remuneration and benefit in kind	1.4	2.3
Bonus	1.5	2.6
	5.9	7.9

10. TAXATION

Profit/(loss) on ordinary activities before taxation for the years ended 31 December were taxed within the following jurisdictions:

	2011 $m	2010 $m
United States	(718.0)	(38.7)
Non-U.S.	1,331.3	1,049.4
Total	613.3	1,010.7

The taxation components for income taxes for the years ended 31 December were as follows:

	2011 $m	2010 $m
Current tax expense (benefit):		
United States	59.2	31.0
Non U.S.	202.6	114.5
Total:	261.8	145.5
Deferred tax expense (benefit):		
United States	(120.0)	84.9
Non U.S.	45.4	(2.3)
Total:	(74.6)	82.6
Total tax expense (benefit):		
United States	(60.8)	115.9
Non U.S.	248.0	112.2
Total	187.2	228.1

Taxation expense differs from the amount of income taxes determined by applying the applicable U.S. statutory income tax rate to pretax income, as a result of the following differences:

	Percent of pretax income 2011	 2010
Statutory U.S. rate	35.0 %	35.0 %
Increase (decrease) in rates resulting from:		
Subsidiaries results subject to non-U.S. tax rates (*)	(32.7)	(17.7)
U.S. tax on non-U.S. earnings (*)	4.8	2.4
State and local income taxes (*)	(4.7)	-
Non-deductible goodwill write-off - Hussmann	23.2	-
Reserves for uncertain tax positions	5.8	0.1
Impact of change in taxation of retiree drugs subsidy	-	4.0
Provision to return and other true-up adjustments	0.5	(0.2)
Other adjustments	(1.4)	(1.0)
Effective tax rate	30.5 %	22.60 %

(*) Net of changes in valuation allowances

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Tax incentives, in the form of tax holidays, have been granted to the Group in certain jurisdictions to encourage industrial development. The expiration of these tax holidays varies by country. The tax holidays are conditional on the Group meeting certain employment and investment thresholds. The most significant tax holidays relate to the Group's qualifying locations in Ireland, China and Puerto Rico. The benefit for the tax holidays for the years ended 31 December 2011 and 2010 was $15.2 million and $10.1 million, respectively.

At 31 December a summary of the deferred tax accounts is as follows:

	2011 $m	2010 $m
Deferred tax assets:		
Stock and Debtors	26.8	34.9
Fixed assets and intangibles	4.0	2.6
Postemployment and other benefit liabilities	814.3	750.2
Product liability	258.7	282.7
Other reserves and accruals	213.8	210.9
Net operating losses and credit carryforwards	1,002.9	1,075.4
Other	148.7	169.7
Gross deferred tax assets	2,469.2	2,526.4
Less: deferred tax valuation allowances	(333.8)	(378.7)
Deferred tax assets net of valuation allowances	2,135.4	2,147.7
Deferred tax liabilities:		
Stock and Debtors	(44.9)	(48.5)
Fixed assets and intangibles	(2,149.3)	(2,324.1)
Postemployment and other benefit liabilities	(4.6)	(2.9)
Other reserves and accruals	(6.6)	(12.5)
Other	(74.3)	(85.0)
Gross deferred tax liability	(2,279.7)	(2,473.0)
Net deferred tax assets (liabilities)	(144.3)	(325.3)

At 31 December 2011, no deferred taxes have been provided for any portion of the $6.6 billion of undistributed earnings of the Group's subsidiaries, since these earnings have been, and under current plans will continue to be, permanently reinvested in these subsidiaries, and it is not practicable to estimate the amount of additional taxes which may be payable upon distribution.

At 31 December 2011, the Group had the following operating loss and tax credit carry forwards available to offset taxable income in prior and future years:

	Amount $m	Expiration Period
U.S. Federal net operating loss carryforwards	1,613.1	2012-2031
U.S. Federal credit carryforwards	85.4	2014-2031
U.S. State net operating loss carryforwards	3,342.1	2012-2031
Non-U.S. net operating loss carryforwards	1,124.7	2012-Unlimited
Non-U.S. credit carryforwards	8.9	Unlimited

The amount of net operating loss carry forwards for which a benefit would be recorded in the profit and loss account when realized is $176.3 million.

The U.S. state net operating loss carry forwards were incurred in various jurisdictions. The non-U.S. net operating loss carryforwards were incurred in various jurisdictions, predominantly in Barbados, Belgium, Brazil, Germany, Spain, and the United Kingdom.

Activity associated with the Group's valuation allowance is as follows:

	2011 $m	2010 $m
Beginning balance	378.7	352.6
Increase to valuation allowance	17.0	106.9
Decrease to valuation allowance	(52.2)	(45.9)
Other deductions	(1.5)	(1.5)
Write off against valuation allowance	0.0	0.0
Acquisition and purchase accounting	0.0	0.0
Translation and accumulated other comprehensive income	(8.2)	(33.4)
Ending balance	333.8	378.7

The Group has total unrecognized tax benefits of $536.9 million and $534.1 million as of 31 December 2011 and 2010, respectively. The amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate are $467.5 million as of 31 December 2011. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2011 $m	2010 $m
Beginning balance	534.1	525.1
Additions based on tax positions related to the current year	16.7	14.1
Additions based on tax positions related to acquisitions	0.0	0.0
Additions based on tax positions related to prior years	64.9	116.3
Reductions based on tax positions related to prior years	(63.6)	(101.4)
Reductions related to settlements with tax authorities	(3.7)	(11.9)
Reductions related to lapses of statute of limitations	(10.4)	(6.0)
Translation (gain)/loss	(1.1)	(2.1)
Ending balance	536.9	534.1

In connection with Trane's spin-off of WABCO, Trane and WABCO entered into a tax sharing agreement for the allocation of pre spin-off taxes. Of the total unrecognized tax benefit of $536.9 million at 31 December 2011, WABCO has agreed to indemnify Trane for $7.6 million, which is reflected in another long-term receivable account.

The Group records interest and penalties associated with the uncertain tax positions within its Taxation expense. The Group had provisions associated with interest and penalties, net of tax, of $108.3 million and $100.4 million at 31 December 2011 and 2010, respectively. For the years ended 31 December 2011 and 2010, the Group recognized $12.3 million and $19.1 million, respectively, in interest and penalties net of tax related to these uncertain tax positions.

It is reasonably possible that the total amount of unrecognized tax benefits could change within 12 months as a result of settlements of ongoing tax examinations resulting in a decrease of approximately $21.4 million in the unrecognized tax benefits.

The provision for taxes involves a significant amount of management judgment regarding interpretation of relevant facts and laws in the jurisdictions in which the Group operates. Future changes in applicable laws, projected levels of taxable income and tax planning could change the effective tax rate and tax balances recorded by the Group. In addition, tax authorities periodically review income tax returns filed by the Group and can raise issues regarding its filing positions, timing and amount of income or deductions, and the allocation of income among the jurisdictions in which the Group operates. A significant period of time may elapse between the filing of an income tax return and the ultimate resolution of an issue raised by a revenue authority with respect to that return. In the normal course of business the Group is subject to examination by taxing authorities throughout the world, including such major jurisdictions as Brazil, Canada, Germany, Ireland, Italy, the Netherlands and the United States. In general, the examination of the Group's material tax returns is completed for the years prior to 2001, with certain matters being resolved through appeals and litigation.

On 20 July 2007, the Group received a notice from the IRS containing proposed adjustments to the Group's tax filings in connection with an audit of the 2001 and 2002 tax years. The IRS did not contest the validity of the Group's reincorporation in Bermuda. The most significant adjustments proposed by the IRS involve treating the entire intercompany debt incurred in connection with the Group's reincorporation in Bermuda as equity. As a result of this recharacterization, the IRS disallowed the deduction of interest paid on the debt and imposed dividend withholding taxes on the payments denominated as interest. The IRS also asserted an alternative argument to be applied if the intercompany debt is respected as debt. In that circumstance the IRS proposed to ignore the entities that hold the debt and to which the interest was paid and impose 30% withholding tax on a portion of the interest payments as if they were made directly to a company that was not eligible for reduced U.S withholding tax under a U.S income tax treaty. The IRS asserted under this alternative theory that the Group owes additional taxes with respect to 2002 of approximately $84 million plus interest. The Group strongly disagreed with the view of the IRS and filed a protest with the IRS in the third quarter of 2007.

On 12 January 2010, the Group received an amended notice from the IRS eliminating its assertion that the intercompany debt incurred in connection with the Group’s reincorporation in Bermuda should be treated as equity. However, the IRS continues to assert the alternative position described above and proposes adjustments to the Group’s 2002 tax filings. If this alternative position is upheld, the Company would be required to record additional charges. In addition, the IRS provided notice on 19 January 2010, that it is assessing penalties of 30% on the asserted underpayment of tax described above.

The Group has and intends to continue to vigorously contest these proposed adjustments. The Group, in consultation with its outside advisors, carefully considered the form and substance of the Group’s intercompany financing arrangements including the actions necessary to qualify for the benefits of the applicable U.S. income tax treaties. The Group believes that these financing arrangements are in accordance with the laws of the relevant jurisdictions including the U.S., that the entities involved should be respected and that the interest payments qualify for the U.S income tax treaty benefits claimed.

Although the outcome of this matter cannot be predicted with certainty, based upon an analysis of the merits of the Group's position, the Group believes that it is adequately reserved for this matter and does not expect that the ultimate resolution will have a material adverse impact on its future results of operations, financial condition, or cash flows. As the Group moves forward to resolve this matter with the IRS, the reserves established may be adjusted. Although the Group continues to contest the IRS's position, there can be no assurance that it will be successful. If the IRS's position with respect to 2002 is ultimately sustained it will have a material adverse impact on the Group's future results of operations, financial condition and cash flows.

Although the Group expects them to do so, at this time the IRS has not yet proposed any similar adjustments for years subsequent to 2002 as the federal income tax audits for those years are still in process or have not yet begun. It is unclear how the IRS will apply their position to subsequent years or whether the IRS will take a similar position with respect to other intercompany debt instruments.

The Group believes that it has adequately provided for any reasonably foreseeable resolution of any tax disputes, but will adjust its reserves if events so dictate in accordance with U.S. GAAP. To the extent that the ultimate results differ from the original or adjusted estimates of the Group, the effect will be recorded in the Provision for income taxes.

As a result of the Healthcare Reform Legislation, defined in Note 25, effective 2013, the tax benefits available to the Group will be reduced to the extent its prescription drug expenses are reimbursed under the Medicare Part D retiree drug subsidy program. Although the provisions of the Healthcare Reform Legislation relating to the retiree drug subsidy program do not take effect until 2013, the Group is required to recognize the full accounting impact in its financial statements in the reporting period in which the Healthcare Reform Legislation is enacted. As retiree healthcare liabilities and related tax impacts are already reflected in the Group’s financial statements, the Healthcare Reform Legislation resulted in a non-cash charge to income tax expense in the first quarter of 2010 of $40.5 million.

The Healthcare Reform Legislation contains provisions which could impact our accounting for income taxes in future periods. We will continue to assess the accounting implications of the Healthcare Reform Legislation. In addition, we may consider plan amendments in future periods that may have accounting implications.

During 2011, the Group identified certain accounting errors associated with its previously reported income tax balances and tax positions. The Group corrected these errors in 2011 resulting in a tax charge of approximately $35 million, of which $30 million was recorded in the third quarter, primarily related to the accrual of a previously unrecorded future withholding tax liability. The Group does not believe that the accounting errors are material to 2011 or to any of its previously issued financial statements. As a result, the Group did not adjust any prior period amounts.

During 2011 and 2010, the Group recorded to continuing operations a tax benefit of approximately $27 million and $20 million, respectively as a result of reducing its deferred tax asset valuation allowance for state net operating losses.

11. DIVESTITURES AND DISCONTINUED OPERATIONS

Divested Operations

Hussmann Divestiture

On 30 September 2011, the Group completed a transaction to sell its Hussmann refrigerated display case business to a newly-formed affiliate (Hussmann Parent) of private equity firm Clayton Dubilier & Rice, LLC (CD&R). This transaction included the equipment business and certain of the service branches in the U.S. and Canada, and the equipment, service and installation businesses in Mexico, Chile, Australia, New Zealand, and Japan (Hussmann Business). The final transaction allowed Hussmann Parent the option to acquire the remaining North American Hussmann service and installation branches (Hussmann Branches). Hussmann Parent completed the acquisition of the Hussmann Branches on 30 November 2011. The Hussmann Business and Branches, which are reported as part of the Climate Solutions segment, manufacture, market, distribute, install, and service refrigerated display merchandising equipment, refrigeration systems, over the counter parts, and other commercial and industrial refrigeration applications.

The Hussmann Business divestiture, which was originally announced on 21 April 2011 and anticipated to be a sale of 100% of the Group's interest in the Hussmann Business, with no retained ongoing interest, met the criteria for classification as held for sale and for treatment as discontinued operations in accordance with U.S. GAAP during the first and second quarters of 2011. Therefore, the Group reported the Hussmann Business as a discontinued operation, classified the assets and liabilities as held for sale, and recognized $384 million of after-tax impairment losses in the first half of 2011 to write the net assets of the Hussmann Business down to their estimated fair value. The Group also recorded approximately $3 million of transaction costs during the first half of 2011 related to the sale. During the third quarter of 2011, the Group negotiated a transaction to sell the Hussmann Business and Branches to CD&R in exchange for $370 million in cash, subject to purchase price adjustments, and common stock of Hussmann Parent, such that following the sale, CD&R would own cumulative convertible participating preferred stock of Hussmann Parent, initially representing 60% of the outstanding capital stock (on an as-converted basis) of Hussmann Parent, and the Group would own all of the common stock, initially representing the remaining 40% of the outstanding capital stock (on an as-converted basis) of Hussmann Parent. The Hussmann Branches met the held for sale criteria outlined in U.S. GAAP. However, the Hussmann Business and Branches did not qualify for treatment as a discontinued operation as the Group's equity interest in the Hussmann Parent represents significant continuing involvement. Therefore, the results of the Hussmann Business and Branches have been presented as continuing operations for all periods presented.

For the Hussmann divestiture, the Group received consideration of $438 million for the Hussmann Business and Branches, which included cash consideration, after purchase price adjustments, of $351 million as well as the equity interest valued at $87 million. Accordingly, the Group recorded a pre-tax loss on sale/asset impairment charge of $260 million ($162 million after-tax) during the second half of 2011, which reflected net assets of $576 million, an accumulated other comprehensive loss of $86 million, an estimated indemnification obligation assumed of $27 million, and transaction costs of $9 million.

Results for the Hussmann Business and Branches for the years ended December 31 are as follows:

	2011 *	2010
	$m	$m
Turnover	818.5	1,016.1
Loss on sale/asset impairment	(646.9) **	
After-tax earnings/(loss) attributable to Ingersoll-Rand plc	(513.1)	55.7
Diluted earnings (loss) per share attributable to Ingersoll-Rand plc ordinary shareholders	(1.51)	0.16

* Results represent the operating results of Hussmann Business and Branches through their respective divestiture transaction dates.

** Included in Loss on sale/asset impairment for the year ended 31 December 2011 are transaction costs of $12.2 million.

The Company's ownership interest in Hussmann Parent is reported using the equity method of accounting subsequent to 30 September 2011. The Company's equity investment in the Hussmann Parent is reported within Financial assets in the Consolidated Balance Sheet and the related equity earnings reported within Income from shares in associated undertakings in the Company's Consolidated Profit and Loss Account.

The components of Hussmann assets and liabilities recorded as held for sale on the Consolidated Balance Sheet at 31 December 2010 are as follows:

	31 December 2010 $m
Assets	
Current assets	225.0
Tangible assets	107.4
Goodwill	407.4
Intangible assets, net	389.5
Other assets and deferred income taxes	5.5
Assets held for sale	1,134.8
Liabilities	
Current liabilities	106.1
Noncurrent liabilities	61.0
Liabilities held for sale	167.1

Discontinued operations

The components of discontinued operations for the years ended December 31 were as follows:

	2011 $m	2010 $m
Revenues	72.2	143.6
Pre-tax earnings/(loss) from operations	(69.0)	(173.4)
Pre-tax gain/(loss) on sale	(57.7)	(5.4)
Tax benefit	69.9	61.3
Discontinued operations, net	(56.8)	(117.5)

Discontinued operations by business for the years ended 31 December were as follows:

	2011 $m	2010 $m
Integrated Systems and Services, net of tax	(6.3)	(0.8)
Energy Systems, net of tax	0.2	(17.6)
Koxka Business, net of tax	(3.3)	(54.0)
Other discontinued operations, net of tax	(47.4)	(45.1)
Total discontinued operations, net of tax	(56.8)	(117.5)

Integrated Systems and Services Divestiture

On 30 December 2011, the Group completed the divestiture of its security installation and service business, which was sold under the Integrated Systems and Services brand in the United States and Canada, to Kratos Public Safety & Security Solutions, Inc. This business, which was previously reported as part of the Security Technologies segment, designs, installs and services security systems. The Group reported this business as a discontinued operation for all periods presented. The Group recorded a pre-tax loss on sale of $6.7 million ($5.0 million after-tax) within discontinued operations.

Turnover and after-tax earnings of the Integrated Systems and Services business for the year ended December 31 were as follows:

	2011 $m	2010 $m
Turnover	72.2	78.0
After-tax earnings/(loss) from operations	(1.3)	(0.8)
Gain/(loss) on sale, net of tax	(5.0)	-
Total discontinued operations, net of tax	(6.3)	(0.8)

The components of Integrated Systems and Services assets and liabilities recorded as held for sale on the Consolidated Balance Sheet at 31 December 2010 are as follows:

	31 December 2010 $m
Assets	
Current assets	25.3
Goodwill	2.5
Intangible assets, net	4.4
Assets held for sale	32.2
Liabilities	
Current liabilities	9.1
Liabilities held for sale	9.1

Energy Systems Divestiture

On 30 December 2010, the Group completed the divestiture of its gas microturbine generator business, which was sold under the Energy Systems brand, to Flex Energy, LLC. The business, which was previously reported as part of the Industrial Technologies segment, designs, manufactures, markets, distributes, and services gas powered microturbine generators which feature energy efficient design and low emissions technology. During 2010, the Group recognized an $8.3 million after-tax impairment loss within discontinued operations related to the write-down of the net assets to their estimated fair value.

Turnover and after-tax earnings of Energy Systems business for the years ended 31 December were as follows:

	2011 $m	2010 $m
Turnover	-	8.9
After-tax earnings/(loss) from operations	(0.4)	(14.4) *
Gain/(loss) on sale, net of tax	0.6	(3.2)
Total discontinued operations, net of tax	0.2	(17.6)

* Included in discontinued operations for Energy Systems in 2010 is an after-tax impairment loss of $8.3 million related to the initial write-down of the net assets to their estimated fair value.

KOXKA Divestiture

On 4 October 2010, the Group completed the divestiture of its European refrigerated display case business, which was sold under the KOXKA brand, to an affiliate of American Industrial Acquisition Corporation (AIAC Group). The business, which was previously reported as part of the Climate Solutions segment, designs, manufactures and markets commercial refrigeration equipment through sales branches and a network of distributors throughout Europe, Africa and the Middle East. During 2010, the Group recognized a $53.9 million after-tax impairment loss within discontinued operations related to the write-down of the net assets to their estimated fair value.

Turnover and after-tax earnings of KOXKA business for the years ended 31 December were as follows:

	2011 $m	2010 $m
Turnover	-	56.7
After-tax earnings/(loss) from operations	(3.3)	(53.1) *
Gain/(loss) on sale, net of tax	-	(0.9)
Total discontinued operations, net of tax	(3.3)	(54.0)

* Included in discontinued operations for KOXKA for 2010 is an after-tax impairment loss of $53.9 million related to the write-down of the net assets to their estimated fair value. Also included in 2010 is a $12.2 million tax benefit resulting from a reduction in the Company's deferred tax asset valuation allowance for net operating losses.

Other Discontinued Operations

The components of other discontinued operations for the years ended 31 December were as follows:

	2011 $m	2010 $m
Retained costs, net of tax	(31.8)	(45.0)
Net gain (loss) on disposals, net of tax	(15.6)	(0.1)
Total discontinued operations, net of tax	(47.4)	(45.1)

On 30 November 2007, the Group completed the sale of its Bobcat, Utility Equipment and Attachments businesses (collectively, Compact Equipment) to Doosan Infracore for gross proceeds of approximately $4.9 billion, subject to post-closing purchase price adjustments. Compact Equipment manufactured and sold compact equipment, including skid-steer loaders, compact track loaders, mini-excavators and telescopic tool handlers; portable air compressors, generators and light towers; general-purpose light construction equipment; and attachments. The Group is in dispute, and is continuing to pursue other claims against Doosan Infracore, regarding post closing matters. During the second quarter of 2011, the Group collected approximately $48.3 million of its outstanding receivable from Doosan Infracore related to certain purchase price adjustments.

Other discontinued operations, net of tax from previously sold businesses is mainly related to postretirement benefits, product liability and legal costs (mostly asbestos-related), costs related to settlement of a lawsuit and tax effects of post closing purchase price adjustments.

12. RESTRUCTURING ACTIVITIES

Restructuring charges recorded during the years ended 31 December 2011 and 2010:

	2011 $m	2010 $m
Climate Solutions	14.9	23.7
Residential Solutions	2.7	0.6
Industrial Technologies	6.7	17.9
Security Technologies	(0.3)	3.1
Corporate and Other	0.3	0.0
Total	24.3	45.3
Cost of sales	6.8	29.1
Administrative expenses	17.5	16.2
Total	24.3	45.3

The changes in the restructuring reserve were as follows:

	Climate Solutions $m	Residential Solutions $m	Industrial Technologies $m	Security Technologies $m	Corporate and Other $m	Total $m
31 December 2009	14.5	7.8	4.3	18.2	8.3	53.1
Additions	23.7	0.6	17.9	3.1	-	45.3
Cash and non-cash uses	(33.6)	(5.2)	(11.6)	(12.3)	(4.9)	(67.6)
Currency translation	(1.4)	-	(0.5)	(0.9)	-	(2.8)
31 December 2010	3.2	3.2	10.1	8.1	3.4	28.0
Additions	14.9	2.7	6.7 *	(0.3) **	0.3	24.3
Cash and non-cash uses	(14.2)	(4.3)	(12.6)	(6.2)	(2.0)	(39.3)
Currency translation	-	-	-	0.1	-	0.1
31 December 2011	3.9	1.6	4.2	1.7	1.7	13.1

* Amount includes the reversal of $6.7 million of previously accrued restructuring charges.

** Amount includes the reversal of $2.2 million of previously accrued restructuring charges.

During 2011 and 2010, the Group incurred costs of $24.3 million and $45.3 million, respectively, associated with ongoing restructuring actions. These actions included workforce reductions as well as the closure and consolidation of manufacturing facilities in an effort to increase efficiencies across multiple lines of business. Due to changes in various economic factors, the Group made a decision in the first quarter of 2011 to continue operating a facility for which the Group had previously accrued approximately $6.7 million of restructuring charges. In the second quarter of 2011, the Group released approximately $2.2 million of previously accrued restructuring charges as a result of the decision to discontinue a portion of the Group's restructuring plans. As of December 31, 2011, the Group had $13.1 million accrued for costs associated with its ongoing restructuring actions, of which a majority is expected to be paid within one year.

13. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing profit for the financial year attributable to Ingersoll-Rand plc by the weighted-average number of ordinary shares outstanding for the applicable period. Diluted EPS is calculated after adjusting the denominator of the basic EPS calculation for the effect of all potentially dilutive ordinary shares, which in the Group's case, includes shares issuable under share-based compensation plans and the effects of the Exchangeable Senior Notes issued in April 2009.

The following table summarizes the weighted-average number of ordinary shares outstanding for basic and diluted earnings per share calculations:

In millions	2011	2010
Weighted-average number of basic shares	324.8	324.7
Shares issuable under incentive stock plans	3.8	5.1
Exchangeable Senior Notes	10.7	10.0
Weighted-average number of diluted shares	339.3	339.8
Anti-dilutive shares	5.0	12.4

14. FINANCIAL ASSETS

The Group's financial assets were comprised of

	2011 $m	2010 $m
Investment in associates	124.0	21.4
Capital investments	15.1	19.9
Deposits	10.8	11.7
Long term other investments	2.3	3.3
Long term notes receivable	7.6	87.0
Life insurance cash surrender value	31.8	30.3
	191.5	173.6

At 31 December marketable securities were as follows:

	2011			2010		
	Amortized cost or cost $m	Unrealized gains $m	Fair value $m	Amortized cost or cost $m	Unrealized losses $m	Fair value $m
Long-term marketable securities:						
Equity securities	5.7	4.7	10.4	6.9	8.6	15.5
Total	5.7	4.7	10.4	6.9	8.6	15.5

Long-term marketable securities are included within financial assets in the consolidated balance sheet.

15. INTANGIBLE ASSETS

The following table sets forth the gross amount and accumulated amortization of the Group's intangible assets:

	Goodwill $m	Trademarks & Tradenames $m	Customer Relation ships $m	Patents $m	Covenants Not To Compete $m	Other $m	Total $m
Cost							
At 1 January 2011	6,564.2	2,709.6	1,960.4	199.4	2.7	174.4	11,610.7
Additions	(6.7)	-	-	0.1	-	1.7	(4.9)
Exchange differences	(63.2)	(2.7)	(4.9)	8.8	-	0.4	(61.6)
Acquisitions	0.4	-	3.6	-	0.0	(99.6)	(95.5)
Disposals	15.8	-	2.8	-	-	(5.8)	12.8
Other	32.6	0.2	-	(1.2)	-	(3.8)	27.8
At 31 December 2011	6,543.1	2,707.1	1,962.0	207.1	2.7	67.3	11,489.3
Accumulated amortization							
At 1 January 2011	414.0	24.3	300.2	81.7	2.1	159.1	981.4
Charge for the year	-	4.3	113.8	23.4	0.1	3.0	144.6
Exchange differences	(2.6)	(1.0)	(1.8)	9.0	-	(0.0)	3.6
Acquisitions	0.1	-	-	-	-	(99.8)	(99.6)
Disposals	24.7	(0.2)	0.6	(0.5)	-	(5.1)	19.5
Other	1.8	0.1	-	(1.1)	-	(3.1)	(2.3)
At 31 December 2011	438.0	27.6	412.7	112.5	2.3	54.0	1,047.1
Net book amount							
At 31 December 2010	6,150.3	2,685.2	1,660.2	117.7	0.6	15.3	10,629.3
At 31 December 2011	6,105.1	2,679.5	1,549.3	94.6	0.4	13.3	10,442.2

The changes in the carrying amount of Goodwill are as follows:

	Climate Solutions $m	Residential Solutions $m	Industrial Technologies $m	Security Technologies $m	Total $m
At 31 December 2009 (gross)	5,410.7	2,338.5	372.9	914.0	9,036.1
Acquisitions and adjustments	1.2	(3.1)	5.2	1.2	4.5
Currency translation	(30.1)	-	(10.0)	(10.2)	(50.3)
At 31 December 2010 (gross)	5,381.8	2,335.4	368.1	905.0	8,990.3
Acquisitions and adjustments*	(6.9)	(7.4)	(0.3)	2.9	(11.7)
Currency translation	(31.0)	-	(1.0)	(1.5)	(33.5)
At 31 December 2011 (gross)	5,343.9	2,328.0	366.8	906.4	8,945.1
Accumulated impairment**	(839.8)	(1,656.2)	-	(344.0)	(2,840.0)
At 31 December 2011 (Net)	4,504.1	671.8	366.8	562.4	6,105.1

* Amount includes the reversal of $6.7 million of previously accrued restructuring charges.
** Amount includes the reversal of $2.2 million of previously accrued restructuring charges.

The Group records as goodwill the excess of the purchase price over the fair value of the net assets acquired. Once the final valuation has been performed for each acquisition, adjustments may be recorded.

As a result of the planned divestiture of Hussmann, the Group was required to test Goodwill within the Climate Solutions segment for impairment in the first quarter of 2011, and no impairment charge was required.

Based on year to date operational results, and management turnover within the Residential HVAC reporting unit, the Group updated its fair value assessment of the reporting unit in the third quarter of 2011 and concluded that the fair value of the reporting unit continued to exceed its carrying amount.

In accordance with the Group's goodwill impairment testing policy outlined in Note 2, the Group performed its annual impairment test on goodwill in the fourth quarter of each 2011 and 2010. In each year, the Group determined that he fair values of all identified reporting units exceeded their respective carrying values. Therefore, no impairment charges were recorded during 2011 and 2010.

The following table sets forth the gross amount and accumulated amortization of the Company's intangible assets at 31 December:

	2011 $m	2010 $m
Completed technologies/patents	207.1	199.4
Customer relationships	1,962.0	1,960.4
Trademarks (finite-lived)	96.1	98.6
Other	70.0	177.0
Total gross finite-lived intangible assets	2,335.2	2,435.4
Accumulated amortization	(609.1)	(567.3)
Total net finite-lived intangible assets	1,726.1	1,868.1
Trademarks (indefinite-lived)	2,611.0	2,611.0
Total	4,337.1	4,479.1

The Company amortizes intangible assets with finite useful lives on a straight-line basis over their estimated economic lives in accordance with U.S. GAAP. Indefinite-lived intangible assets are not subject to amortization, but instead, are tested for impairment at least annually (more frequently if certain indicators are present).

Intangible asset amortization expense for 2011 and 2010 was $144.6 million and $153.2 million, respectively. Future estimated amortization expense on existing intangible assets in each of the next five years amounts to approximately $145 million for 2012, $142 million for 2013, $138 million for 2014, $112 million for 2015, and $66 million for 2016.

In accordance with the Company's indefinite-lived intangible asset impairment testing policy outlined in Note 2, the Company performed its annual impairment test in the fourth quarter of each 2011 and 2010. In each year, the Company determined the fair value of all indefinite-lived intangible assets to exceed their respective carrying values. Therefore, no impairment charges were recorded during 2011 and 2010.

16. TANGIBLE ASSETS

At 31 December the major classes of tangible assets were as follows:

	Land and Buildings $m	Machinery and Equipment $m	Fleet & Rentals $m	Fixtures and Fittings $m	Software $m	Construction In Progress $m	Total $m
Cost or valuation							
At 1 January 2011	769.0	1,463.0	87.6	104.4	480.1	67.1	2,971.2
Additions at cost	27.2	93.1	37.9	8.3	60.5	69.0	296.0
Transfers	(203.7)	(377.5)	-	0.5	(1.5)	(49.7)	(631.9)
Exchange differences	(5.2)	(13.4)	(0.5)	(1.1)	(1.0)	0.3	(20.9)
Acquisitions	0.1	0.8	0.8	0.2	-	0.5	2.4
Disposals	187.2	276.5	1.1	8.2	(0.2)	14.7	487.5
At 31 December 2011	774.6	1,442.5	126.9	120.5	537.9	101.9	3,104.3
Accumulated depreciation							
At 1 January 2011	222.8	707.7	36.9	79.2	255.6	-	1,302.2
Charge for the year	38.7	131.8	17.2	10.1	53.4	-	251.2
Transfers	0.1	(170.1)	(0.1)	1.4	-	-	(168.7)
Exchange differences	(1.9)	(9.9)	(0.4)	(0.8)	(0.7)	-	(13.7)
Acquisitions	0.1	0.1	-	0.1	-	-	0.3
Disposals	31.5	63.9	1.1	(1.1)	(3.0)	-	92.4
At 31 December 2011	291.3	723.5	54.7	88.9	305.3	-	1,463.7
Net book amount							
At 31 December 2010	546.2	755.3	50.7	25.2	224.5	67.1	1,669.0
At 31 December 2011	483.3	719.0	72.2	31.6	232.6	101.9	1,640.6

17. STOCK

At 31 December the major classes of stock were as follows:

	2011 $m	2010 $m
Raw materials	479.2	356.8
Work-in-process	114.5	215.3
Finished goods	791.0	802.3
	1,384.7	1,374.3
LIFO reserve	(102.7)	(85.9)
Total	1,282.0	1,288.4

The estimated replacement cost of stocks did not differ significantly from the figures shown above.

18. DEBTORS

	2011 $m	2010 $m
Amounts falling due within one year:		
Trade debtors	2,072.5	2,066.5
Less: Provision for impairment of receivables	(27.1)	(40.7)
Less: Reserve for customer claims	(22.0)	(19.1)
Trade debtors - net	2,023.4	2,006.7
Trade notes receivable	15.1	31.1
Other debtors	107.3	186.4
Prepayments and accrued income	334.2	336.7
Income tax receivables	88.0	104.9
	2,568.0	2,665.8

19. CASH AT BANK AND IN HAND

	2011 $m	2010 $m
Cash at bank and in hand	1,160.7	1,014.3

20. DEBTORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 $m	2010 $m
Other debtors	449.8	427.3
Benefit trust assets	132.6	109.6
Prepayments and accrued income	7.0	6.9
Deferred tax receivable	878.9	838.4
	1,468.3	1,382.2

21. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 $m	2010 $m
Loans and overdrafts (Note 23)	763.3	761.6
Payments received on account	146.3	151.8
Trade creditors	1,215.5	1,255.9
Other creditors	737.0	727.3
Corporation tax	75.3	67.2
Other taxes	38.8	44.7
Value added tax	16.5	24.8
Income taxes	25.8	26.2
Excise duty	44.3	49.7
Liabilities held for sale (Note 11)	-	176.2
Convertible debt - Exchangeable Senior Notes 2012 (Note 23)	3.3	16.7
Derivatives payable (Note 24)	22.2	2.6
Accruals and deferred income	478.7	468.3
	3,566.9	3,772.9

Creditors for taxation and social welfare included in the table above:

	2011 $m	2010 $m
Irish PAYE	1.3	0.9
Other income tax	24.5	25.3
Corporation tax	75.3	67.2
Value added tax	16.5	24.8
Other tax	38.8	44.7
	156.4	162.9

Other creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade creditors approximates their fair value.

22. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 $m	2010 $m
Long term debt (Note 23)	2,879.3	2,922.3
Accruals and deferred income	86.1	101.1
	2,965.4	3,023.4

23. DEBT AND CREDIT FACILITIES

At 31 December short-term borrowings and current maturities of long-term debt consisted of the following:

	2011 $m	2010 $m
Debentures with put feature	343.6	343.6
Exchangeable Senior Notes	341.2	328.3
Current maturities of long-term debt	12.5	48.4
Other short-term borrowings	66.0	41.3
Total	763.3	761.6

The weighted-average interest rate for total short-term borrowings and current maturities of long-term debt at 31 December 2011 and 2010 was 5.4% and 5.5%, respectively.

At 31 December long-term debt excluding current maturities consisted of:

	2011 $m	2010 $m
6.000% Senior notes due 2013	599.9	599.9
9.50% Senior notes due 2014	655.0	655.0
5.50% Senior notes due 2015	199.8	199.7
4.75% Senior notes due 2015	299.6	299.4
6.875% Senior notes due 2018	749.3	749.2
9.00% Debentures due 2021	125.0	125.0
7.20% Debentures due 2012-2025	97.5	105.0
6.48% Debentures due 2025	149.7	149.7
Other loans and notes	3.5	39.4
Total	2,879.3	2,922.3

The fair value of the Group's debt at 31 December 2011 and 2010 was $4,359.2 million and $4,131.8 million, respectively. The fair value of long-term debt was primarily based upon quoted market values.

At 31 December 2011, long-term debt retirements are as follows:

	2011 $m
2012	697.3
2013	608.0
2014	662.1
2015	508.3
2016	8.8
Thereafter	1,092.1
Total	3,576.6

Commercial Paper Program

The maximum aggregate amount of unsecured commercial paper notes available to be issued, on a private placement basis, under the Commercial Paper Program is $2 billion as of 31 December 2011. Under the Commercial Paper Program, Ingersoll-Rand Global Holding Company Limited (IR-Global), may issue notes from time to time, and the proceeds of the financing will be used for general corporate purposes. Each of IR-Ireland, IR-Limited and Ingersoll-Rand International Holding Limited (IR-International) has provided an irrevocable and unconditional guarantee for the notes issued under the Commercial Paper Program. As of December 31, 2011 and 2010, the Group had no amounts outstanding.

Debentures with Put Feature

At 31 December 2011 and 2010, the Group had outstanding $343.6 million of fixed rate debentures, which only requires early repayment at the option of the holder. These debentures contain a put feature that the holders may exercise on each anniversary of the issuance date. If exercised, the Group is obligated to repay in whole or in part, at the holder's option, the outstanding principal amount (plus accrued and unpaid interest) of the debentures held by the holder. If these options are not exercised, the final maturity dates would range between 2027 and 2028. In 2011, holders of these debentures chose to exercise the put feature on less than $0.1 million of the outstanding debentures.

Convertible Debt - Exchangeable Senior Notes Due 2012

In April 2009, the Company issued $345 million of 4.5% Exchangeable Senior Notes (the Notes) through its wholly-owned subsidiary, Ingersoll-Rand Global Holding Group Limited (IR-Global). The Notes are fully and unconditionally guaranteed by each of IR-Ireland, IR-Limited and Ingersoll-Rand International Holding Limited (IR-International).

Upon any exchange, the Notes will be paid in cash up to the aggregate principal amount of the notes to be exchanged, the remainder due on the option feature, if any, will be paid in cash, the Company's ordinary shares or a combination thereof at the option of the Company. On 14 November 2011 the Company elected, for all future exercises, to settle the remainder due on the option feature in whole shares of IR-Ireland with cash in lieu of any fractional shares. The Notes are subject to certain customary covenants, however, none of these covenants are considered restrictive to the Group's operations.

The Group accounts for the Notes in accordance with U.S. GAAP, which requires the Group to allocate the proceeds between debt and equity, in a manner that reflects the Group's nonconvertible debt borrowing rate. The Group allocated approximately $305 million of the gross proceeds to debt, with the remaining discount of approximately $40 million (approximately $39 million after allocated fees) recorded within Equity. As of 31 December 2011, the Notes may be exchangeable at the holders' option through their scheduled maturity in April 2012. Therefore, the Group classified the debt portion of the Notes within Loans and overdrafts in the Consolidated Balance Sheet at 31 December 2011. In addition, the Group classified the equity portion of the Notes as Convertible debt – Exchangeable Senior Notes Due 2012 within Creditors – Amounts falling due within one year to reflect the $3.3 million that could result in cash settlement at the balance sheet date. Refer to Note 21 in the Consolidated Financial Statements.

Senior Notes Due 2014

In April 2009, the Group issued $655 million of 9.5% Senior Notes through its wholly-owned subsidiary, IR-Global. The notes are fully and unconditionally guaranteed by each of IR-Ireland, IR-Limited and IR-International, another wholly-owned indirect subsidiary of IR-Limited. Interest on the fixed rate notes will be paid twice a year in arrears. The Group has the option to redeem them in whole or in part at any time, and from time to time, prior to their stated maturity date at redemption prices set forth in the indenture agreement. The notes are subject to certain customary covenants, however, none of these covenants are considered restrictive to the Group's operations.

Other Debt

In May 2010, the Group entered into a 3-year $1.0 billion Senior Unsecured Revolving Credit Facility. On May 20, 2011, the Group entered into a 4-year, $1.0 billion revolving credit facility through its wholly-owned subsidiary, IR-Global. This new facility replaced the Group's pre-existing $1.0 billion, 3-year revolving credit facility that was scheduled to mature in June 2011. At December 31, 2011, the Group's total committed revolving credit facilities was $2.0 billion, of which $1.0 billion expires in May 2013 and $1.0 billion expires in May 2015. Each of IR-Ireland, IR-Limited and IR-International has provided an irrevocable and unconditional guarantee for these credit facilities. These lines are unused and provide support for the Group's commercial paper program as well as for other general corporate purposes.

In addition, other available non-U.S. lines of credit were $617.2 million, of which $447.9 million was unused at December 31, 2011. These lines provide support for bank guarantees, letters of credit and other general corporate purposes.

Guarantees

Subsequent to the Ireland Reorganization, IR-Ireland and IR-Limited guarantees fully and unconditionally the outstanding public debt of IR-International, IR-Global and IR-New Jersey. Neither IR-Ireland nor IR-Limited has issued or intends to issue guarantees in respect of any public indebtedness incurred by Trane.

24. FINANCIAL INSTRUMENTS

In the normal course of business, the Group uses various financial instruments, including derivative instruments, to manage risks associated with interest rate, currency rate, commodity price and share-based compensation exposures. These financial instruments are not used for trading or speculative purposes.

On the date a derivative contract is entered into, the Group designates the derivative instrument either as a cash flow hedge of a forecasted transaction, a cash flow hedge of a recognized asset or liability, or as an undesignated derivative. The Group formally documents its hedge relationships, including identification of the derivative instruments and the hedged items, as well as its risk management objectives and strategies for undertaking the hedge transaction. This process includes linking derivative instruments that are designated as hedges to specific assets, liabilities or forecasted transactions.

The fair market value of derivative instruments are determined through market-based valuations and may not be representative of the actual gains or losses that will be recorded when these instruments mature due to future fluctuations in the markets in which they are traded.

The Group also assesses both at the inception and at least quarterly thereafter, whether the derivatives used in cash flow hedging transactions are highly effective in offsetting the changes in the cash flows of the hedged item.

To the extent the derivative is deemed to be a highly effective hedge, the fair market value changes of the instrument are recorded to other reserves. Any ineffective portion of a derivative instrument's change in fair value is recorded in the profit and loss account in the period of change. If the hedging relationship ceases to be highly effective, or it becomes probable that a forecasted transaction is no longer expected to occur, the hedging relationship will be undesignated and any future gains and losses on the derivative instrument would be recorded in the profit and loss account.

Currency and Commodity Hedging Instruments

The notional amounts of the Group's currency derivatives were $1,818.5 million and $1,280.4 million at 31 December 2011 and 2010, respectively. At 31 December 2011 and 2010, a gain of $2.3 million and a gain of $0.3 million, net of tax, respectively, were included in other reserves related to the fair value of the Group's currency derivatives designated as accounting hedges. The amount expected to be reclassified into the profit and loss account over the next twelve months is a gain of $2.3 million. The actual amounts that will be reclassified to the profit and loss account may vary from this amount as a result of changes in market conditions. Gains and losses associated with the Group's currency derivatives not designated as hedges are recorded in the profit and loss account as changes in fair value occur. At 31 December 2011, the maximum term of the Group's currency derivatives was 12 months.

The Group had no commodity derivatives outstanding as of 31 December 2011 and 31 December 2010.

Other Derivative Instruments
During the third quarter of 2008, the Group entered into interest rate locks for the forecasted issuance of approximately $1.4 billion of Senior Notes due in 2013 and 2018. These interest rate locks met the criteria to be accounted for as cash flow hedges of a forecasted transaction. Consequently, the changes in fair value of the interest rate locks were deferred in other reserves. No further gain or loss will be deferred in other reserves related to these interest rate locks as the contracts were effectively terminated upon issuance of the underlying debt. However, the amount of other reserves associated with these interest rate locks at the time of termination will be recognized into interest expense over the term of the notes. At 31 December 2011 and 2010, $9.0 million and $10.8 million, respectively, of deferred losses remained in other reserves related to these interest rate locks. The amount expected to be reclassified into interest expense over the next twelve months is $1.8 million.

In March 2005, the Group entered into interest rate locks for the forecasted issuance of $300 million of Senior Notes due 2015. These interest rate locks met the criteria to be accounted for as cash flow hedges of a forecasted transaction. Consequently, the changes in fair value of the interest rate locks were deferred in other reserves. No further gain or loss will be deferred in other reserves related to these interest rate locks as the contracts were effectively terminated upon issuance of the underlying debt. However, the amount of other reserves associated with these interest rate locks at the time of termination will be recognized into interest expense over the term of the notes. At 31 December 2011 and 2010, $4.3 million and $5.4 million, respectively, of deferred losses remained in other reserves related to these interest rate locks. The amount expected to be reclassified into interest expense over the next twelve months is $1.2 million.

The following table presents the fair values of derivative instruments included within the consolidated balance sheet as of 31 December 2011:

	Asset derivatives		Liability derivatives	
	31 December 2011 $m	31 December 2010 $m	31 December 2011 $m	31 December 2010 $m
Derivatives designated as hedges:				
Currency derivatives	3.1	1.9	0.3	1.7
Derivatives not designated as hedges:				
Currency derivatives	6.2	19.6	21.9	0.9
Total derivatives	9.3	21.5	22.2	2.6

Asset and liability derivatives included in the table above are recorded within debtors and creditors, respectively, on the consolidated balance sheet.

The following table represents the amounts associated with derivatives designated as hedges affecting the consolidated profit and loss account and other reserves for the year ended 31 December 2011:

	Amount of gain/(loss) deferred		Location of gain/ (loss) reclassified and recognized into earnings	Amount of gain/(loss) reclassified and recognized into earnings	
	2011 $m	2010 $m		2011 $m	2010 $m
Currency derivatives	2.4	2.2	Other operating expenses	0.1	(0.4)
Interest rate locks		-	Interest payable	(2.9)	(2.8)
Total	2.4	2.2		(2.8)	(3.2)

The following table represents the amounts associated with derivatives not designated as hedges affecting the consolidated profit and loss account for the year ended 31 December 2011:

		Amount of gain/(loss) recognised in earnings	
		2011	2010
	Location of gain (loss)	$m	$m
Currency derivatives	Other operating expenses	(7.4)	56.4
Commodity derivatives	Interest payable		-
Total		(7.4)	56.4

* The gains and losses associated with the Group's undesignated currency derivatives are materially offset in the consolidated profit and loss account by changes in the fair value of the underlying transactions.

Concentration of Credit Risk
The counterparties to the Group's forward contracts consist of a number of investment grade major international financial institutions. The Group could be exposed to losses in the event of nonperformance by the counterparties. However, credit ratings of and concentrations of risk in these financial institutions are monitored on a continuous basis and present no significant credit risk to the Group.

Fair Value of Financial Instruments
The carrying value of cash at bank and in hand, debtors, short-term borrowings and creditors are a reasonable estimate of their fair value due to the short-term nature of these instruments.

25. PENSIONS AND POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The Group sponsors several U.S. defined benefit and defined contribution pension plans covering substantially all of our U.S. employees. Additionally the Group has many non-U.S. defined benefit and defined contribution pension plans covering non-U.S. locations. Postretirement benefits other than pensions provide healthcare benefits, and in some instances, life insurance benefits for certain eligible employees.

Pension Plans
The Group has noncontributory pension plans covering substantially all U.S. employees. Most of the plans for non-collectively bargained U.S. employees provide benefits on an average pay formula while most plans for collectively bargained U.S. employees provide benefits on a flat benefit formula. Effective 1 January 2010, non-collectively bargained U.S. employees of Trane began to participate in the Group's main pension plan for U.S. non-collectively bargained employees. In addition, the Group maintains pension plans for non-U.S. employees in other countries. These plans generally provide benefits based on earnings and years of service. The Group also maintains additional other supplemental benefit plans for officers and other key employees.

The Group utilizes qualified actuaries to value its pension plans. For plans which require funding, the most recent valuations for funding purposes were at 1 January 2011 or in accordance with local statutory requirements and are available for inspection by the scheme members but not for public inspection.

Full actuarial valuations, on which the amounts recognized in the financial statements are based, were carried out at 31 December 2011.

In connection with the Hussmann divestiture, the Company transferred its obligation for pension benefits for all current and former employees related to the divestiture that were participants in the Hussmann International Plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The following table details information regarding the Group's pension plans at 31 December:

	2011 $m	2010 $m
Change in benefit obligations:		
Benefit obligation at beginning of year	3,799.5	3,598.9
Service cost	93.5	87.1
Interest cost	185.5	194.5
Employee contributions	1.9	1.8
Amendments	0.9	4.7
Actuarial (gains) losses	273.4	184.7
Benefits paid	(244.4)	(231.2)
Currency translation	(6.0)	(34.6)
Curtailments and settlements	(254.8)	(1.6)
Other, including expenses paid	(8.4)	(4.8)
Benefit obligation at end of year	3,841.1	3,799.5
Change in plan assets:		
Fair value at beginning of year	3,248.6	2,695.9
Actual return on assets	270.3	316.9
Company contributions	57.3	499.2
Employee contributions	1.9	1.8
Benefits paid	(244.4)	(231.2)
Currency translation	(3.8)	(25.4)
Settlements	(221.1)	(3.8)
Other, including expenses paid	(8.4)	(4.8)
Fair value of assets end of year	3,100.4	3,248.6
Funded status:		
Plan assets less than the benefit obligations	(740.7)	(550.9)
Amounts included in the balance sheet:		
Long-term prepaid expenses in other assets	4.7	5.1
Accrued compensation and benefits	(14.8)	(40.3)
Postemployment and other benefit liabilities	(730.6)	(477.9)
Liabilities held for sale	-	(37.8)
Net amount recognized	(740.7)	(550.9)

It is the Group's objective to contribute to the pension plans to ensure adequate funds are available in the plans to make benefit payments to plan participants and beneficiaries when required. However, certain plans are not or cannot be funded due to either legal or tax requirements in certain jurisdictions. As of 31 December 2011, approximately five percent of our projected benefit obligation relates to plans that cannot be funded.

The pretax amounts recognized in other reserves were as follows:

	Prior service cost $m	Net actuarial losses $m	Total $m
31 December 2010	(38.2)	(1,121.0)	(1,159.2)
Current year changes recorded to Other reserves	(0.9)	(219.7)	(220.6)
Amortization reclassified to earnings	5.6	51.1	56.7
Settlements/curtailments reclassified to earnings	3.1	90.2	93.3
Currency translation and other		(0.6)	(0.6)
31 December 2011	(30.4)	(1,200.0)	(1,230.4)

Weighted-average assumptions used:

Benefit obligations at 31 December	2011	2010
Discount rate:		
U.S. plans	4.25%	5.00%
Non-U.S. plans	5.00%	5.50%
Rate of compensation increase:		
U.S. plans	4.00%	4.00%
Non-U.S. plans	4.00%	4.50%

The accumulated benefit obligation for all defined benefit pension plans was $3,637.8 million and $3,630.6 million at 31 December 2011 and 2010, respectively. The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for pension plans with accumulated benefit obligations more than plan assets were $3,750.6 million, $3,560.1 million and $3,009.3 million, respectively, as of 31 December 2011, and $2,210.5 million, $2,120.9 million and $1,683.2 million, respectively, as of 31 December 2010.

Pension benefit payments are expected to be paid as follows:

	$m
2012	215.0
2013	211.4
2014	214.1
2015	230.2
2016	227.8
2017 - 2021	1,258.2

The components of the Group's pension related costs for the years ended 31 December include the following:

	2011 $m	2010 $m
Service cost	93.5	87.1
Interest cost	185.5	194.5
Expected return on plan assets	(219.6)	(196.3)
Net amortization of:		
Prior service costs	5.6	8.2
Transition amount	-	0.1
Plan net actuarial losses	51.1	55.5
Net periodic pension benefit cost	116.1	149.1
Net curtailment and settlement (gains) losses	62.5	6.2
Net periodic pension benefit cost after net curtailment and settlement (gains) losses	178.6	155.3
Amounts recorded in continuing operations	177.2	148.4
Amounts recorded in discontinued operations	1.4	6.9
Total	178.6	155.3

The curtailment and settlement losses in 2011 are associated with the divestiture of Hussmann, and lump sum distributions under supplemental benefit plans for officers and other key employees. The curtailment and settlement losses in 2010 and 2009 are associated with lump sum distributions under supplemental benefit plans for officers and other key employees.

Pension expense for 2012 is projected to be approximately $158.6 million, utilizing the assumptions for calculating the pension benefit obligations at the end of 2011. The amounts expected to be recognized in net periodic pension cost during the year ended 2012 for prior service cost and plan net actuarial losses are $5.5 million and $59.8 million, respectively.

Weighted-average assumptions used:

Net periodic pension cost for the year ended 31 December	2011	2010
Discount rate:		
U.S. plans	5.00%	5.75%
Non-U.S. plans	5.50%	5.50%
Rate of compensation increase:		
U.S. plans	4.00%	4.00%
Non-U.S. plans	4.50%	4.50%
Expected return on plan assets:		
U.S. plans	7.25%	7.75%
Non-U.S. plans	6.25%	7.00%

The expected long-term rate of return on plan assets reflects the average rate of returns expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. The expected long-term rate of return on plan assets is based on what is achievable given the plan's investment policy; the types of assets held and target asset allocations. The expected long-term rate of return is determined as of the measurement date. The Group reviews each plan and its historical returns and target asset allocations to determine the appropriate expected long-term rate of return on plan assets to be used.

The Group's objective in managing its defined benefit plan assets is to ensure that all present and future benefit obligations are met as they come due. It seeks to achieve this goal while trying to mitigate volatility in plan funded status, contribution and expense by better matching the characteristics of the plan assets to that of the plan liabilities. Prior to 2011, the Group utilized asset/liability modeling studies as the basis for global asset allocation decisions. In 2011, the Group adopted a dynamic approach to asset allocation whereby a plan's allocation to fixed income assets increases progressively over time towards an ultimate target of 90% as a plan moves toward full funding. The Group monitors plan funded status and asset allocation regularly in addition to investment manager performance.

The fair values of the Group's pension plan assets at 31 December 2011 by asset category were as follows:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	Fair Value
	$m	$m	$m	$m
Cash at bank and in hand	1.5	29.0	-	30.5
Equity investments:				
Commingled funds - equity speciality [(a)]	-	863.8	-	863.8
	-	863.8	-	863.8
Fixed income investments:				
U.S. government and agency obligations [(b)]	-	866.6	-	866.6
Corporate and non-U.S. bonds	-	781.9	-	781.9
Asset-backed and mortgage-backed securities	-	33.6	-	33.6
Commingled funds - fixed income specialty [(c)]	25.2	410.8	-	436.0
Other fixed income [(d)]	-	-	21.0	21.0
	25.2	2,092.9	21.0	2,139.1
Derivatives	-	0.1	-	0.1
Real estate [(e)]	-	-	33.6	33.6
Other [(f)]	-	-	42.6	42.6
Total assets at fair value	26.7	2,985.8	97.2	3,109.7
Receivables and payables, net				(9.3)
Net assets available for benefits				3,100.4

(a) This class comprises commingled funds actively managed by investment managers that focus on equity investments. It includes both indexed and actively managed funds.

(b) This class represents U.S. treasuries and state and municipal bonds

(c) This class comprises commingled funds that focus on fixed income securities.

(d) This class includes group annuity and guaranteed interest contracts as well as other miscellaneous fixed income securities.
(e) This class includes several private equity funds that invest in real estate. It includes both direct investment funds and fund of funds.
(f) This investment comprises the Group's non-significant, non U.S. pension plan assets. It mostly includes insurance contracts.

The fair values of the Group's pension plan assets at 31 December 2010 by asset category were as follows:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	Fair Value
	$m	$m	$m	$m
Cash at bank and in hand	40.6	169.6	-	210.2
Equity investments:				
Commingled funds - equity speciality [a]	-	1,381.4	-	1,381.4
	-	1,381.4	-	1,381.4
Fixed income investments:				
U.S. government and agency obligations [b]	-	449.0	-	449.0
Corporate and non-U.S. bonds	-	532.3	-	532.3
Asset-backed and mortgage-backed securities	-	202.6	-	202.6
Commingled funds - fixed income specialty [c]	25.4	369.8	-	395.2
Other fixed income [d]	-	-	22.2	22.2
	25.4	1,553.7	22.2	1,601.3
Derivatives	-	(0.4)	-	(0.4)
Real estate [e]	-	-	28.5	28.5
Other [f]	-	-	45.4	45.4
Total assets at fair value	66.0	3,104.3	96.1	3,266.4
Receivables and payables, net				(17.8)
Net assets available for benefits				3,248.6

(a) This class comprises commingled funds actively managed by investment managers that focus on equity investments. It includes both indexed and actively managed funds.
(b) This class represents U.S. treasuries and state and municipal bonds
(c) This class comprises commingled funds that focus on fixed income securities.
(d) This class includes group annuity and guaranteed interest contracts as well as other miscellaneous fixed income securities.
(e) This class includes several private equity funds that invest in real estate. It includes both direct investment funds and fund of funds.
(f) This investment comprises the Group's non-significant, non U.S. pension plan assets. It mostly includes insurance contracts.

Cash equivalents are valued daily by the fund using a market approach with inputs including quoted market prices for either identical or similar instruments. Fixed income securities are valued through a market approach with inputs including, but not limited to, benchmark yields, reported trades, broker quotes and issuer spreads. Commingled funds are valued at their daily net asset value (NAV) per share or the equivalent. NAV per share or the equivalent is used for fair value purposes as a practical expedient. NAVs are calculated by the investment manager or sponsor of the fund. Private real estate fund values are reported by the fund manager and are based on valuation or appraisal of the underlying investments.

The Group made required and discretionary contributions to its pension plans of $57.3 million and $499.2 million in 2011 and 2010, respectively, The Group currently projects that it will contribute approximately $98.3 million to its plans worldwide in 2012. The Group's policy allows it to fund an amount, which could be in excess of or less than the pension cost expensed, subject to the limitations imposed by current tax regulations. The Group anticipates funding the plans in 2012 in accordance with contributions required by funding regulations or the laws of each jurisdiction.

Most of the Group's U.S. employees are covered by savings and other defined contribution plans. Employer contributions are determined based on criteria specific to the individual plans and amounted to approximately $79.2 million and $69.9

million in 2011 and 2010, respectively. The Group's contributions relating to non-U.S. defined contribution plans and other non-U.S. benefit plans were $28.8 million and $20.4 million in 2011 and 2010, respectively.

Multiemployer Pension Plans

The Group also participates in a number of multiemployer defined benefit pension plans related to collectively bargained U.S. employees of Trane. The Group's contributions, and the administration of the fixed retirement payments, are determined by the terms of the related collective-bargaining agreements. These multiemployer plans pose different risks to the Group than single-employer plans, including:

1. The Group's contributions to multiemployer plans may be used to provide benefits to all participating employees of the program, including employees of other employers.
2. In the event that another participating employer ceases contributions to a plan, the Group may be responsible for any unfunded obligations along with the remaining participating employers.
3. If the Group chooses to withdraw from any of the multiemployer plans, the Group may be required to pay a withdrawal liability, based on the underfunded status of the plan.

As of 31 December 2011, the Group does not contribute to any plans which are individually significant, nor is the Group an individually significant contributor to any of these plans. Total contributions to multiemployer plans, excluding Hussmann, for the years ended 31 December were as follows:

	2011 $m	2010 $m
Total contributions	5.2	4.8

During 2011, the Group divested the Hussmann Business and Branches which participated in various multiemployer pension plans. For the years ended 31 December 2011 and 2010, the Group contributed approximately $6.4 million and $9.4 million, respectively, to such plans. These contributions will not occur in future periods.

Postretirement Benefits Other Than Pensions

The Group sponsors several postretirement plans that provide for healthcare benefits, and in some instances, life insurance benefits that cover certain eligible employees. These plans are unfunded and have no plan assets, but are instead funded by the Group on a pay-as-you-go basis in the form of direct benefit payments. Generally, postretirement health benefits are contributory with contributions adjusted annually. Life insurance plans for retirees are primarily noncontributory.

In March 2010, the Patient Protection and Affordable Care Act (the Act) and the Healthcare and Education Reform Reconciliation Bill of 2010 (together with the Act, the Healthcare Reform Legislation) was signed into law. The Healthcare Reform Legislation contains provisions which could impact our accounting for retiree medical benefits in future periods. The retiree medical plans currently receive the retiree drug subsidy under Medicare Part D. No later than 2014, a significant portion of the drug coverage will be moved to an Employer Group Waiver Plan while retaining the same benefit provisions. This change allowable under the Healthcare Reform Legislation resulted in an actuarial gain which decreased the 31 December 2011 retiree medical plan liability, as well as the net actuarial losses in other comprehensive income by $41.1 million.

The Group will continue to monitor the Healthcare Reform Legislation to review provisions which could impact its accounting for retiree medical benefits in future periods. The Group may consider future plan amendments, which may have accounting implications as further regulations are promulgated and interpretations of the legislation become available. Additionally, the Group continues to monitor the individual market place for post-65 retiree medical coverage and will consider amendments to its health plans, which may have accounting implications on its plans.

In connection with the Hussmann divestiture, the Group transferred its obligation for postretirement benefits other than pensions for all current and former employees related to the divestiture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The following table details information regarding the Group's postretirement plans at 31 December:

	2011 $m	2010 $m
Change in benefit obligations:		
Benefit obligation at beginning of year	883.0	979.4
Service cost	8.4	8.9
Interest cost	42.0	48.1
Plan participants' contributions	20.5	20.7
Actuarial (gains) losses	63.3	(86.2)
Benefits paid, net of Medicare Part D subsidy *	(81.2)	(83.4)
Settlements/curtailments	(12.7)	-
Amendments	(2.2)	(5.5)
Other	(1.2)	1.0
Benefit obligations at end of year	919.9	883.0

* Amounts are net of Medicare Part D subsidy of $7.4 million and $7.9 million in 2011 and 2010, respectively

	2011 $m	2010 $m
Funded status:		
Plan assets less than benefit obligations	(919.9)	(883.0)
Amounts included in the balance sheet:		
Creditors - Amounts falling due within one year	(71.8)	(75.3)
Creditors - Amounts falling due after more than one year	(848.1)	(794.3)
Liabilities held for sale	-	(13.4)
Total	(919.9)	(883.0)

The pretax amounts recognized in other reserves were as follows:

	Prior service gains $m	Net actuarial losses $m	Total $m
Balance at 31 December 2010	6.3	(113.0)	(106.7)
Current year changes recorded to Other reserves	2.2	(63.3)	(61.1)
Amortization reclassified to earnings	(3.5)	1.6	(1.9)
Settlements/curtailments reclassified to earnings	-	2.6	2.6
Currency translation and other	-	(0.1)	(0.1)
Balance at 31 December 2011	5.0	(172.2)	(167.2)

The components of net periodic postretirement benefit (income) cost for the years ended 31 December were as follows:

	2011 $m	2010 $m
Service cost	8.4	8.9
Interest cost	42.0	48.1
Net amortization of prior service gains	(3.5)	(3.4)
Net amortization of net actuarial losses	1.6	11.0
Net periodic postretirement benefit cost	48.5	64.6
Net curtailment and settlement (gains) losses	(10.1)	-
Net periodic postretirement benefit (income) cost after net curtailment and settlement (gains) losses	38.4	64.6
Amounts recorded in continuing operations	20.9	39.4
Amounts recorded in discontinued operations	17.5	25.2
Total	38.4	64.6

The curtailment and settlement gains and losses in 2011 are associated with the divestiture of Hussmann. Postretirement cost for 2012 is projected to be $51.8 million. Amounts expected to be recognized in net periodic postretirement benefits cost in 2012 for prior service gains and plan net actuarial losses are $1.3 million and $8.5 million, respectively.

Assumptions:	2011	2010
Weighted-average discount rate assumption to determine:		
Benefit obligations at 31 December	4.00%	5.00%
Net periodic benefit cost		
For the period 1 January to 31 December	5.00%	5.50%
Assumed health-care cost trend rates at 31 December:		
Current year medical inflation	8.45%	8.85%
Ultimate inflation rate	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2021	2021

A 1% change in the medical trend rate assumed for postretirement benefits would have the following effects at 31 December 2011:

	1% Increase $m	1% Decrease $m
Effect on total of service and interest cost components	1.8	(1.7)
Effect on postretirement benefit obligation	42.5	(37.1)

Benefit payments for postretirement benefits, which are net of expected plan participant contributions and Medicare Part D subsidy, are expected to be paid as follows:

	$m
2012	73.2
2013	72.5
2014	70.1
2015	69.1
2016	68.5
2017 - 2021	321.1

26. FAIR VALUE MEASUREMENTS

ASC 820 establishes a framework for measuring fair value that is based on the inputs market participants use to determine the fair value of an asset or liability and establishes a fair value hierarchy to prioritize those inputs. The fair value hierarchy outlined in ASC 820 is comprised of three levels that are described below:

- Level 1 – Inputs based on quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 quoted prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Unobservable inputs based on little or no market activity and that are significant to the fair value of the assets and liabilities.

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are obtained from independent sources and can be validated by a third party, whereas unobservable inputs reflect assumptions regarding what a third party would use in pricing an asset or liability based on the best information available under the circumstances. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Assets and liabilities measured at fair value on a recurring basis at 31 December 2011 were as follows:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	Fair Value
	$m	$m	$m	$m
Assets:				
Cash and cash equivalents	1,160.7	-	-	1,160.7
Marketable securities	10.4	-	-	10.4
Derivative instruments	-	9.3	-	9.3
Benefit trust assets	13.3	156.2	-	169.5
Total	1,184.4	165.5	-	1,349.9
Liabilities:				
Derivative instruments	-	22.2	-	22.2
Benefit liabilities	15.9	162.4	-	178.3
Total	15.9	184.6	-	200.5

Assets and liabilities measured at fair value on a recurring basis at 31 December 2010 were as follows:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	Fair Value
	$m	$m	$m	$m
Assets:				
Cash and cash equivalents	1,014.3	-	-	1,014.3
Marketable securities	15.5	-	-	15.5
Derivative instruments	-	21.5	-	21.5
Benefit trust assets	17.3	155.2	-	172.5
Total	1,047.1	176.7	-	1,223.8
Liabilities:				
Derivative instruments	-	2.6	-	2.6
Benefit liabilities	17.4	178.4	-	195.8
Total	17.4	181.0	-	198.4

See Note 25 for disclosure of fair value measurements related to the Group's pension assets.

ASC 820 defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Group determines the fair value of its financial assets and liabilities using the following methodologies:

- *Cash at bank and in hand* – These amounts include cash on hand, demand deposits and all highly liquid investments with original maturities at the time of purchase of three months or less and are held in U.S and non-U.S. currencies.

- *Marketable securities* – These securities include investments in publically traded stock of non-U.S. companies held by non-U.S. subsidiaries of the Group. The fair value is obtained for the securities based on observable market prices quoted on public stock exchanges.

- *Derivatives instruments* – These instruments include forward contracts related to non-U.S. currencies. The fair value of the derivative instruments are determined based on a pricing model that uses inputs from actively quoted currency markets that are readily accessible and observable.

- *Benefit trust assets* – These assets include money market funds and insurance contracts that are the underlying for the benefit assets. The fair value of the assets is based on observable market prices quoted in a readily accessible and observable market.

- *Benefit liabilities* – These liabilities include deferred compensation and executive death benefits. The fair value is based on the underlying investment portfolio of the deferred compensation and the specific benefits guaranteed in a death benefit contract with each executive.

These methodologies used by the Group to determine the fair value of its financial assets and liabilities at 31 December 2011 are the same as those used at 31 December 2010. As a result, there have been no significant transfers between Level 1 and Level 2 categories.

27. PROVISIONS FOR LIABILITIES AND CHARGES

	2011 $m	2010 $m
Pensions & similar obligations	1,757.4	1,500.7
Taxation including deferred taxation	1,558.2	1,715.2
Other provisions	1,846.3	1,919.6
	5,161.9	5,135.5
Current	513.4	529.7
Non-current	4,648.6	4,605.8
	5,161.9	5,135.5

Movement on other provisions is as follows:

	Asbestos $m	Warranty $m	Environmental $m	Restructuring $m	Insurance $m	Other $m	Total $m
At 1 January 2011	1,020.5	631.4	81.0	28.0	131.2	27.5	1,919.6
Arising during the year	-	209.5	2.1	24.3	35.9	48.5	320.3
Utilised in the year	(82.2)	(200.8)	(10.8)	(39.3)	(33.7)	(13.9)	(380.7)
Changes in pre-existing accruals	-	(2.8)	-	-	-	-	(2.8)
Divestitures	-	-	(0.6)	-	(8.8)	-	(9.4)
Currency translation	-	(0.9)	-	0.1	-	0.1	(0.7)
At 31 December 2011	938.3	636.4	71.7	13.1	124.6	62.2	1,846.3
Current	69.7	245.1	26.9	13.1	20.8	62.2	437.8
Non-current	868.6	391.3	44.8	-	103.8	-	1,408.5
At 31 December 2011	938.3	636.4	71.7	13.1	124.6	62.2	1,846.3

Refer to Note 28 for a detailed description of these provisions.

28. COMMITMENTS AND CONTINGENCIES

The Group is involved in various litigations, claims and administrative proceedings, including those related to environmental and product liability matters. Amounts recorded for identified contingent liabilities are estimates, which are reviewed periodically and adjusted to reflect additional information when it becomes available. Subject to the uncertainties inherent in estimating future costs for contingent liabilities, management believes that the liability which may result from these legal matters would not have a material adverse effect on the financial condition, results of operations, liquidity or cash flows of the Group.

Environmental Matters

The Group continues to be dedicated to an environmental program to reduce the utilization and generation of hazardous materials during the manufacturing process and to remediate identified environmental concerns. As to the latter, the Group is currently engaged in site investigations and remediation activities to address environmental cleanup from past operations at current and former manufacturing facilities.

The Group is sometimes a party to environmental lawsuits and claims and has received notices of potential violations of environmental laws and regulations from the Environmental Protection Agency and similar state authorities. It has also been identified as a potentially responsible party (PRP) for cleanup costs associated with off-site waste disposal at federal

Superfund and state remediation sites. For all such sites, there are other PRPs and, in most instances, the Group's involvement is minimal.

In estimating its liability, the Group has assumed it will not bear the entire cost of remediation of any site to the exclusion of other PRPs who may be jointly and severally liable. The ability of other PRPs to participate has been taken into account, based generally on the parties' financial condition and probable contributions on a per site basis. Additional lawsuits and claims involving environmental matters are likely to arise from time to time in the future.

The Group incurred $3.1 million and $1.0 million of expenses during the years ended 31 December 2011 and 2010, respectively, for environmental remediation at sites presently or formerly owned or leased by us. As of 31 December 2011 and 2010, the Group has recorded reserves for environmental matters of $71.7 million and $81.0 million, respectively. Of these amounts $51.3 million and $56.3 million relate to remediation of sites previously disposed by the Group. Environmental reserves are classified as Accrued expenses and other current liabilities, or Other noncurrent liabilities based on their expected term. The Group's total current environmental reserve at 31 December 2011 and 2010 was $26.9 million and $28.1 million, respectively. Given the evolving nature of environmental laws, regulations and technology, the ultimate cost of future compliance is uncertain.

Asbestos Matters

Certain wholly-owned subsidiaries of the Group are named as defendants in asbestos-related lawsuits in state and federal courts. In virtually all of the suits, a large number of other companies have also been named as defendants. The vast majority of those claims have been filed against either Ingersoll-Rand Company (IR-New Jersey) or Trane and generally allege injury caused by exposure to asbestos contained in certain historical products sold by IR-New Jersey or Trane, primarily pumps, boilers and railroad brake shoes. Neither IR-New Jersey nor Trane was a producer or manufacturer of asbestos, however, some formerly manufactured products utilized asbestos-containing components such as gaskets and packings purchased from third-party suppliers.

The Group engages an outside expert to assist in calculating an estimate of the Group's total liability for pending and unasserted future asbestos-related claims and annually performs a detailed analysis with the assistance of an outside expert to update its estimated asbestos-related assets and liabilities. The methodology used to project the Group's total liability for pending and unasserted potential future asbestos-related claims relied upon and included the following factors, among others:

- the outside experts interpretation of a widely accepted forecast of the population likely to have been occupationally exposed to asbestos;
- epidemiological studies estimating the number of people likely to develop asbestos-related diseases such as mesothelioma and lung cancer;
- the Group's historical experience with the filing of non-malignancy claims against it and the historical ratio between the numbers of non-malignancy and lung cancer claims filed against the Group;
- the outside experts analysis of the number of people likely to file an asbestos-related personal injury claim against the Group based on such epidemiological and historical data and the Group's most recent three-year claims history;
- an analysis of the Group's pending cases, by type of disease claimed;
- an analysis of the Group's most recent three-year history to determine the average settlement and resolution value of claims, by type of disease claimed;
- an adjustment for inflation in the future average settlement value of claims, at a 2.5% annual inflation rate, adjusted downward to 1.5% to take account of the declining value of claims resulting from the aging of the claimant population;
- an analysis of the period over which the Group has and is likely to resolve asbestos-related claims against it in the future.

At 31 December 31 2011, over 90 percent of the open claims against the Group are non-malignancy claims, many of which have been placed on inactive or deferral dockets and the vast majority of which have little or no settlement value against the Group, particularly in light of recent changes in the legal and judicial treatment of such claims.

The Group's liability for asbestos-related matters and the asset for probable asbestos-related insurance recoveries are included in the following balance sheet accounts:

	2011	2010
Accrued expenses and other current liabilities	69.7	75.5
Other noncurrent liabilities	868.6	945.0
Total asbestos-related liabilities	938.3	1,020.5
Other current assets	23.5	26.3
Other noncurrent assets	298.9	319.9
Total asset for probable asbestos-related insurance recoveries	322.4	346.2

The (costs) income associated with the settlement and defense of asbestos-related claims after insurance recoveries, for the years ended 31 December, were as follows:

	2011 $m	2010 $m
Continuing operations	(1.2)	(1.4)
Discontinued operations	(8.9)	(17.4)
Total	(10.1)	(18.8)

The Group records certain income and expenses associated with its asbestos liabilities and corresponding insurance recoveries within discontinued operations, as they relate to previously divested businesses, primarily Ingersoll-Dresser Pump, which was sold in 2000. Income and expenses associated with Trane's asbestos liabilities and corresponding insurance recoveries are recorded within continuing operations.

On 12 January 2012, IR-New Jersey filed an action in the Superior Court of New Jersey, Middlesex County, seeking a declaratory judgment and other relief regarding the Group's rights to defense and indemnity for asbestos claims. The defendants are several dozen solvent insurance companies, including companies that have been paying a portion of IR-New Jersey's asbestos claim defense and indemnity costs. The action involves IR-New Jersey's unexhausted insurance policies applicable to the asbestos claims that are not subject to any settlement agreement.

Trane has now settled claims regarding asbestos coverage with most of its insurers, including the New Jersey litigation described below. The settlements collectively account for approximately 95% of its recorded asbestos-related liability insurance receivable as of 31 December 2011. Most of Trane's settlement agreements constitute "coverage-in-place" arrangements, in which the insurer signatories agree to reimburse Trane for specified portions of its costs for asbestos bodily injury claims and Trane agrees to certain claims-handling protocols and grants to the insurer signatories certain releases and indemnifications.

In April 1999, Trane filed an action in the Superior Court of New Jersey, Middlesex County, against various primary and lower layer excess insurance carriers (the NJ Litigation). The NJ Litigation originally sought coverage for environmental claims and later was expanded to include claims for coverage for asbestos-related liabilities. The environmental claims against the insurers in the NJ Litigation have been resolved or dismissed without prejudice for later resolution. Similarly, Trane has resolved all claims against the insurers for asbestos-related liabilities, having settled with the last remaining defendant in the NJ Litigation, effective 29 June 2011. By order entered on 3 August 2011, the court in the NJ Litigation dismissed the last remaining claims by or against Trane.

Trane remains in litigation in an action that Trane filed in November 2010 in the Circuit Court for La Crosse County, Wisconsin, relating to claims for insurance coverage for a subset of Trane's historical asbestos-related liabilities. Trane also is pursuing claims against the estates of insolvent insurers in connection with its costs for asbestos bodily injury claims.

The amounts recorded by the Group for asbestos-related liabilities and insurance-related assets are based on currently available information. The Group's actual liabilities or insurance recoveries could be significantly higher or lower than those recorded if assumptions used in the calculations vary significantly from actual results. Key variables in these assumptions include the number and type of new claims to be filed each year, the average cost of resolution of each such new claim, the resolution of coverage issues with insurance carriers, and the solvency risk with respect to the Group's insurance carriers. Furthermore, predictions with respect to these variables are subject to greater uncertainty as the projection period lengthens. Other factors that may affect the Group's liability include uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case, reforms that may be made by state and federal courts, and the passage of state or federal tort reform legislation.

The aggregate amount of the stated limits in insurance policies available to the Group for asbestos-related claims acquired over many years and from many different carriers, is substantial. However, limitations in that coverage, primarily due to the considerations described above, are expected to result in the projected total liability to claimants substantially exceeding the probable insurance recovery.

Warranty Liability
Product warranty accruals are recorded at the time of sale and are estimated based upon product warranty terms and historical experience. The Company assesses the adequacy of its liabilities and will make adjustments as necessary based on known or anticipated warranty claims, or as new information becomes available.

The following represents the changes in the Group's product warranty liability for 2011 and 2010:

	2011	2010
	$m	$m
Balance at beginning of year	631.4	619.4
Reductions for payments	(200.8)	(244.4)
Accruals for warranties issued during the current period	209.5	242.5
Changes for accruals related to preexisting warranties	(2.8)	15.0
Divestitures	-	(0.3)
Translation	(0.9)	(0.8)
Balance at end of the year	636.4	631.4

Product warranty liabilities are classified as Accrued expenses and other current liabilities, or Other noncurrent liabilities based on their expected term. The Group's total current warranty reserve at 31 December 2011 and 2010 was $245.1 million and $253.0 million, respectively.

Other Commitments and Contingencies
Certain office and warehouse facilities, transportation vehicles and data processing equipment are leased by the Group. Total rental expense was $198.5 million in 2011 and $197.1 million in 2010. Minimum lease payments required under non-cancelable operating leases with terms in excess of one year for the next five years and thereafter, are as follows: $123.5 million in 2012, $103.5 million in 2013, $78.0 million in 2014, $58.7 million in 2015, $40.4 million in 2016..

Trane has commitments and performance guarantees, including energy savings guarantees, totaling $300.0 million extending from 2012-2031. These guarantees are provided under long-term service and maintenance contracts related to its air conditioning equipment and system controls. Through 2011, the Group has experienced no significant losses under such arrangements and considers the probability of any significant future losses to be remote.

As part of the reorganization of IR-New Jersey in 2001, IR-Limited fully and unconditionally guaranteed all of the issued public debt securities IR-New Jersey. IR-New Jersey unconditionally guaranteed payment of the principal, premium, if any, and interest on IR-Limited's 4.75% Senior Notes due in 2015 in aggregate principal amount of $300 million. The guarantee is unsecured and provided on an unsubordinated basis. The guarantee ranks equally in right of payment with all of the existing and future unsecured and unsubordinated debt of IR-New Jersey. In addition, public debt securities issued by IR-Global are fully and unconditionally guaranteed by IR-Limited.

As a part of the reorganization of IR-Limited in 2009, the guarantee structure was updated to reflect the newly created legal structure under which (i) IR-International assumed the obligations of IR-Limited as issuer or guarantor, as the case may be, and (ii) IR-Ireland and IR-Limited fully and unconditionally guaranteed the obligations under the various indentures covering the currently outstanding public debt of IR-International, IR-Global and IR-New Jersey. Neither IR-Ireland nor IR-Limited has issued or intends to issue guarantees in respect of any indebtedness incurred by Trane.

29. SHARE-BASED COMPENSATION

The Group records share-based compensation awards using a fair value method and recognizes compensation expense for an amount equal to the fair value of the share-based payment issued in its Consolidated Financial Statements. The Company's share-based compensation plans include programs for stock options, restricted stock units (RSUs), stock appreciation rights (SARs), performance share units (PSUs) and deferred compensation.

Under the Company's incentive stock plan, the total number of ordinary shares authorized by the shareholders is 27.0 million, of which 9.1 million remains available as of 31 December 2011 for future incentive awards.

Compensation Expense

Share-based compensation expense related to continuing operations is included in administrative expenses within the Consolidated profit and loss. The following table summarizes the expenses recognized:

	2011 $m	2010 $m
Stock options	22.3	30.8
RSUs	21.1	13.7
Performance shares	(0.5)	28.6
Deferred compensation	1.1	1.5
SARs and other	(0.9)	1.3
Pre-tax expense	43.1	75.9
Tax benefit	(16.5)	(29.0)
After tax expense	26.6	46.9
Amounts recorded in continuing operations	26.6	46.8
Amounts recorded in discontinued operations		0.1
Total	26.6	46.9

Stock Options / Restricted Stock Units

The Company's equity grant approach allows for eligible participants to receive (i) stock options, (ii) RSUs or (iii) a combination of both stock options and RSUs. The average fair value of the stock options granted for the year ended 31 December 2011 and 2010 was estimated to be $13.99 per share and $10.16 per share, respectively, using the Black-Scholes option-pricing model. The following assumptions were used:

	2011	2010
Dividend yield	1.33%	1.43%
Volatility	34.81%	37.38%
Risk-free rate of return	2.45%	2.36%
Expected life (in years)	5.30	5.10

The fair value of each of the Company’s stock option and RSU awards is expensed on a straight-line basis over the required service period, which is generally the three-year vesting period. However, for stock options and RSUs granted to retirement eligible employees, the Company recognizes expense for the fair value at the grant date. Expected volatility is based on the historical volatility from traded options on the Company’s stock.

The risk-free rate of return is based on the yield curve of a zero-coupon U.S. Treasury bond on the date the award is granted with a maturity equal to the expected term of the award. Historical data is used to estimate forfeitures within the Company’s valuation model. The Company’s expected life of the stock option awards is derived from historical experience and represents the period of time that awards are expected to be outstanding.

Changes in options outstanding under the plans for the years 2010 and 2011 are as follows:

	Shares subject to option	Weighted-average exercise price	Aggregate intrinsic value (millions)	Weighted-average remaining life
31 December 2009	27,858,083	29.54		
Granted	2,631,467	31.72		
Exercised	(7,255,729)	20.81		
Cancelled	(1,527,593)	35.63		
31 December 2010	21,706,228	32.30		
Granted	1,834,564	44.99		
Exercised	(4,275,088)	30.00		
Cancelled	(650,428)	35.36		
Outstanding 31 December 2011	18,615,276	$ 33.97	$ 52.3	4.8
Exercisable 31 December 2011	14,007,462	$ 33.99	$ 37.8	3.9

The following table summarizes information concerning currently outstanding and exercisable options:

	Options outstanding				Options exercisable			
Range of exercise price	Number outstanding at 31 December 2011	Weighted-average remaining life		Weighted-average exercise price	Number exercisable at 31 December 2011	Weighted-average remaining life		Weighted-average exercise price
$0.00	112	0.1	$	9.98	112	0.1	$	9.98
10.01 - 20.00	3,351,200	4.7		16.95	2,293,386	4.0		17.03
20.01 - 30.00	1,198,010	3.3		24.64	1,190,010	3.3		24.62
30.01 - 40.00	9,303,154	4.4		35.83	7,464,759	3.8		36.84
40.01 - 50.00	4,634,428	5.9		44.46	2,994,195	4.4		43.19
50.01 - 60.00	128,372	6.0		52.26	65,000	5.8		53.82
$9.18 - $55.22	18,615,276	4.8	$	33.97	14,007,462	3.9	$	33.99

At 31 December 2011, there was $21.5 million of total unrecognized compensation cost from stock option arrangements granted under the plan, which is related to unvested shares of non-retirement eligible employees. This compensation will be recognized over the required service period, which is generally the three-year vesting period. The aggregate intrinsic value of options exercised during the year ended 31 December 2011 and 2010 was $76.2 million and $142.1 million, respectively. Generally, stock options vest ratably over a three-year period from their date of grant and expire at the end of ten years.

For RSUs granted to retirement eligible employees, the Company recognizes expense for the fair value of the RSUs at the grant date.

The following table summarizes RSU activity during the year ended 31 December 2011:

	RSUs		Weighted-average grant date fair value
Outstanding and unvested at 31 December 2009	864,756	$	16.85
Granted	839,865		32.22
Vested	(290,868)		16.95
Cancelled	(113,579)		23.71
Outstanding and unvested at 31 December 2010	1,300,174	$	26.14
Granted	672,185		43.87
Vested	(512,614)		24.20
Cancelled	(152,572)		34.87
Outstanding and unvested at 31 December 2011	1,307,173	$	35.00

At 31 December 2011, there was $24.2 million of total unrecognized compensation cost from RSU arrangements granted under the plan, which is related to unvested shares of non-retirement eligible employees.

Performance Shares

The Company has a Performance Share Program (PSP) for key employees. The program provides awards in the form of PSUs based on performance against pre-established objectives. The annual target award level is expressed as a number of the Company's ordinary shares. All PSUs are settled in the form of ordinary shares. As of 31 December 2011, the Company's target award level for eligible employees is approximately 1.3 million shares.

On 4 October 2008, the Compensation Committee approved certain changes to the Company's long-term incentive compensation programs to be implemented beginning with the 2009 performance year. Under these changes, the performance period under the Company's PSP Program was changed from one year to three years starting with year 2009 in order to increase the long-term nature of incentive compensation for PSP participants. In addition, these PSUs are based on the Company's relative EPS growth as compared to the industrial group of companies in the S&P 500 Index over the three-year performance period. To transition between the previous one-year PSP program and the revised three-year PSP program, there was a one-time PSU award with a two-year performance period for 2009 through 2010, which was based on the Company's EPS growth relative to the industrial group of companies in the S&P 500 Index and the publicly announced Trane acquisition synergy savings.

The following table summarizes PSU activity for the maximum number of shares that may be issued for the years 2010 and 2011:

	Performance shares		Weighted-average grant date fair value
Outstanding and unvested at 31 December 2009	3,671,374	$	17.70
Granted	937,788		32.39
Vested	(140,904)		39.00
Cancelled	(699,552)		18.74
Outstanding and unvested at 31 December 2010	3,768,706	$	20.36
Granted	614,006		46.66
Vested	(633,504)		16.95
Cancelled	(1,116,212)		19.31
Outstanding and unvested at 31 December 2011	2,632,996	$	27.76

At 31 December 2011, there was $21.8 million of total unrecognized compensation cost from the PSP Program based on current performance, which is related to unvested shares. This compensation will be recognized over the required service period, which is generally the three-year vesting period.

Stock Appreciation Rights
All stock appreciation rights (SARs) outstanding as of 31 December 2011 are vested and expire ten years from the date of grant. All SARs exercised are settled with the Company's ordinary shares.

The following table summarizes the information for currently outstanding SARs:

	Shares subject to exercise		Weighted-average exercise price		Aggregate intrinsic value (millions)		Weighted-average remaining life
Outstanding at 31 December 2009	970,772		34.02				
Granted	-		-				
Exercised	(273,724)		31.44				
Cancelled	(86,066)		35.38				
Outstanding at 31 December 2010	610,982		35.31				
Granted	-		-				
Exercised	(115,419)		32.40				
Cancelled	(17,184)		28.98				
Outstanding 31 December 2011	478,379	$	36.24	$	0.3		2.6
Exercisable 31 December 2011	478,379	$	36.24	$	0.3	$	2.6

Note: The Company did not grant SARs during 2010 and 2011 and does not anticipate further granting in the future.

Deferred Compensation
The Group allows key employees to defer a portion of their eligible compensation into a number of investment choices, including ordinary share equivalents. Any amounts invested in ordinary share equivalents will be settled in ordinary shares of the Company at the time of distribution.

Other Plans
The Company has issued stock grants as an incentive plan for certain key employees, with varying vesting periods. All stock grants are settled with the Company's ordinary shares. At 31 December 2011, there were 45,099 stock grants outstanding, all of which were vested.

30. GUARANTOR INFORMATION

Ingersoll-Rand plc, an Irish public limited company (IR-Ireland), is the successor to Ingersoll-Rand Company Limited, a Bermuda company (IR-Limited), following a corporate reorganization that became effective on 1 July 2009 (the Ireland Reorganization). IR-Limited is the successor to Ingersoll-Rand Company, a New Jersey corporation (IR-New Jersey), following a corporate reorganization that occurred on 31 December 2001 (the Bermuda Reorganization). Both the Ireland Reorganization and the Bermuda Reorganization were accounted for as a reorganization of entities under common control and accordingly, did not result in any changes to the consolidated amounts of assets, liabilities and shareholders' equity.

As a part of the Bermuda Reorganization, IR-Limited issued non-voting, Class B common shares to IR-New Jersey and certain IR-New Jersey subsidiaries in exchange for a $3.6 billion note and shares of certain IR-New Jersey subsidiaries The note had a fixed rate of interest of 11% per annum payable semi-annually and imposed certain restrictive covenants upon IR-New Jersey. In 2002, IR-Limited contributed the note to a subsidiary, which subsequently transferred portions of the note to several other subsidiaries. In the fourth quarter of 2011, the Company repaid the remaining $1.0 billion outstanding of the original $3.6 billion note.

In addition, as part of the Bermuda Reorganization, IR-Limited fully and unconditionally guaranteed all of the issued public debt securities of IR-New Jersey. IR-New Jersey unconditionally guaranteed payment of the principal, premium, if any, and interest on IR-Limited's 4.75% Senior Notes due in 2015 in the aggregate principal amount of $300 million. The guarantee is unsecured and provided on an unsubordinated basis. The guarantee ranks equally in right of payment with all of the existing and future unsecured and unsubordinated debt of IR-New Jersey.

As part of the Ireland Reorganization, the guarantor structure was further revised to present IR-Ireland as the ultimate parent company and Ingersoll-Rand International Holding Limited (IR-International) as a stand-alone subsidiary. In addition, the guarantee structure was updated to reflect the newly created legal structure under which (i) IR-International assumed the obligations of IR-Limited as issuer or guarantor, as the case may be, and (ii) IR-Ireland and IR-Limited fully and unconditionally guaranteed the obligations under the various indentures covering the currently outstanding public debt of Ingersoll-Rand plc and its subsidiaries. Neither IR-Ireland nor IR-Limited has issued or intends to issue guarantees in respect of any public indebtedness incurred by Trane. Also as part of the Ireland Reorganization, IR-Limited transferred all the shares of IR-Global to IR-International in exchange for a note payable that initially approximated $15.0 billion, which was then immediately reduced by the settlement of net intercompany payables of $4.1 billion. At 31 December 2011, $10.8 billion remains outstanding.

31. SHARE CAPITAL

Ingersoll-Rand plc, an Irish public limited company (IR-Ireland), is the successor to IR-Limited, following a corporate reorganization that became effective on 1 July 2009 (the Ireland Reorganization). Upon consummation, the shares of IR-Limited Class A common shares were cancelled and all previous holders were issued IR-Ireland ordinary shares. The Ireland Reorganization was accounted for as a reorganization of entities under common control and accordingly, did not result in any changes to the consolidated amounts of assets, liabilities and shareholders' equity. See Note 2 for a further discussion of the Ireland Reorganization.

Called up share capital

The authorized share capital of IR-Ireland is 1,185,040,000 shares, consisting of (1) 1,175,000,000 ordinary shares, par value $1.00 per share, (2) 40,000 ordinary shares, par value EUR 1.00 and (3) 10,000,000 preference shares, par value $0.001 per share. No preference shares were outstanding at 31 December 2011 or 2010.

At 31 December 2011, a reconciliation of ordinary shares is as follows:

	Total $m
31 December 2010	328.2
Shares issued under incentive plans	5.2
Repurchase of ordinary shares	(36.3)
31 December 2011	297.1

Share repurchases

In the second quarter of 2011, the Board of Directors authorized the repurchase of up to $2.0 billion of the Company's ordinary shares under a share repurchase program. On 8 June 2011 the Company commenced share repurchases under this program. During the year ended 31 December 2011 the Company repurchased 36,275,790 ordinary shares of $1 each at an average price of $31.89. Distributable reserves have been reduced by $1.1 billion being the consideration paid for these shares (Note 32).

The repurchase transactions were financed by internally generated funds. The shares repurchased were cancelled and an amount equivalent to their nominal value was transferred to the capital redemption reserve in accordance with the requirement of Section 208 (b) of the Companies Act 1990. The transfer to capital redemption reserve and the premium paid on the shares repurchased were made out of retained profits (Note 32).

Treasury stock

The Group treats ordinary shares of the parent owned by a subsidiary as treasury stock. These shares are recorded at cost and included in the shareholders' funds section. At 31 December 2011, a subsidiary of the Company held 23,985 (2010: 25,429) ordinary shares in trust for a deferred compensation plan. These ordinary shares have been reflected as treasury shares in the consolidated balance sheet.

32. MOVEMENT ON RESERVES

	Share Premium	Capital Redemption Reserve	Other Reserves	Profit and Loss Account	Total
	$m	$m	$m	$m	$m
At 1 January 2010	30.9	-	(434.3)	7,154.6	6,751.2
Currency translation	-	-	1.8	-	1.8
Change in value of marketable securities and cash flow hedges	-	-	7.9	-	7.9
Pension and OPEB adjustments	-	-	99.6	-	99.6
Shares issued under incentive stock plans	143.8	-	-	(2.0)	141.8
Accretion of exchangeable notes	-	-	13.3	-	13.3
Share-based compensation	-	-	73.5	-	73.5
Acquisition/divestiture of minority interests	-	-	-	(4.5)	(4.5)
Dividends	-	-	-	(90.5)	(90.5)
Profit for the period	-	-	-	642.2	642.2
Other	-	-	-	(0.2)	(0.2)
At 31 December 2010	174.7	-	(238.2)	7,699.6	7,636.1
Currency translation	-	-	(158.1)	-	(158.1)
Change in value of marketable securities and cash flow hedges	-	-	0.9	-	0.9
Pension and OPEB adjustments	-	-	(71.4)	-	(71.4)
Shares issued under incentive stock plans	125.8	-	-	2.6	128.4
Repurchase of ordinary shares	-	36.3	-	(1,157.5)	(1,121.2)
Accretion of exchangeable notes	-	-	13.3	-	13.3
Share-based compensation	-	-	42.6	-	42.6
Acquisition/divestiture of minority interests	-	-	-	(1.3)	(1.3)
Dividends	-	-	-	(137.2)	(137.2)
Profit for the period	-	-	-	343.2	343.2
Other	-	-	-	(0.6)	(0.6)
At 31 December 2011	300.5	36.3	(410.9)	6,748.8	6,674.6

Details of dividends paid and proposed to shareholders are given in Note 11 to the Parent Company Financial Statements on page 101.

33. MINORITY INTERESTS

	2011	2010
	$m	$m
At 1 January	94.8	103.9
Share of profit for the financial year	26.1	22.9
Dividends to minorities	(30.1)	(20.2)
Acquisition/divestiture of minority interests	(1.1)	(3.9)
Other	(1.6)	(7.9)
At 31 December	88.1	94.8

34. LOANS TO DIRECTORS

Under Section 31, Companies Act 1990 the Company is prohibited from making a loan or quasi-loan to a director of the Company. The directors confirm that they are in compliance with the legislation.

35. CAPITAL EXPENDITURE COMMITMENTS

	2011	2010
	$m	$m
Capital expenditure that has been authorised by the Directors but not yet been contracted	149.0	-

36. RELATED PARTY DISCLOSURES

The principal related party relationships requiring disclosure in the consolidated financial statements pertain to the existence of subsidiaries and associates and transactions with these entities entered into by the Group and the identification of key management personnel as addressed in greater detail below.

Subsidiaries and Associates

The consolidated financial statements include the results of operations, financial positions and cash flows of the company and its subsidiaries and associates over which the company has control or otherwise qualify for consolidation or equity accounting. A listing of the principal subsidiaries and associates is provided in Note 37. Associates not consolidated or equity accounted are included in Note 14 to the consolidated financial statements.

Trading Transactions

There were no transactions requiring disclosure under Section 38B of the Irish Companies Act, 1986.

Compensation of Key Management Personnel of the Group

Key management personnel are the Company's executive and non-executive directors and the following is the aggregate compensation of these directors.

	2011	2010
	$m	$m
Fees	3.0	3.0
Remuneration and benefit in kind	1.4	2.3
Bonus	1.5	2.6
	5.9	7.9

37. PRINCIPAL SUBSIDIARIES AND ASSOCIATES

The principal subsidiary and associate undertakings at 31 December 2011, all of which are included in the consolidated financial statements, are listed below:

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
A.B.S. - R.I.C.A.	Trading Company	1, Rue Paul-Henri Spaak, Saint Thibault de Vignes, 77463, France	100%
A/S Parts Limited	Trading Company	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Administradora Lockey CA	Manufacturing & Distribution	Callejon Los Pinos, Zona Industr, Los Teques, Venezuela	50%
Airco	Manufacturing & Distribution	7th Floor, Ploenchit Centre, No. SEnglandhumvit Road, Kwaeng Klongtoey, Khet Klongftoey, Bangkok, Thailand	100%
Airside Manufacturing Limited	Manufacturing & Distribution	170/175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Ireland	100%
Airtec Limited	Manufacturing & Distribution	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Alimenterics Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Alimenterics International Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Alliance Compressors Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Amair Limited	Manufacturing & Distribution	7th Floor, Ploenchit Centre, No. SEnglandhumvit Road, Kwaeng Klongtoey, Khet Klongftoey, Bangkok, Thailand	100%
American Standard Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
American Standard Philippine Holdings, Inc.	Manufacturing & Distribution	2nd Floor Felisa Bldg. 108 Herrera Street, Legaspi Village, makati Metro Minila 1200 Philippines	100%
Armoro, Inc.	Non-Operating	7345 Orangewood Avenue, Garden Grove, California United States	100%
Aro De Venezuela, C.A.	Manufacturing & Distribution	Edificio Aldemo, 6 Piso, Avenida Venezuela, El Rosal, Caracas, Venezuela	100%
A-S Energy, Inc.	Trading Company	6200 Troup Highway, Tyler, Smith, Texas, 75707, United States	100%
B&K Credit Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
B&K Manufacturing Corporation	Manufacturing & Distribution	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Beijing Bocom Video Communication Systems Co., Ltd.	Trading Company	7F, Bld A, Wentelai Center, Xidawang Rd, Beijing, China	80%
Beijing Metal Door Co., Ltd.	Manufacturing & Distribution	No. 6, Caiyuan Road, Nancai Town, Shunyi District, Beijing, China	17%
Best Matic International Limited	Trading Company	Paragon Business Park, Chorley New Road, Horwich, Bolton BL6 6JN England	100%
Best Matic Vermogensverwaltungs GmbH	Trading Company	Am Nauheimer Bach 24 West, 6350 Bad Neuheim, Germany	100%
BMM, Inc.	Non-Operating	810 West 3rd Avenue, Columbus, Ohio, 43212, United States	100%
Bricard S.A.	Manufacturing & Distribution	1, Rue Paul-Henri Spaak, Saint Thibault de Vignes, 77463, France	100%
C.A.P. Sales Limited	Non-Operating	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Capsule Trane Connecticut Inc.	Non-Operating	P. O. Box 977, Farmington, Connecticut, 06034, United States	100%
Cardwell Trane Greenville Inc.	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Checker Flag Parts, Inc.	Trading Company	2003 W. Rose Garden Lane, Phoenix, Arizona, 85027	100%
Chesley Industries Inc.	Trading Company	20775 Chesley Drive, Farmington, Michigan, 48024, United States	100%
Cisa (UK) Plc	Non-Operating	Lordswood Revenge Road, Kent, Chatham, ME58 England	100%
Cisa Cerraduras S.A.	Manufacturing & Distribution	Poligono Industrial de Coslada, Avenida de Fuentemar 26-28, 28820 Coslada, Madrid, Spain	100%
Cisa S.P.A.	Manufacturing & Distribution	n. 6, Via Oberdan, Faenza, Italy	100%
Clean Air, Inc.	Trading Company	2711, Centerville Road, Suite 400, Wilmington, New Castle, Delaware, 19801, United States	100%
Climate Solutions France	Non-Operating	Batiment Clemencia, 196 rue Houdan, Sceaux, 92330, France	100%
Club Car Limited	Trading Company	c/o Cst Nexia Limited, Chartered Accounts, L3, Cst Nexia Centre, 22 Amersham Way, ManEnglandua City, New Zealand	100%
Club Car, LLC.	Trading Company	4125 Washington Road, Evans, Columbia, Georgia 30809, United States	100%
Comingersoll-Comercio E Industria De Equipamentos, S.A.R.L. (Portugal)	Trading Company	Linda-a-Velha, Carnaxide, Estrado, Rue A, 9-A, Portugal	21%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Commercial Refrigeration Co.	Trading Company	1700 North Soto Street, Los Angeles, California 90033, United States	100%
Compagnie Ingersoll-Rand SAS	Trading Company	Zone du Chene Sorcier, Boite Postale 62, 78346, Les Clayes sous Bois, France	100%
Compressed AIR Parts Limited	Trading Company	Greenbank House,SwanLane, Hindley Green, Wigan WN2 4AR, England	100%
Compressed AIR Parts, Inc.	Trading Company	Village of Painted Post, County of Chemung, New York, United States	100%
Crystal Refrigeration, Inc.	Trading Company	710 E. 59th Street, Davenport, Iowa, 52807, United States	100%
D. Purdue & Sons Ltd.	Trading Company	Elsies River, 7490, South Africa	100%
D.A. Thomas (Northern) Limited	Non-Operating	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%
Dfm Trane Oklahoma Corp.	Holding Company	6000 N. W. 2nd Street, Oklahoma City, Oklahoma, 73127, United States	100%
Diasorin International B.V.	Trading Company	Koningsweg 4, Soest, 3762 EC, Netherlands	100%
Diasorin International Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Dor-O-Matic (Illinois) LLC	Non-Operating	111, Congressional Blvd., Suite 200, Carmel, Indiana, 46032	100%
Dor-O-Matic Of Mid Atlantic States, Inc.	Trading Company	6505 S. Crescent Blvd., PennsaEnglanden, New Jersey, 08110 United States	100%
D-R Acquisition, LLC	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
DR Holding Corp.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Earthforce America, Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
EBB Holdings Limited	Holding Company	c/o ABG Secretary Inc., Parker House, Wildey Business Park, Wildey Road, St. Michaels, Barbados	100%
Editions Cam	Trading Company	5-7 Avenue Albert Einstein, 78190, Trappes, France	99%
Electronic Technologies Corporation USA	Trading Company	11819 North Pennsylvania Street, Carmel, Indiana, 46032, United States	100%
Emerson Electric, S.R.O.	Trading Company	1528 Praha 9, Ostroveskeho 34, Prague, Czech Republic	10%
Facservices, LLC	Non-Operating	1400 Vallwood Parkway, Suite 101, Carrollton, Texas, 75006, United States	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Filairco Inc.	Manufacturing & Distribution	L-1 D-3 Ninoy Aquino Avenue, Brgy, San Dionisio, The Philippines, Paranaque City	100%
Filairco Tehcnical Services Co. Inc.	Trading Company	6th Floor, King;s Court II, Building 2129, Pasong Tamo Street, Makati City, Philippines	100%
Flexengery	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	8%
Fu Hsing Industrial (Shanghai) Co., Ltd.	Manufacturing & Distribution	Xiwang Road, Malu Town, Jiading, Shanghai 201801	51%
Fu Jia Hardware Products (Shanghai) Co., Ltd.	Trading Company	Xiwang Road, Malu Town, Jiading, Shanghai 201801	51%
Fu Yang Investment Company Limited	Holding Company	Building 2, 336 Changsheng Rd., Gushan District, Kaohsiung City 804, Taiwan Province of China	100%
FWJ Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
GHH-Rand Schraubenkompressoren GmbH	Manufacturing & Distribution	Steinbrinkstr. 1, D-46145 Oberhausen, Germany	100%
Hangzhou A-S AIR Conditioning Technical Service Co. Ltd.	Manufacturing & Distribution	Room 2619, No. 528 Yan'An Road, Xia Cheng District, Zhejiang Province, Hangzhou City, China	100%
Harrow Industries LLC	Manufacturing & Distribution	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Harrow Products (Delaware) LLC	Trading Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Harrow Products LLC	Trading Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Hermann Trane Harrisburg Inc.	Holding Company	2570 Interstate Drive, Harrisburg, Pennsylvania, 17110-9601, United States	100%
Hibon Inc.	Manufacturing & Distribution	12055, Côte de Liesse, Dorval, Quebec, H9P 1B4, Canada	100%
Houston Trane, Inc.	Trading Company	One Centennial Avenue, Piscataway, Middlesex, NJ 08854, United States	100%
Hussmann (Europe) Limited	Trading Company	Suite1/1 The Skypark 3, 14 Elliot Place, Glasgow, G3 8EP, England	100%
Hussmann (Thailand) Company Limited	Trading Company	7 1/2 Moo 1, Sethakit 1 Road, Tambol Suanluang, Samutsakorn Province, Amphur Kratoomban, Thailand	75%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Hussmann Chile S.A.	Trading Company	Av. Americo Vespucio D1260, Quilicura, Santiago, Chile	100%
Hussmann Holdings, Inc.	Holding Company	12999 St. Charles Rock Road, Bridgeton, Missouri, 63044, United States	100%
Hussmann Mechanical Corporation	Non-Operating	NRS, Atlanta, Georgia, United States	100%
Hussmann Netherlands B.V.	Non-Operating	Teleport Boulevard 236-142 (140), (PO Box 2838, 1000 CV Amsterdam), Amsterdam, 1043 EJ, Netherlands	100%
Hussmann Parent, Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	38%
Hussmann Service Do Brasil Ltda.	Trading Company	Avenida Esperanto, 443,Cilo 2, Jardim Sao Francisco de Assis, Londrina, Paraná, 80067-100, Brazil	100%
Hussmann-Thai Holding Co., Ltd.	Holding Company	21/147-150, Thai Wah Tower II, 24th Floor, South Sathorn Road, Khwaeng Tungmahamek, Khet Sathorn, Bangkok Metropolis, Thailand	100%
Idp Acquisition, LLC	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Improved Machinery Inc.	Non-Operating	150 Burke Street, Nashua, New Hampshire, 03061 United States	100%
Industrial Chill Servicing Private Ltd.	Holding Company	c/o Multiconsult Ltd., Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius	100%
Industrial Y Minera Nortena S.A.	Manufacturing & Distribution	Via Morelos No. 330 Col. Santa Clara Coatitla Ecatepec Edo. De Mexico Latin America	100%
Ingersoll-Rand (Australia) Ltd.	Trading Company	45-47 Ventura Place, Dandenong South, Victoria 3175, Australia	100%
Ingersoll-Rand (Barbados) Corporation	Non-Operating	c/o Corporate Managers (Barbados) Ltd., First Floor, Trident House, Lower Broad Street, Bridgetown, Barbados	100%
Ingersoll-Rand (Barbados) Holding Incorporated	Holding Company	13th Floor, Printing House, 6 Duddell Street, Central, Hong Kong	100%
Ingersoll-Rand (Chang Zhou) Tools Co., Ltd.	Trading Company	Region A, Jintan Huacheng, Changzhou, China	100%
Ingersoll-Rand (China) Industrial Equipment Manufacturing Co., Ltd.	Manufacturing & Distribution	Pangjin Road, Wujiang Economics Development Zone, Jiangsu Province, Wujiang, China	100%
Ingersoll-Rand (China) Investment Company Limited	Non-Operating	468, Wenjing Road,Minhang, Shanghai, China	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Ingersoll-Rand (Gibraltar) Holding Limited	Non-Operating	57/63, Line Wall Road, Gibraltar	100%
Ingersoll-Rand (Gibraltar) International Holding Limited	Holding Company	57/63, Line Wall Road, Gibraltar	100%
Ingersoll-Rand (Gibraltar) International United Limited	Non-Operating	57/63, Line Wall Road, Gibraltar	100%
Ingersoll-Rand (Guilin) Tools Company Limited	Manufacturing & Distribution	Qimashan, Chaoyang Road, Guilin Municipality, Guangxi Zhang Autonomous Region,PRC	90%
Ingersoll-Rand (Hong Kong) Holding Company Limited	Holding Company	Unit 1506, 15/F, Wing on House, 71 Des Voeux Road, Central Hong Kong	100%
Ingersoll-Rand (Hong Kong) Limited	Trading Company	Unit A-E, 15F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong	100%
Ingersoll-Rand (India) Limited	Trading Company	106 Bellary Road, Amruthahalli, Byatarayanpura, Bangalore, 560 092, India	74%
Ingersoll-Rand (Linzhou) Renewable Energy Co. Inc.	Trading Company	No. 4335 Yindu Road, Xinzhuang Industrial Zone, 200231, Shanghai	100%
Ingersoll-Rand (Shanghai) Trading Co., Ltd.	Trading Company	4355, Yindu Road, Xinzhuang Industrial Zone, Shanghai, China	100%
Ingersoll-Rand Ab	Trading Company	5L, Krossverksgatan, Limhamn, 216 16, Sweden	100%
Ingersoll-Rand AIR Solutions Hibon Sarl	Manufacturing & Distribution	Z1 du Chene Sorcier, Boite Postale 62, Les Clayes sous Bois, 78340, Cedex, France	100%
Ingersoll-Rand Architectural Hardware (Australia) Pty Limited	Manufacturing & Distribution	437 Rosebank Road, Avondale Box 19034 Auckland Avondale New Zeland	100%
Ingersoll-Rand Architectural Hardware Limited	Manufacturing & Distribution	437 Rosebank Road, Avondale Box 19034, Avondale, Auckland, New Zealand	100%
Ingersoll-Rand Argentina S.A.I.C.	Non-Operating	c/o Brons & Salas, Marcelo T. de Alvear, 624 Piso, 1058 Buenos Aires,	100%
Ingersoll-Rand Asia Pacific Inc.	Non-Operating	139, Hennessy Road, Unit A-E, 15/F, China Overseas Building, Wanchai, Hong Kong	100%
Ingersoll-Rand Best-Matic AB	Trading Company	5L, Krossverksgatan, Limhamn, 216 16, Sweden	100%
Ingersoll-Rand Beteiligungs Und Grundstucksverwaltungs GmbH	Holding Company	Kuhbrueckenstr. 18, Hameln, D-31785, Germany	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Ingersoll-Rand Canada Inc.	Trading Company	51 Worcester Road, Toronto, Ontario, M9W 4K2, Canada	100%
Ingersoll-Rand Charitable Foundation	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand China Limited	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Climate Control Holding Company LLC	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Company	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Company (Chile) Y Cia Ltda	Trading Company	Avenida el Bosque Norte 0107, Of. 41, Las Condes, Santiago, Chile	100%
Ingersoll-Rand Company Limited (UK)	Trading Company	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Ingersoll-Rand Company Limited (Bermuda)	Holding Company	c/o Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	100%
Ingersoll-Rand Company South Africa (PTY) Limited	Trading Company	Michele Ferrero Business Park, Innes Road, Jet Park, Gauteng, Witfield, 1467, South Africa	100%
Ingersoll-Rand Construction Services, Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand CZ S.R.O.	Manufacturing & Distribution	Sumperska No. 1345, Unicov, 78391, Czech Republic	100%
Ingersoll-Rand De Puerto Rico, Inc.	Non-Operating	Avenida FDR No. 132, Marginal, Office 3B, Hato Rey, 00918, Puerto Rico	100%
Ingersoll-Rand Energy Systems Corporation	Manufacturing & Distribution	32 Exeter Street, Portsmouth, New Hampshire, 03801	100%
Ingersoll-Rand Energy Technologies (Project Aviara) LLC	Non-Operating	1209 Orange Street, Wilmington, DE 19801, United States	100%
Ingersoll-Rand Energy Technologies (Project DDI) LLC	Non-Operating	1209 Orange Street, Wilmington, DE 19801, United States	100%
Ingersoll-Rand Energy Technologies LLC	Non-Operating	1209 Orange Street, Wilmington, DE 19801, United States	100%
Ingersoll-Rand Enhanced Recovery Company	Non-Operating	2320 One Williams Center, Tulsa, Oklahoma, 74172 United States	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Ingersoll-Rand Equipements De Production S.A.S.	Trading Company	Sin Le Noble 59450, 111, Avenue Roger Salengro, Douai, France	100%
Ingersoll-Rand Equipment Manufacturing Czech Republic S.R.O.	Manufacturing & Distribution	Havirska 202, Kolin IV, PSC 28059, Czech Republic	100%
Ingersoll-Rand European Financial Services Plc.	Non-Operating	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Ingersoll-Rand European Holding Company B.V.	Holding Company	ProdEnglandtieweg 10, Zoeterwoude, 2382PB, Netherlands	100%
Ingersoll-Rand European Sales Limited	Trading Company	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Ingersoll-Rand Finance Íslandi SLF.	Non-Operating	Stórhöfða 21, 110 Reykjavík, Iceland	100%
Ingersoll-Rand Financial Services Corporation	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Financial Services Limited	Non-Operating	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Ingersoll-Rand Finland OY	Non-Operating	Metsanneidonkuja 4, 02130 ESP 02130 ESPOO Finland	100%
Ingersoll-Rand Fu Hsing Holdings Limited	Holding Company	Codan Managements (BVI) Ltd., Romasco Place, Wichams Cay 1, Box 3140, Road Town, Tortola, British Virgin Islands	100%
Ingersoll-Rand Fu Hsing Limited	Trading Company	139, Hennessy Road, Unit A-E, 15/F, China Overseas Building, Wanchai, Hong Kong	51%
Ingersoll-Rand Funding Ltd.	Non-Operating	c/o Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	100%
Ingersoll-Rand Global Holding Company Limited	Holding Company	c/o Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	100%
Ingersoll-Rand Global Investments Limited	Non-Operating	c/o Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	100%
Ingersoll-Rand GmbH	Non-Operating	20 Wilhelmstrasse, Muelheim an der Ruhr, 45468, Germany	100%
Ingersoll-Rand Government Solutions Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, NJ 08854, United States	100%
Ingersoll-Rand Holdings Limited	Holding Company	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Ingersoll-Rand Hungary Central Europe Group Financing Limited Liability Company	Non-Operating	Dohany u. 12, Budapest, H-1074, Hungary	100%
Ingersoll-Rand Iberica, S.L.	Trading Company	Calle Tierra de Barros, 2, Poligono Industrial de Coslada, 28820 Coslada (Madrid), Spain	100%
Ingersoll-Rand Industria, Comercio E Servicos De Ar Condicionado, Ar Comprimido E Refrigeracao Ltda.	Trading Company	Avenida Esperanto, 443,Cilo 2, Jardim Sao Francisco de Assis, Londrina, Paraná, 80067-100, Brazil	100%
Ingersoll-Rand Industrial Products Pvt. Ltd.	Manufacturing & Distribution	37-A, Site 4, Sahibabad Industrial Area, Ghaziabad, 201 010, India	100%
Ingersoll-Rand Industrial Refrigeration, Inc.	Trading Company	12999 St. Charles Rock Road, Bridgeton, Missouri, 63044, United States	100%
Ingersoll-Rand Industrial Solutions Holding Corporation	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Infrastructure Holding Corporation	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand International (India) Limited	Manufacturing & Distribution	106 Bellary Road, Amruthahalli, Byatarayanpura, Bangalore, 560 092, India	100%
Ingersoll-Rand International Finance Limited	Non-Operating	170/175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Ireland	100%
Ingersoll-Rand International Holding Corporation	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand International Holding Limited	Holding Company	c/o Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	100%
Ingersoll-Rand International Limited	Trading Company	170/175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Ireland	100%
Ingersoll-Rand International Sales LLC	Trading Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, Delaware, 19801, United States	100%
Ingersoll-Rand International, Inc.	Non-Operating	155 Chestnut Ridge Road, Montvale, New Jersey, 07645-0445, United States	100%
Ingersoll-Rand International, Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Investment Company S.A.	Non-Operating	Rotue des Arsenaux 9, Fribourg, CH-1700, S-59096, Switzerland	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Ingersoll-Rand Investments Limited	Non-Operating	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Ingersoll-Rand Irish Holdings	Holding Company	Monivea Road, Mervue, Galway, Ireland	100%
Ingersoll-Rand Italia S.R.L.	Non-Operating	Strada Provinciale Cassanese 108-110, Italy, 20060 Vignate, Milan	100%
Ingersoll-Rand Italiana S.P.A.	Non-Operating	Strada Provinciale Cassanese 108-110, 20060 Vignate, Milan, Italy	100%
Ingersoll-Rand Its Japan Ltd.	Trading Company	LS Building 2F, 1-1-17 Kami-Osaki, Tokyo, Shinagawa-ku, 141-0021, Japan	100%
Ingersoll-Rand Japan, Ltd.	Trading Company	LS Building 2F, 1-1-17 Kami-Osaki, Tokyo, Shinagawa-ku, 141-0021, Japan	100%
Ingersoll-Rand Klimasysteme Deutschland GmbH	Trading Company	Max-Planck-Ring 27, 46049 Oberhausen, Germany	100%
Ingersoll-Rand Korea Limited	Trading Company	395-152 Seogyo-dong, Mapo-ku, 121-840, Seoul, Republic of Korea	100%
Ingersoll-Rand Liability Management Company	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Limited (Zambia)	Non-Operating	c/o Martin & Co., Permanent House, Cairo Road, Lusake, Zambia	100%
Ingersoll-Rand Lux Euro Financing S.A.R.L.	Non-Operating	16, Avenue Pasteur, Grand Duchy of Luxembourg, L2311, Luxembourg	100%
Ingersoll-Rand Lux Euro II Financing S.A.R.L.	Non-Operating	16, Avenue Pasteur, Grand Duchy of Luxembourg, L2311, Luxembourg	100%
Ingersoll-Rand Lux Euro III Financing S.A.R.L.	Non-Operating	16, Avenue Pasteur, Grand Duchy of Luxembourg, L2311, Luxembourg	100%
Ingersoll-Rand Lux Finance Holding S.A.RrL.	Non-Operating	16, Avenue Pasteur, Grand Duchy of Luxembourg, L2311, Luxembourg	100%
Ingersoll-Rand Lux Holdings S.A.R.L.	Non-Operating	16, Avenue Pasteur, Grand Duchy of Luxembourg, L2311, Luxembourg	100%
Ingersoll-Rand Lux International S.A.R.L.	Non-Operating	16, Avenue Pasteur, Grand Duchy of Luxembourg, L2311, Luxembourg	100%
Ingersoll-Rand Lux Roza III S.A.R.L.	Non-Operating	16, Avenue Pasteur, Grand Duchy of Luxembourg, L2311, Luxembourg	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Ingersoll-Rand Lux Roza S.A.R.L.	Non-Operating	16, Avenue Pasteur, Grand Duchy of Luxembourg, L2311, Luxembourg	100%
Ingersoll-Rand Luxembourg United S.A.R.L.	Non-Operating	69A, Boulevard de la Petrusse, L-2320, Luxembourg	100%
Ingersoll-Rand Machinery (Shanghai) Company Limited	Trading Company	Waigaoqiao Free Trade Zone, 301 Xi Ya Road, 200121, Shanghai, China	100%
Ingersoll-Rand Malaysia Co. SDN. BHD.	Trading Company	Level 41 Suite, Menara Masix, City Centre, Kuala Lumpur, 40088, Malaysia	100%
Ingersoll-Rand Netherlands B.V.	Trading Company	ProdEnglandtieweg 10, Zoeterwoude, 2382PB, Netherlands	100%
Ingersoll-Rand Philippines, Inc.	Trading Company	Km 22 East Service Road, South Superhighway, Cupang, 1771, Muntinlupa City, Philippines	100%
Ingersoll-Rand Polska Sp.Zoo	Trading Company	Rondo ONZ-1, Warsaw, 00-124, Poland	100%
Ingersoll-Rand Rodamientos Holding, S.L.	Holding Company	Calle Tierra de Barros 2, Poligono Industrial de Coslada, Coslada, 28820, Madrid, Spain	100%
Ingersoll-Rand Roza II S.A.R.L.	Non-Operating	16, Avenue Pasteur, Grand Duchy of Luxembourg, L2311, Luxembourg	100%
Ingersoll-Rand S.A.	Non-Operating	Boulevard de Perolles 55, c/o Ingersoll-Rand S.A., Fribourg, CH-1700, Switzerland	100%
Ingersoll-Rand S.A. De C.V.	Trading Company	Boulevard Centro Industrial #11, Fracc. Industrial Puente de Vigas, Edo. de, Tlalnepantla	100%
Ingersoll-Rand Sales Company, LLC	Trading Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08805, United States	100%
Ingersoll-Rand Schlage Lock Holding Company LLC	Holding Company	538 Oakmead Parkway, Sunnyvale, California, 94085 United States	100%
Ingersoll-Rand Security And Safety Holding Corporation	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Security Technologies A/S	Manufacturing & Distribution	3, Mirabellevej, Randers, 8900, Denmark	100%
Ingersoll-Rand Security Technologies B.V.	Non-Operating	Havenweg 24a, NL-4131, New Mexico, Vianen, Netherlands	100%
Ingersoll-Rand Security Technologies Limited	Holding Company	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%
Ingersoll-Rand Security Technologies NV	Non-Operating	Industrielaan 36, Ternat, B-1740, Belgium	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Ingersoll-Rand Service Do Brasil Ltda	Non-Operating	Avenida Esperanto, 443,Cilo 2, Jardim Sao Francisco de Assis, Londrina, Paraná, 80067-100, Brazil	100%
Ingersoll-Rand Service GmbH	Trading Company	20 Wilhelmstrasse, Muelheim an der Ruhr, 45468, Germany	100%
Ingersoll-Rand Services & Engineering Company	Non-Operating	Boulevard de Perolles 55, c/o Ingersoll-Rand S.A., Fribourg, CH-1700, Switzerland	100%
Ingersoll-Rand Services And Trading Limited Liability Company	Trading Company	Derbenevskaya Plaza, 1-st Derbenevski Pereulok, 5, Office 602, Moscow, 115114, Russian Federation	100%
Ingersoll-Rand Services Company	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Servicios, S.A.	Trading Company	Tierra de Barros, 2, Poligono Industrial de Coslada, Madrid, 28820, Spain	100%
Ingersoll-Rand Singapore Enterprises PTE. Ltd.	Non-Operating	Marsh & McLennan Centre, 18 Cross Street, #107-06-07, Singapore, 048423	100%
Ingersoll-Rand South East Asia (PTE.) Ltd.	Non-Operating	42 Benoi Road, Singapore 2262, Singapore	100%
Ingersoll-Rand Spanish Holding Lp	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08805, United States	100%
Ingersoll-Rand Superay Holdings Limited	Holding Company	13th Floor, Printing House, 6 Duddell Street, Central, Hong Kong	100%
Ingersoll-Rand Svenska AB	Trading Company	Box 145, V Gotalands Lan, Goteborg kommun, Hisings, Karra, 42502, Sweden	100%
Ingersoll-Rand Technical And Services Limited	Non-Operating	170/175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Ireland	100%
Ingersoll-Rand Technical And Services S.Á.R.L.	Non-Operating	Boulevard de Perolles 55, c/o Ingersoll-Rand S.A., Fribourg, CH-1700, Switzerland	100%
Ingersoll-Rand Tool Holdings Limited	Holding Company	13th Floor, Printing House, 6 Duddell Street, Central, Hong Kong	100%
Ingersoll-Rand Trane Energy Savings Services (Shanghai) Co. Ltd.	Non-Operating	468, Wenjing Road,Minhang, Shanghai, China	100%
Ingersoll-Rand Treasury Ltd.	Holding Company	c/o Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	100%
Ingersoll-Rand UK Ltd.	Non-Operating	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Ingersoll-Rand US Trane Holdings Corporation	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Western Hemisphere Trade Corporation	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Ingersoll-Rand World Trade Limited	Non-Operating	c/o Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	100%
Ingersoll-Rand Worldwide Capital S.A.R.L.	Non-Operating	69A, Boulevard de la Petrusse, L-2320, Luxembourg	100%
Ingersoll-Rand Worldwide, Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Ingersoll-Rand Zimbabwe (Private) Limited	Non-Operating	c/o Pearl Assurance House, Samara Machel Avenue, Harare, Zimbabwe	100%
Ingersoll-Rand, Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Integrated Access Systems, Inc.	Manufacturing & Distribution	2 Cranberry Road, Parsippany, Morris, New Jersey, 07054 United States	100%
Interflex AG	Manufacturing & Distribution	Tafernhof, Mellingerstrasse 207, Baden-Dattwil, CH-5405, Switzerland	100%
Interflex Datensysteme GmbH	Manufacturing & Distribution	Hietzinger Haupstrasse 74, 1130, Vienna, Austria	100%
Interflex Datensysteme GmbH & Co. KG	Manufacturing & Distribution	Interflex Datensysteme GmbH, Zettachring 16, D-70567, Stuttgart, Germany	100%
Interflex N.A., Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Interflex Time & Access Ltd.	Trading Company	Interflex Time and Access Ltd., 26 Brindley Road, City Park Business, M16 9HQ, Village Manchester, England	100%
Inversora Lockey De Venezuela CA	Manufacturing & Distribution	Callejon Los Pinos, Zona Industr, Los Teques, Venezuela	56%
Inversora Lockey Ltda.	Trading Company	Edificio Bachue, Interior 137, Carrera 10 127-27 of 807, Bogota, Colombia	100%
IR Deutsche Holding GmbH	Holding Company	Schwarzwaldstrasse 15, 77871 Renchen, Germany	100%
I-R E-Medical, Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
IR Emniyet Ve Guvenlik Sistemleri Sanayi A.S.	Manufacturing & Distribution	No: 45 Kar Plaza Kat 12, Kayisdagi Cad. Karaman Ciftlik Yolu, Icerenkoy, Istanbul, 34752, Turkey	100%
IR Security And Safety (South East) Limited	Non-Operating	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%
IR Security And Safety Architectural Hardware Limited	Non-Operating	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%
IR Security And Safety Thomson Group Limited	Non-Operating	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
IR Security And Saftey (Tayforth) Limited	Non-Operating	C/O Hussmann, Suite 1-1 The Skypark 3 14 Elliot Place Glasgow Scotland G3 8EP	100%
IR Services S.A.R.L.	Trading Company	5-7 Avenue Albert Einstein, 78190, Trappes, France	100%
IR Techno Holding Company Limited	Holding Company	13th Floor, Printing House, 6 Duddell Street, Central, Hong Kong	100%
IRTC II Corporation	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Itargila Mineracao LTDA.	Trading Company	Rua Honorato Spiandorin 189 - Portao 02, City of Jundiai, Sate of Sao Paulo, City of Jundiai, Brazil	100%
Ives Trane NY, Inc.	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Jta China Import Limited	Trading Company	908-909A, 9th Floor, AIA Tower, 183 Electric Road, North Point, Hong Kong	100%
Koxka France S.A.R.L	Trading Company	Batiment Clemencia, 196 rue Houdan, Sceaux, 92330, France	100%
Lockey Corp.	Trading Company	717 Ponce de Leon Blvd., Coral Gables, Florida, 33134, United States	100%
Maltaitech Corporation SDN. BHD.	Non-Operating	5A and 5B, Bentong Industrial Estate, Bentong, Pahang, 28700, Malaysia	51%
Marlorch, Inc.	Non-Operating	59 Field Street, Torrington, Connecticut, 06790, United States	100%
Minera Industrial Regiomontana, S.A.	Non-Operating	Via Morelos No. 330, Col. Santa Clara Cotitla, Ecatepec Edo. De Mex, Mexico	100%
Mjm Hong Kong Ltd.	Trading Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Mongrue Trane Massachusetts, Inc.	Holding Company	81 Bay State Road, Wakefield, Massachusetts, 01880, United States	100%
Nanjing Ingersoll-Rand Compressor Co., Ltd.	Manufacturing & Distribution	No. 88 Jiang Dong Nan Lu, Nanjing Municipality, Jiangsu Province, 21002, China	80%
Newman Tonks (Amersham) Limited	Non-Operating	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%
Newman Tonks (Overseas Holdings) Limited	Holding Company	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%
Newman-Tonks Management Services Limited	Non-Operating	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%
Normbau Beschlage Und Ausstattungs GmbH	Manufacturing & Distribution	Schwarzwaldstrasse 15, Postfach 1261, Renchen, D-77871, Germany	100%
Normbau France S.A.S.	Manufacturing & Distribution	Chemin de la Chartreuse, Bischwiller, 67240, France	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
North West Compressed AIR Company Ltd.	Trading Company	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
NT Group Properties Limited	Non-Operating	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%
NT Leamington Limited	Non-Operating	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%
NT Legge Limited	Non-Operating	Bescot Crescent1, Walsall, West Midlands, WS1 4DL, England	100%
NWCA Ltd.	Manufacturing & Distribution	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Officina Meccaniche Industriali Srl	Manufacturing & Distribution	via Dell'Artigianato 34, 34070 Fogliano Redipuglia, Gorizia, Italy	100%
Perfect Pitch, L.P.	Non-Operating	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, Delaware, 19801, United States	100%
Pinko Palino Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Plurifilter D.O.O.	Manufacturing & Distribution	Obrtna Cona 6, 1370 Logatec,Slovenia	100%
Prime AIR Limited	Manufacturing & Distribution	7th Floor, Ploenchit Centre, No. SEnglandhumvit Road, Kwaeng Klongtoey, Khet Klongftoey, Bangkok, Thailand	100%
Pt Ingersoll-Rand Indonesia	Trading Company	364, Jl, Soekarno Hatta, Bandung, West Java, Indonesia	100%
Pt Trane Indonesia	Trading Company	Landmark Centre I, Lt. 16, Jl., Jend. Sudirman, No. 1, Setiabudi, Jakarta, 12910, Indonesia	100%
R&O Immobilien GmbH	Holding Company	Keniastrabe, 28, Duisburg, 47269, Germany	100%
Rand Trane Dallas Inc.	Holding Company	13821 Diplomate, Dallas, Texas, 75234, United States	100%
Recognition Systems LLC	Manufacturing & Distribution	1520 Dell Avenue, Campbell, California, 95008 United States	100%
Refrigeration Engineering, Inc.	Trading Company	3123 Wilson Drive, Grand Rapids, Michigan, 49534, United States	100%
Reftrans, S.A.	Manufacturing & Distribution	Calle San Jose 140-142, Apartado de Correos 97, Poligono Industrial El Pla,Sant Feliu de Llobregat, 08980 Barcelona, Spain	85%
Roconeco Limited	Non-Operating	Hindley Green DLC, Swan Lane, Hindley Green, Wigan, Lancashire, WN2 4EZ, England	100%
Rogers Refrigeration Co., Inc.	Trading Company	1918 Northwood Drive, Salisbury, Maryland, 21801, United States	100%
Sbg Holding Corp.	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Schlage De Mexico S.A. De C.V.	Non-Operating	9654 Siempre Viva Road, Suite #3, San Diego, California, 92154, United States	100%
Schlage Lock Company LLC	Manufacturing & Distribution	2720 Tobey Drive, Indianapolis, Indiana, 46219, United States	100%
Schlage US Holding Inc.	Manufacturing & Distribution	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, Delaware, 19801, United States	100%
Security One Systems Of Jacksonville, Inc.	Trading Company	5747, N. Andrews Way, Ft. Lauderdale, Florida, 33309, United States	100%
Security One Systems, Inc.	Trading Company	5747, N. Andrews Way, Ft. Lauderdale, Florida, 33309, United States	100%
Servicefirst Aircon Private Ltd.	Trading Company	1003 Alpha, Hirannandani Business Park, Hirananandani Garden Powai Mumbai, 400076, India	100%
Shanghai Air-Tec Compressor Solutions Co., Ltd.	Manufacturing & Distribution	No.5209 South Hongmei Road, Minhang, Shanghai, China	100%
Shanghai Bocom Video Communication System Co. Ltd.	Trading Company	Unit B, 9th Floor, Bldg C, Qinghua Tongfang Information Center, 11 Langshan Road, North High Tech Industrial Zone,Shenzhen, China	100%
Shanghai Ingersoll-Rand Compressor Limited	Manufacturing & Distribution	Minhang Economic and Technology Zone, Peoples Republic, Shanghai	100%
Shenzhen Bocom System Engineering Co. Ltd.	Trading Company	Tongfang Information Center, 11 Langshan Road, North High Tech Industrial Zone, Shenzhen, China	100%
Silver Holding Corp.	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Societe Trane SAS	Manufacturing & Distribution	1 Rue ders Ameriques, Goldbey, 88190, France	100%
Spanashview	Non-Operating	Monivea Road, Mervue, Galway, Ireland	100%
Standard Centennial Property, LLC	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Standard Compressors Inc.	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Standard Industrial Mineral Products Corp.	Non-Operating	Purok 2, Calaboso Road, Sto. Tomas, Binan, Laguna, Philippines	40%
Standard Resources And Development Corp	Non-Operating	Unit 304, 3rd Floor, Jovan Condominium, Shaw Boulevard, Mandaluyong Vity, Metro Manila, Philippines	40%
Standard Trane Insurance Company	Non-Operating	c/o Paul, Frank & Collins, Attorney's At Law, P.O. Box 1307, One Church Street, Burlington, VT, 05402-1307, United States	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Standard Trane Insurance Ireland Limited	Non-Operating	38/39 Fitzwilliam Square, Dublin 2, Ireland	100%
Standard Trane Warranty Company	Non-Operating	6200 Troup Hwy, Tyler, Texas, 75707, United States	100%
T.I. Solutions PTE. Ltd.	Trading Company	27 Leshanki Street, New Industrial Zone, Rishon Le Zion, Israel	100%
Taiwan Fu Hsing Industrial Co.	Manufacturing & Distribution	55-10 Been Chou Road, Kangshan, Kaohsiung Hsien, Taiwan Province of China	10%
Tast Limited	Holding Company	Charn Issara Tower, 9th Floor, 942/142-3 Rama IV Road, Kwaeng Suriyawongse	30%
Tavant Technologies, Inc.	Non-Operating	3114 Scott Blvd., Santa Clara, California, 95054 United States	20%
The Trane Company	Non-Operating	5595 Equity Avenue, Reno, Nevada, 89502, United States	100%
Thermo King Container Temperature Control (Suzhou) Corporation Ltd.	Manufacturing & Distribution	No.2223 Pang Jin Road, Wujiang, Jiang Su Province, 215200, China	90%
Thermo King Container-Denmark A/S	Trading Company	Industrivej 2, DK-5550 Langeskov, Denmark	100%
Thermo King Corporation	Manufacturing & Distribution	314 West 90th Street, Minneapolis, Minnesota, 55420, United States	100%
Thermo King De Puerto Rico, Inc.	Manufacturing & Distribution	Zeno Gandia Industrial Area, P.O. Box 144060, Arecibo, 00613, Puerto Rico	100%
Thermo King Do Brasil, Ltda.	Manufacturing & Distribution	Avenida Esperanto, 443,Cilo 2, Jardim Sao Francisco de Assis, Londrina, Paraná, 80067-100, Brazil	100%
Thermo King Enterprises Company	Trading Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Thermo King European Manufacturing Limited	Non-Operating	Monivea Road, Mervue, Galway, Ireland	100%
Thermo King India Private Limited	Trading Company	106 Bellary Road, Amruthahalli, Byatarayanpura, Bangalore, 560 092, India	100%
Thermo King Ireland Limited	Non-Operating	Monivea Road, Mervue, Galway, Ireland	100%
Thermo King Maritimes Inc.	Trading Company	51 Worcester Road, Toronto, Ontario, M9W4K2, Canada	100%
Thermo King Montreal Inc.	Trading Company	51 Worcester Road, Toronto, Ontario, M9W4K2, Canada	100%
Thermo King Ontario Inc.	Trading Company	51 Worcester Road, Toronto, Ontario, M9W4K2, Canada	100%
Thermo King Puerto Rico Manufactura, Inc.	Manufacturing & Distribution	517 Zone Industrial Zeno Gandia,Calle B, Arecibo, P.R. 00901	100%
Thermo King Services Limited	Trading Company	Monivea Road, Mervue, Galway, Ireland	100%
Thermo King Svc, Inc.	Trading Company	314 West 90th Street, Minneapolis, Minnesota, 55420, United States	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Thermo King Total Kare Limited	Non-Operating	Monivea Road, Mervue, Galway, Ireland	100%
Thermo King Trading Company	Trading Company	314 West 90th Street, Minneapolis, Minnesota, 55420, United States	100%
Thermo King Transportkoeling B.V.	Trading Company	Driemanssteeweg 60, Rotterdam, 3084CB, Netherlands	100%
Tm AIR Conditioning Sdn. Bhd.	Trading Company	2047 Lorong Perusahaan 10, Perai, 13600, Malaysia, Asia Pacific	100%
Touch-Plate International, Inc.	Trading Company	4 Embarcadero Center, San Francisco, CA 94111, United States	100%
Trane (Colchester) Limited	Manufacturing & Distribution	Halifax Way, Earls Colne Business, Earls Colne, Colchester, Essex, CO6 2NS, England	100%
Trane (Ireland) Limited	Trading Company	F7 Centerpoint Business Park, Oak Road, Dublin, 12 Ireland	100%
Trane (Malaysia) Sdn. Bhd.	Trading Company	Suite 18.01, 18th Floor, MWE Plaza No. 8, Lebuh, Farquhar, Penang, Malaysia	100%
Trane (Schweiz) GmbH / Trane (Suisse) S.A.R.L.	Trading Company	Lerzenstrasse 8, Dietikon, CH-8953, Switzerland	100%
Trane (Thailand) Ltd.	Non-Operating	Charn Issara Tower, 9th Floor, 942/142-3 Rama IV Road, Kwaeng Suriyawongse, Thailand	100%
Trane (UK) Ltd.	Trading Company	Harrow House, Bessemer Road, Basingstroke, Hampshire, RG21 3NB, England	100%
Trane AIR Conditioning Products Limited	Non-Operating	c/o Maples and Calder, PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands	100%
Trane AIR Conditioning Systems (China) Co. Ltd.	Manufacturing & Distribution	No. 88 Suzhou Road East Jiangsu Province, China	100%
Trane AIR Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane Airconditioning BV	Trading Company	Koningsweg 4, Soest, 3762 EC, Netherlands	100%
Trane Airconditioning PTE. Ltd.	Trading Company	c/o Arfat Selvam & Gunasingham, 30 Raffles Place #12-00, Caltex House, 947622, Singapore	100%
Trane Aire Acondiciando S.L.	Trading Company	Avenido Andalucia, KM. 10,300, P.A.E. Neisa Sur, Madrid, 28201, Spain	100%
Trane America LLC	Non-Operating	3650 Highpoint, P. O. Box 34597, San Antonio, Texas, 78217, United States	100%
Trane Asia Pacific Ltd.	Non-Operating	908-909A, 9th Floor, AIA Tower, 183 Electric Road, North Point, Hong Kong	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Trane Bahamas Ltd.	Holding Company	c/o Lennox Paton, Fort Nassau Centre, Marlborough Street, P.O. Box N-4875, Nassua Bahamas	100%
Trane Bermuda Ltd.	Non-Operating	Clarendon House, 2 Church Streett, HM 11, Hamilton Bermuda	100%
Trane Brands, Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane BVBA	Trading Company	1932 St. Stevens-Woluwe, Bruxelles/Brussell, Belguim	100%
Trane Canada LP	Non-Operating	2840 Stanfield Road, Mississauga, Ontario, L4Y IS2, Canada	100%
Trane Canada Ulc	Trading Company	1300-1969 Upper Water Street, Purdy's Wharf Tower II, Halifax, Nova Scotia, B3J 3R7, Canada	100%
Trane Canada Ulc	Trading Company	4051 Gordon Baker Road, Suite 200, Scarborough, Ontario, M1W 2P3, Canada	100%
Trane Central America, Inc.	Trading Company	7650 NW 19th Street, Suite 270, Miami, Florida, 33126 United States	100%
Trane Central Plant I, LLC	Non-Operating	4833 White Bear Parkway, St. Paul, Minnesota, 55110, United States	100%
Trane China Holdings Limited	Holding Company	c/o Maples and Calder, PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands	100%
Trane Comfort Solutions Inc.	Trading Company	111 Lott Court, West Columbia, South Carolina, 29169, United States	100%
Trane Cr Spol Sro.	Trading Company	Thamova 183/11, 18600 Praha 8, Karlin, Czech Republic	100%
Trane Credit Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane De Argentina S.A.	Trading Company	c/o Brons & Salas, Marcelo T. de Alvear, 624 Piso, 1058 Buenos Aires, Argentina	100%
Trane De Chile S.A.	Manufacturing & Distribution	Calle Nueva 1820, Huechuraba, Santiago, Chile	100%
Trane De Colombia S.A.	Trading Company	Edificio Elite Center, Carrera 14 N. 98-73 of 402-403-404, Bogota, Colombia	100%
Trane De Mexico, S.A. De C.V.	Non-Operating	Boulevard Centro Industrial #11, Fracc. Industrial Puente de Vigas, Edo. de, Tlalnepantla	100%
Trane Design Centre Private Ltd.	Non-Operating	No. 3 Vijayaraghava Road, 2nd Floor, T. Nagar, Chennai, India	100%
Trane Deutschland GmbH	Trading Company	Keniastr, 38, Bonn, D-47269, Germany	100%
Trane Distribution Pte Ltd	Manufacturing & Distribution	No. 9 Tuns Link 1, Singapore, 638587, Singapore, Asia Pacific	100%
Trane Do Brasil Industria E Comercio De Productos Para Condicionamento De Ar Ltda.	Trading Company	Rua Pinheirinhno, 144, Jabaquara, State of Sao Paulo, City of Sao Paulo, 04321-170, Brazil	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Trane Domincana, C. Por A.	Trading Company	c/o Jorge Mera & Villegas, Calle Pablo Casals #12, Piantini, Santo Domingo, Dominican Republic	100%
Trane Europe Holdings B.V.	Holding Company	Koningsweg 4, Soest, 3762 EC, Netherlands	100%
Trane Export LLC	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane Finance Limited	Holding Company	c/o Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	100%
Trane Finance SPRL	Non-Operating	Chausse de Wavre, 1789, Brussels, 1160, Belguim	100%
Trane Foundation Of New York	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane General Corporation	Trading Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane GmbH	Trading Company	Campus 21, Liebermannstrasse F03 201 2345 Brunn Gebirge, Austria	100%
Trane GP Inc.	Holding Company	4051 Gordon Baker Road, Suite 200, Scarborough, Ontario, M1W 2P3, Canada	100%
Trane Hellas SA	Trading Company	18, Erifilis str, Halandri, Atehns, 15232, Greece	100%
Trane Holding Co.	Holding Company	c/o McInnes Cooper, 1300-1559 Upper Water Street, Halifax, Nova Scotia, B3J 3R7, Canada	100%
Trane Holdings BV	Holding Company	Koningsweg 4, Soest, 3762 EC, Netherlands	100%
Trane Holdings Company YK	Holding Company	4-10, Minamishinagawa 6-chrome, Shinagawa-ku, Tokyo, 140-0004, Japan	100%
Trane Holdings LLC	Holding Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, Delaware, 19801, United States	100%
Trane Hungary KFT	Trading Company	Dayka Gaboru 3, Budapest, 1118, Hungary	100%
Trane LBV Ltd.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane Inc.	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane Inc. Of Delaware	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane India Ltd.	Trading Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane International Inc.	Holding Company	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane Ip Inc.	Non-Operating	85 North Edison Way, Reno, Nevada, 89502, United States	100%
Trane Italia S.R.L	Trading Company	Viale Europa, 30/C/2, 20090 Cusago, Milano, Italy	100%
Trane Japan, Ltd.	Trading Company	TOC Building 6F, 22-17 Nishigotandam 7-chrome, Shinagawa-Ku, Tokyo, Japan	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Trane Klima Ticaret As	Trading Company	Aytar Cad Metro IS Hani 10 Kat 3. F. Leven 80600, Istanbul, Turkey	100%
Trane Korea, Inc.	Trading Company	3rd Floor, Keonwoo Bldg, 680-1 Yeoksam-dong, Kangnam-ku, Seoul, Korea	100%
Trane Kuwait Airconditioning Co. Will	Trading Company	P.O. Box 42039, Shuwaikh Ind. Area, 70651, Kuwait	50%
Trane L.P.	Non-Operating	c/o Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	100%
Trane Leasing Inc.	Non-Operating	2105 Elm Hill Pike, Nahsville, TN, 37210, United States	100%
Trane Logistica, S.A. De C.V.	Non-Operating	Via Morelos No. 330, Col. Santa Clara Cotitla, Ecatepec Edo. De Mex, Mexico	100%
Trane Logistics Corporation	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane Malaysia Sales & Services Sdn. Bhd.	Trading Company	Lot 3 & 5, Jalan PJS 11/1, Bandar Sunway, 46150 Petaling Jaya West Malaysia, Selangor	100%
Trane Polska Sp Zoo	Trading Company	Ul. Kolejowa 5/7, Warsaw, 01-217, Poland	100%
Trane Publicidade, Moveis E Decoracoes Ltda.	Non-Operating	Rua Honorato Spiandorin 269 - Portao 02, City of Jundiai--State of Sao Paulo, Colonia, Sao Paulo, 13200-000, Brazil	100%
Trane Puerto Rico Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane Qatar LLC	Holding Company	Buidling non (1) (Financial Square Building) in c ring road, Doha, Qarar, Middle East	100%
Trane Romania S.R.L	Trading Company	Sector 5, Str. Sf., Elefterie nr. 24, Bucharest, 050525, Romania	100%
Trane S.A.	Holding Company	c/o Phh Consulting, Heyer, Route de Chantermerle, 39, Granges-Paccot, 1763, Switzerland	100%
Trane S.A.E	Manufacturing & Distribution	45, Abdel Hamid Beclamy, Heliopolis, Cairo, Egypt	97%
Trane Service Company LLC	Trading Company	45, Abdel Hamid Beclamy, Heliopolis, Cairo, Egypt	100%
Trane Servicefirst, C.A.	Trading Company	Apartado Postoal 62015, Cracas 1060A, Venezuela, Caracas, Venezuela	100%
Trane Services Acquisition I Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane Sistemas Integrales S. De R.L. De C.V.	Trading Company	Feliz Guzman 21, El Parque de los Remedios y Joselillo, Naucalpan CP, 53398, Mexico	100%
Trane Sweden AB	Manufacturing & Distribution	Sockenvagen 534, Enskededalen, 121 34, Sweden	100%
Trane Systems Solutions Of Panama Inc.	Trading Company	7650 NW 19th Street, Suite 270, Miami, Florida, 33126	100%
Trane Taiwan Distribution Ltd.	Trading Company	6F-1, No. 338, Wen-Lin Road, Shih Lin 11, Taipei, Taiwan Province of China	100%
Trane Technologies LLC	Trading Company	15 Okruzhnoy Proezd, Moscow, 105187 Russia	100%

Name	Nature of Business	Registered Office and Country of Incorporation	Percent of Ownership
Trane U.S. Export Ltd.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane U.S. Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane U.S. Logistics Inc.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
Trane Vidalia LLC	Non-Operating	1201 Peach Street, N.E., Atalanta, GA 30361, United States	100%
Trane Vietnam Services Company Ltd.	Trading Company	No. 3 Ba Thank Hai Street, District 10, Ho Chi Minh City, Vietnam	100%
Trane, S.A. De C.V.	Manufacturing & Distribution	Avenue Nafta No. 750, Parque Industrial Stiva Aeropuerto, Apocada Nuevo Leon, 66600 Mexico	100%
Tratamaq CA	Manufacturing & Distribution	Callejon Los Pinos, Zona Industr, Los Teques, Venezuela	100%
TSI Anstalt Ltd	Holding Company	Staedtle 36, Vaduz, FL-9490, Liechtenstein	100%
TYS Limited	Trading Company	25th Floor, Devon House, Taikoo Place, 979 Kings Road, Quarry Bay, Hong Kong	100%
United Partner General Contracting Co Wll	Trading Company	Office No. 28, 3rd Floor Bldge. No. 11, Block Al Sawaber, Addullah Ahmed Al Ayoub & Brothers Compex, Milled, Al-Sharq, Kuwait	100%
Von Duprin LLC	Non-Operating	11819 North Pennsylvania Street, Carmel, Indiana, 46032, United States	100%
Wabco Standard Trane C.I.S.	Holding Company	Zubarev Lane 15, Building 1, Moscow, 129164 Russia	100%
Wilhelm Klein GmbH	Holding Company	20 Wilhelmstrasse, Muelheim an der Ruhr, 45468, Germany	100%
Woodcliff Insurance Ltd.	Non-Operating	c/o Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	100%
World Standard Ltd.	Non-Operating	One Centennial Avenue, Piscataway, Middlesex, New Jersey, 08855, United States	100%
World Standard Trade Limited	Non-Operating	c/o Maples and Calder, PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands	100%
XceedID Corporation	Manufacturing & Distribution	500 Golden Ridge Road, Golden, Colorado, 80401 United States	100%
Zeks Compressed AIR Solutions LLC	Manufacturing & Distribution	1302, Goshen Parkway, West Chester, Pennsylvania, 19380 United States	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

38. SIGNIFICANT EVENTS SINCE YEAR END

There have been no significant events affecting the company since the year end.

39. GENERAL INFORMATION

Ingersoll-Rand plc is a public limited company which is listed on the New York Stock Exchange and is incorporated and domiciled in the Republic of Ireland.

Registered office and registered number

170-175 Lakeview Drive
Swords
Co Dublin
Ireland

Registered Number 469272

Solicitors

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

40. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors of the Company on 4 April 2012.

Independent auditors' report to the members of Ingersoll-Rand plc

We have audited the parent company financial statements of Ingersoll-Rand plc for the year ended 31 December 2011 on pages 96-102. These parent company financial statements have been prepared under the accounting policies set out in the statement of accounting policies on pages 97-98.

We have reported separately on the group financial statements of Ingersoll-Rand plc for the year ended 31 December 2011.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the parent company financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the parent company financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and have been properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting of the company; such a financial situation may exist if the net assets of the company, as stated in the balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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Chartered Accountants

pwc

Independent auditors' report to the members of Ingersoll-Rand plc - continued

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent company financial statements.

Opinion

In our opinion the parent company financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2011; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 96 are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2011 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

/s/ Alisa Hayden

Alisa Hayden
for and behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

4 April 2012

Ingersoll-Rand plc
Company Balance Sheet
at 31 December 2011

	Note	2011 $m	2010 $m
Fixed Assets			
Tangible assets	5	0.1	0.1
Financial assets	6	6,822.2	6,777.9
		6,822.3	6,778.0
Current Assets			
Debtors	7	137.8	93.7
Cash at bank and in hand		0.0	0.4
		137.8	94.1
Creditors - Amounts falling due within one year	8	(1,253.5)	(10.3)
Net current assets		(1,115.7)	83.8
Total assets less current liabilities		5,706.6	6,861.8
Creditors - Amounts falling due greater than one year	9	(1.2)	(0.4)
Net assets		5,705.4	6,861.4
Capital and reserves			
Called up share capital	10	297.1	328.2
Share premium account	11	300.5	174.7
Capital redemption reserve	11	36.3	0.0
Other reserves	11	124.8	101.4
Profit and loss account	11	4,946.7	6,257.1
Equity shareholders' funds		5,705.4	6,861.4

Approved by the Board of Directors on 4 April 2012 and signed on its behalf by:

/s/ Richard Swift
Richard Swift
Director

/s/ Peter Godsoe
Peter Godsoe
Director

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The separate financial statements of Ingersoll-Rand plc (the Company) have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

The financial statements of Ingersoll-Rand plc present the balance sheet on a stand-alone basis, including related party transactions.

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting convention: The financial statements have been prepared on a going concern basis and under the historical cost convention.

Functional currencies: Items included in these financial statements are measured using the currency of the primary economic environment in which Ingersoll-Rand plc operates (the "functional currency"). The financial statements are presented in United States dollars, which is the Company's functional and presentation currency.

Financial assets: Ingersoll-Rand plc's investments in its subsidiaries are stated at cost less any provision for impairment. The Company reviews investments for impairment if events or changes in circumstances indicate that the carrying value may be impaired. The Company assesses whether such indicators exist at each reporting date. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognized.

Share premium: The difference between the proceeds received on issue of shares and the nominal value of the shares is credited to the share premium account.

Dividends: Quarterly dividends on ordinary shares payable are recognized in the financial statements of the Company when they are paid.

Tangible fixed assets: Tangible assets other than land are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the net cost of tangible fixed assets, other than land, over their estimated useful lives by equal annual installments.

The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

Fixtures and furniture: 3 - 10 years

Foreign currencies: Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and turnover, costs and non-monetary assets at the exchange rates ruling at the dates of the transactions. Foreign currency gains or losses are credited or charged to the profit and loss account as they arise.

Taxation: Corporation tax is provided on taxable profits at current rates.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted. A deferred tax asset is only recognized when it is more likely than not the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be recovered.

Cash flow statement: The Company has utilized the exemption from preparing a cash flow statement under the provision of Financial Reporting Standard No. 1 'Cash Flow Statement'(revised) and has not presented a cash flow statement. A consolidated cash flow statement has been presented in the Group consolidated financial statements of Ingersoll-Rand plc.

Share-based payments: The Company operates equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options has been valued using the Black-Scholes option-pricing model. In accordance with FRS 20 'Share-based Payments', the resulting cost for the Company's employees is charged to the profit and loss account over the vesting period. The value of the charge is adjusted to reflect expected and actual levels of options vesting. The cost for options granted to the Company's subsidiaries' employees represents additional capital contributions by the Company to its subsidiaries. An additional investment in subsidiaries has been recorded in respect of those options granted to the Company's subsidiaries' employees, with a corresponding increase in the Company's shareholder equity. The additional capital contribution is based on the fair value at the grant date of the options issued, allocated over the life of the underlying grant's vesting period. Refer to Note 29 in the Group financial statements for further discussion of the share-based compensation plans.

3. LOSS FOR THE FINANCIAL YEAR

A loss of $15.7 million for the period 1 January to 31 December 2011 has been dealt with in the profit and loss account of Ingersoll-Rand plc, which as permitted by section 3(2) of the Companies (Amendment) Act, 1986, is not presented in these financial statements.

4. AUDITORS' REMUNERATION

	2011 $'000	2010 $'000
Audit of the company's individual accounts	27.9	26.5
Other assurance services	111.4	106.0
Tax	13.9	13.3
	153.2	145.8

Note 8 of the consolidated financial statements provide additional details of fees paid by the Group.

5. FIXED ASSETS

	Fixtures and Fittings $m	Total $m
Cost or valuation		
At 1 January 2011	0.1	0.1
Additions at cost	0.0	0.0
At 31 December 2011	0.1	0.1
Accumulated depreciation		
At 1 January 2011	0.0	0.0
Charge for the year	0.0	0.0
At 31 December 2011	0.0	0.0
Net book amount		
At 31 December 2010	0.1	0.1
At 31 December 2011	0.1	0.1

6. FINANCIAL ASSETS

	$m
At 1 January 2011	6,777.9
Capital contribution relating to share-based payments	44.3
At 31 December 2011	6,822.2

Subsidiaries

Details of the Company's direct subsidiaries as at 31 December 2011 are as follows:

Subsidiary company and registered office	Country of Incorporation	Principal Activity	Holding %
Ingersoll-Rand Company Limited Hamilton, Bermuda	Bermuda	Holding Company	100%
Ingersoll-Rand Government Solutions Limited 4833 White Bear Parkway St. Paul, MN 55110, U.S.A	USA	Non-trading	100%
Ingersoll-Rand Funding Limited Canons Court, 22 Victoria Street Hamilton, Bermuda HM12	Bermuda	Treasury Company	100%
Ingersoll-Rand Beteiligungs Und Grundstucksverwaltungs Kuhbrueckenstr. 18, Hameln, D-31785 Germany	Germany	Holding Company	5.3%
R&O Immobilien Gmbh Keniastraße, 38, Duisburg, 47269 Germany	Germany	Holding Company	5.1%

Details of indirect subsidiaries can be found in Note 37 of the Group financial statements.

7. DEBTORS

	2011 $m	2010 $m
Amounts falling due within one year:		
Loan advance to a group undertaking	137.7	93.4
Other debtors	-	0.2
Prepayments	0.1	0.1
	137.8	93.7

Amounts due from group undertakings in the form of inter-company loans are interest free and are repayable upon demand. These inter-company balances are eliminated in the group consolidation.

Deferred tax

The Company has unrecognized deferred tax assets of $3.9 million (2010: $2.4 million) related to unused tax losses. No deferred tax asset has been recognized in respect of these amounts due to the unpredictability of future taxable profit streams.

8. CREDITORS –AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	$m	$m
Amounts falling due within one year:		
Trade creditors	1.0	1.1
Irish PAYE	0.3	0.3
Dividend witholding tax	0.7	0.6
Amounts due to group undertakings	1,249.8	7.1
Sundry creditors	1.7	1.2
	1,253.5	10.3
Creditors for taxation and social welfare included in the table above:		
Irish PAYE	0.3	0.3
Dividend witholding tax	0.7	0.6
	1.0	0.9

Trade creditors principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade creditors approximates to their fair value.

Amounts due to group undertakings falling due within one year are unsecured, and have a fixed date for repayment.

9. CREDITORS –AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	$m	$m
Amounts falling due after one year:		
Sundry creditors	1.2	0.4

10. CALLED UP SHARE CAPITAL

Ordinary shares of $1.00 each	$m	$m
Authorised:		
1,175,000,000 ordinary shares of $1 par value	1,175.0	1,175.0
10,000,000 preference shares of $0.001 par value	-	-
At 31 December 2010 and 2011	1,175.0	1,175.0

Allotted and fully paid:	Ordinary shares number	Ordinary shares $m
At 1 January 2010	320,616,056	320.6
Issue of ordinary shares of $1 par value in respect of share based payment plans	7,574,295	7.6
At 31 December 2010	328,190,351	328.2
At 1 January 2011	328,190,351	328.2
Issue of ordinary shares of $1 par value in respect of share based payment plans	5,226,420	5.2
Repurchase of ordinary shares	(36,275,790)	(36.3)
At 31 December 2011	297,140,981	297.1

	2011	2011
Ordinary shares of €1.00 each	€m	€m
Authorised:		
40,000 ordinary shares of €1.00 Euro par value	-	-
Allotted:		
Nil	-	-
	-	-

Forty thousand ordinary shares were allotted for €1 Euro per share in cash on incorporation, and were later redeemed by the Company for €40,000 Euros.

Shares held by subsidiaries
At 31 December 2011, a subsidiary of the Company held 23,985 ordinary shares (2010: 25,429) in trust for a deferred compensation plan.

Share repurchases
In the second quarter of 2011, the Board of Directors authorized the repurchase of up to $2.0 billion of the Company's ordinary shares under a share repurchase program. On 8 June 2011 the Company commenced share repurchases under this program. During the year ended 31 December 2011, the Company repurchased 36,275,790 ordinary shares of $1 each at an average price of $31.89 cent per share. Distributable reserves have been reduced by $1.1 billion being the consideration paid for these shares (Note 11).

The repurchase transactions were financed by internally generated funds. The shares repurchased were cancelled and an amount equivalent to their nominal value was transferred to the capital redemption reserve in accordance with the requirement of Section 208 (b) of the Companies Act 1990. The transfer to capital redemption reserve and the premium paid on the shares repurchased were made out of retained profits.

11. RESERVES

	Share Premium	Capital Redemption Reserve	Other Reserves	Profit and Loss Account	Total
	$m	$m	$m	$m	$m
At 31 December 2009	30.9	-	27.6	6,342.6	6,401.1
Issue of ordinary equity shares	143.8	-	-	-	143.8
Share-based payment reserve	-	-	73.8	-	73.8
Dividends	-	-	-	(90.5)	(90.5)
Profit for the period	-	-	-	5.0	5.0
At 31 December 2010	174.7	-	101.4	6,257.1	6,533.2
Issue of ordinary equity shares	125.8	-	-	-	125.8
Repurchase of ordinary shares	-	36.3	-	(1,157.5)	(1,121.2)
Share-based payment reserve	-	-	23.4	-	23.4
Dividends	-	-	-	(137.2)	(137.2)
Profit for the period	-	-	-	(15.7)	(15.7)
At 31 December 2011	300.5	36.3	124.8	4,946.7	5,408.3

The Company's share premium and capital redemption reserves are not available for distribution.

Dividends paid and proposed

	2011	2010
	$m	$m
Declared and paid during the year		
Equity dividends on ordinary shares:		
First interim dividend for 2011 of $0.07c (2010: $0.07c)	23.1	22.5
Second interim dividend for 2011 of $0.12c (2010: $0.07c)	39.9	22.5
Third interim dividend for 2011 of $0.12c (2010: $0.07c)	38.5	22.6
Fourth interim dividend for 2011 of $0.12c (2010: $0.07c)	35.7	22.9
	137.2	90.5

The directors declared a further dividend of $0.16c per ordinary share on 9 December 2011 payable 30 March 2012 to shareholders on record on 12 March 2012. Interim dividends unpaid at the year end are not recognized in these financial statements.

Future dividends on our ordinary shares, if any, will be at the discretion of our Board of Directors and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that the Board of Directors may deem relevant, as well as our ability to pay dividends in compliance with the Irish

Companies Act. Under the Irish Companies Act, dividends and distributions may only be made from distributable reserves. Distributable reserves, broadly, means the accumulated realized profits of IR-Ireland. In addition, no distribution or dividend may be made unless the net assets of IR-Ireland are equal to, or in excess of, the aggregate of IR-Ireland's called up share capital plus undistributable reserves and the distribution does not reduce IR-Ireland's net assets below such aggregate.

12. FINANCIAL INSTRUMENTS

The Company does not undertake hedging activities on behalf of itself or any other companies within the Group. Financial instruments in the Company primarily take the form of loans to subsidiary undertakings.

13. GUARANTEES

The reorganization from Bermuda to Ireland became effective on 1 July 2009, at which time Ingersoll-Rand plc replaced Ingersoll-Rand Company Limited ("IR-Limited") as the ultimate parent company. Concurrently with the completion of the Reorganization, IR-Limited completed the transfer of all the outstanding shares of Ingersoll-Rand Global Holding Company Limited ("IR-Global") to Ingersoll-Rand International Holding Limited ("IR-International"), another indirect subsidiary of IR-Limited incorporated in Bermuda, whereupon IR-International assumed the obligations of IR-Limited as an issuer or guarantor, as the case may be, under the indentures governing the Group's outstanding notes, medium-term notes and debentures.

IR plc and IR-Limited also fully and unconditionally guarantee the payment obligations of IR-International, IR-Global and Ingersoll-Rand Company ("IR-New Jersey"), a indirect subsidiary of IR-Limited incorporated in New Jersey, as the case may be, as the issuers of debt securities under these indentures. Neither IR plc nor IR-Limited intends to issue guarantees in respect of any indebtedness incurred by Trane. In addition, any securities issued by IR-Limited that were convertible, exchangeable or exercisable into Class A common shares of IR-Limited are now convertible, exchangeable or exercisable, as the case may be, into the ordinary shares of IR plc. See Note 23 of the consolidated financial statements for disclosure of the debt and credit facilities related to the Group.

The Company has guaranteed borrowings of group undertakings of $120.5 million (2010: nil).

14. CONTINGENCIES

In order to avail of the exemption contained in Section 17 of the Companies (Amendment) Act, 1986, the parent Company, Ingersoll-Rand plc, has guaranteed the liabilities of its subsidiary undertakings registered in Ireland. As a result, the subsidiary undertakings have been exempted from the provisions of Section 7 of the Companies (Amendment) Act, 1986. Details of the Group's principal subsidiaries have been included at Note 37 to the consolidated financial statements. The Irish subsidiaries of the Group covered by the Section 17 exemption are Ingersoll-Rand Irish Holdings, Spanashview, Thermo King Ireland Limited, Thermo King European Manufacturing Limited, Thermo King Services Limited, and Ingersoll-Rand International Limited.

15. RELATED PARTY TRANSACTIONS

The Company has not disclosed any related party transactions as it has availed of the exemption available under the provisions of FRS 8 'Related Party Disclosures' 3 (c) which exempts disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by a member of that group.

16. APPROVAL OF FINANCIAL STATEMENTS

The Company financial statements were approved by the Board of Directors of the Company on 4 April 2012.