

Ingersoll-Rand plc  
Form 10-Q  
August 05, 2010  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2010

or

**.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-34400

**INGERSOLL-RAND PLC**

*(Exact name of registrant as specified in its charter)*

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**Ireland**  
*(State or other jurisdiction of  
incorporation or organization)*

**98-0626632**  
*(I.R.S. Employer  
Identification No.)*

**170/175 Lakeview Dr.**

**Airside Business Park**

**Swords, Co. Dublin**

**Ireland**

*(Address of principal executive offices)*

**+(353) (0) 18707400**

*(Registrant's telephone number, including area code)*

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES  NO

The number of ordinary shares outstanding of Ingersoll-Rand plc as of July 30, 2010 was 322,818,986.

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**INGERSOLL-RAND PLC**

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**Table of Contents****PART I - FINANCIAL INFORMATION****Item 1. Financial Statements****INGERSOLL-RAND PLC****CONDENSED CONSOLIDATED INCOME STATEMENT****(Unaudited)**

<i>In millions, except per share amounts</i>	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Net revenues	\$ 3,703.4	\$ 3,451.7	\$ 6,639.0	\$ 6,369.6
Cost of goods sold	(2,655.8)	(2,515.5)	(4,811.5)	(4,702.7)
Selling and administrative expenses	(664.6)	(677.1)	(1,306.5)	(1,348.4)
Operating income	383.0	259.1	521.0	318.5
Interest expense	(71.1)	(81.8)	(142.1)	(149.1)
Other, net	11.2	2.8	19.9	15.9
Earnings (loss) before income taxes	323.1	180.1	398.8	185.3
Benefit (provision) for income taxes	(60.9)	(34.4)	(115.7)	(46.8)
Earnings (loss) from continuing operations	262.2	145.7	283.1	138.5
Discontinued operations, net of tax	(60.3)	(18.1)	(75.1)	(32.8)
Net earnings (loss)	201.9	127.6	208.0	105.7
Less: Net earnings attributable to noncontrolling interests	(5.5)	(5.5)	(10.1)	(10.4)
Net earnings (loss) attributable to Ingersoll-Rand plc	\$ 196.4	\$ 122.1	\$ 197.9	\$ 95.3
<b>Amounts attributable to Ingersoll-Rand plc ordinary shareholders:</b>				
Continuing operations	\$ 256.7	\$ 140.1	\$ 273.0	\$ 128.1
Discontinued operations	(60.3)	(18.0)	(75.1)	(32.8)
Net earnings (loss)	\$ 196.4	\$ 122.1	\$ 197.9	\$ 95.3
<b>Earnings (loss) per share attributable to Ingersoll-Rand plc ordinary shareholders:</b>				
<b>Basic:</b>				
Continuing operations	\$ 0.79	\$ 0.44	\$ 0.84	\$ 0.40
Discontinued operations	(0.18)	(0.06)	(0.23)	(0.10)
Net earnings (loss)	\$ 0.61	\$ 0.38	\$ 0.61	\$ 0.30
<b>Diluted:</b>				
Continuing operations	\$ 0.76	\$ 0.43	\$ 0.81	\$ 0.39
Discontinued operations	(0.18)	(0.05)	(0.22)	(0.10)
Net earnings (loss)	\$ 0.58	\$ 0.38	\$ 0.59	\$ 0.29

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<b>Weighted-average shares outstanding</b>				
Basic	323.8	320.8	323.2	320.6
Diluted	339.1	325.0	337.8	323.4
<b>Dividends declared per ordinary share</b>	\$ 0.07	\$	\$ 0.14	\$ 0.36

*See accompanying notes to condensed consolidated financial statements.*

**Table of Contents****INGERSOLL-RAND PLC****CONDENSED CONSOLIDATED BALANCE SHEET****(Unaudited)**

<i>In millions</i>	<b>June 30, 2010</b>	<b>December 31, 2009</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 821.6	\$ 876.7
Accounts and notes receivable, net	2,821.5	2,094.2
Inventories	1,429.5	1,183.6
Other current assets	678.0	635.7
Assets held for sale	31.1	73.3
<b>Total current assets</b>	<b>5,781.7</b>	<b>4,863.5</b>
Property, plant and equipment, net	1,783.9	1,894.9
Goodwill	6,446.7	6,606.0
Intangible assets, net	4,925.6	5,042.8
Other noncurrent assets	1,419.4	1,583.8
<b>Total assets</b>	<b>\$ 20,357.3</b>	<b>\$ 19,991.0</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,421.9	\$ 1,065.3
Accrued compensation and benefits	482.1	489.7
Accrued expenses and other current liabilities	1,969.2	1,521.4
Short-term borrowings and current maturities of long-term debt	975.2	1,191.7
Liabilities held for sale	29.1	29.5
<b>Total current liabilities</b>	<b>4,877.5</b>	<b>4,297.6</b>
Long-term debt	2,909.9	2,904.9
Post employment and other benefit liabilities	1,923.6	1,954.2
Deferred and noncurrent income taxes	1,809.4	1,930.3
Other noncurrent liabilities	1,657.3	1,698.3
<b>Total liabilities</b>	<b>13,177.7</b>	<b>12,785.3</b>
Temporary equity	23.4	30.0
Shareholders' equity:		
Ingersoll-Rand plc shareholders' equity:		
Ordinary shares	322.6	320.6
Capital in excess of par value	2,423.8	2,347.6
Retained earnings	4,990.7	4,837.9
Accumulated other comprehensive income (loss)	(685.7)	(434.3)
<b>Total Ingersoll-Rand plc shareholders' equity</b>	<b>7,051.4</b>	<b>7,071.8</b>
Noncontrolling interests	104.8	103.9
<b>Total shareholders' equity</b>	<b>7,156.2</b>	<b>7,175.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 20,357.3</b>	<b>\$ 19,991.0</b>

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*See accompanying notes to condensed consolidated financial statements.*

**Table of Contents****INGERSOLL-RAND PLC****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****(Unaudited)**

<i>In millions</i>	Six months ended June 30,	
	2010	2009
<b>Cash flows from operating activities:</b>		
Net earnings (loss)	\$ 208.0	\$ 105.7
(Income) loss from discontinued operations, net of tax	75.1	32.8
Adjustments to arrive at net cash provided by (used in) operating activities:		
Depreciation and amortization	222.4	203.2
Stock settled share-based compensation	34.5	36.6
Changes in other assets and liabilities, net	(260.8)	491.2
Other, net	15.7	50.1
Net cash provided by (used in) continuing operating activities	294.9	919.6
Net cash provided by (used in) discontinued operating activities	(36.1)	(40.2)
<b>Cash flows from investing activities:</b>		
Capital expenditures	(72.3)	