HUSSMANN INTERNATIONAL INC

FORM SC TO-C
(Written communication relating to an issuer or third party)

Filed 5/12/2000

<table>
<thead>
<tr>
<th>Address</th>
<th>12999 ST CHARLES ROCK RD BRIDGETON, Missouri 63044-2483</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone</td>
<td>314-291-2000</td>
</tr>
<tr>
<td>CIK</td>
<td>0001046128</td>
</tr>
<tr>
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</table>
SCHEDULE TO
Tender Offer Statement
Under Section 14(d)(1) or 13(e)(1) of the Securities Exchange Act of 1934

Hussmann International, Inc.
(Name of Subject Company)

Ingersoll-Rand Company

IR Merger Corporation
(Names of Filing Persons (“Offerors”))

Common Stock, par value $.001 per share
(Title of Class of Securities)

448110106
(CUSIP Number of Class of Securities)

Patricia Nachtigal, Esq.
Vice President and General Counsel
Ingersoll-Rand Company
P.O. Box 8738
Woodcliff Lake, New Jersey 07675
(201) 573-0123
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copy to:

James M. Cotter, Esq.
Mario A. Ponce, Esq.
Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017-3954
(212) 455-2000

CALCULATION OF FILING FEE

<table>
<thead>
<tr>
<th>TRANSACTION VALUATION</th>
<th>AMOUNT OF FILING FEE</th>
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Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:

Form or Registration No:

Filing Party:

Date Filed:

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

☐ third-party tender offer subject to Rule 14d-1. ☐ issuer tender offer subject to Rule 13e-4. ☐ going-private transaction subject to Rule 13e-3. ☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐
INGERSOLL-RAND TO ACQUIRE HUSSMANN INTERNATIONAL FOR $1.83 BILLION

ACQUISITION EXPECTED TO BE IMMEDIATELY ACCRETIVE TO EARNINGS IN 2000 BY TWO TO FIVE CENTS PER SHARE

ACCELERATES GROWTH OPPORTUNITIES FOR IR IN GLOBAL CLIMATE CONTROL

Woodcliff Lake, NJ, and Bridgeton, MO, May 12, 2000 - Ingersoll-Rand Company (NYSE:IR), a leading diversified industrial firm, today announced that it has signed a definitive agreement to expand its global climate control business by acquiring Hussmann International, Inc. (NYSE:HSM), the world's leading manufacturer of food-store equipment and commercial refrigeration products. IR expects the acquisition to be immediately accretive to earnings per share by two to five cents for the year ending December 31, 2000, and by 15 to 20 cents in 2001, the first full year of combined operations. In addition, the company expects to achieve a return on invested capital of 15% from this transaction by 2004.

The transaction is valued at approximately $1.83 billion, including the assumption of approximately $275 million of debt. Under terms of the definitive merger agreement, which has been approved by the boards of directors of both companies, IR will pay $29.00 in cash for each of Hussmann's approximately 50.6 million common shares and will redeem all outstanding Hussmann stock options. The agreement provides for an all-cash tender offer by a subsidiary of IR for all of Hussmann's outstanding shares of common stock to commence within five business days. The tender is expected to close before June 30, and is subject to the valid tender of at least a majority of the outstanding Hussmann shares, on a fully diluted basis, and to customary government filings and other customary conditions.

Hubert L. Henkel, Ingersoll-Rand chairman, president and chief executive officer, said, "The acquisition of Hussmann International significantly expands IR's presence in climate control, which is one of our four key global growth sectors. It perfectly fits the long-term business plan we have communicated to our shareholders, the investment community and our employees."

He continued: "Hussmann's organic growth rate of 6% to 8% per year is consistent with the revenue growth targets we have established for IR overall through the year 2004. We expect this growth to be driven by several key factors and trends, such as consumer demand for fresh, frozen and prepared foods and beverages, as well as the consolidation of grocery chains, both of which are causing extensive store remodeling. We also are enthusiastic about the opportunity to meet the needs of the emerging e-grocer segment through our combined Thermo King and Hussmann offerings."

Henkel added: "The combination of our existing Thermo King solution set for refrigerated food transport with the Hussmann product range creates a one-stop resource in the $25 billion global 'cold chain' that can provide products and services for the storage, transportation and retailing of food. In addition, Hussmann's extensive international manufacturing assets provide the capacity to serve the growing European, Asian and Latin American markets. By sharing these manufacturing facilities on a global scale, we can reduce the need for capital expenditures that would otherwise have been required for the global expansion of our climate control operations."

He concluded: "On a combined basis, our climate control operations will have revenues of approximately $2.8 billion by 2001. We expect the profitable growth of this business to be enhanced as we realize cumulative operating synergies of more than $100 million by 2003. The
expected synergies should include purchasing and procurement savings generated by increased volume and improvements in manufacturing, general and administrative costs. Also, we will quickly and cost-efficiently complete our planned international expansion in the climate control business by building on Hussmann's existing worldwide manufacturing capabilities.

"As a result of these expected efficiencies, we are confident that the climate control sector will achieve IR's company-wide targeted goal for operating margins of 15% and will help solidify our overall EPS growth goal of 15% in 2001 and beyond. Furthermore, the immediately accretive nature of this transaction reinforces our forecast of achieving diluted earnings per share of around $4.00 for 2000."

J. Larry Vowell, Hussmann International president and chief executive officer, said, "Hussmann's board of directors has unanimously approved the merger agreement and agreed to recommend the tender offer to Hussmann shareholders. The $29.00 offer price represents a significant premium over our closing price today. In addition to the transaction being an excellent one for our shareholders, we are pleased to be joining a diversified industrial leader such as IR and are excited about the possibilities for growth that this new relationship offers Hussmann International, our people and our customers. As the company that pioneered the first refrigerated displays for perishables in food retailing, Hussmann is highly respected for providing innovative solutions to help our customers store and market fresh and prepared foods. By linking our experience and capabilities with IR's leadership in refrigerated transport solutions, we are confident that we will be able to capitalize on the increasing global opportunities associated with food infrastructure, distribution, and preservation needs."

Based just outside St. Louis in Bridgeton, Missouri, Hussmann International is the leader in the design, production, installation and service of merchandising and refrigeration systems for the global food industry with 1999 sales of $1.3 billion. The company has a global presence with approximately 29% of its revenues generated outside the United States and Canada.

The company operates 25 manufacturing facilities in nine countries: Australia, Brazil, Canada, China, Mexico, New Zealand, Spain, the United Kingdom and the United States. Hussmann International employs approximately 9,100 people and distributes and services its products through a worldwide network that reaches 80 countries in North America, Latin America, Europe, the Middle East, Africa, and Asia Pacific.

Hussmann International designed the first meat display case in 1917 and the first frozen food case for Clarence Birdseye in 1933. Today, Hussmann offers a variety of products, including refrigerated and non-refrigerated display merchandisers, refrigeration systems and controls, beverage coolers, air handlers, evaporative condensers, heat exchange coils, and walk-in storage coolers and freezers.

IR's Thermo King unit, acquired in October 1997, is the leader in providing transport temperature control equipment used in the delivery of fresh foods and other perishables throughout the world. It had revenues of approximately $1.2 billion in 1999.

Financial advisors for the transaction are Goldman Sachs for IR, and Credit Suisse First Boston for Hussmann.

Ingersoll-Rand is a major diversified industrial equipment and components manufacturer serving the global growth markets of Climate Control, Industrial Productivity, Infrastructure

This news release includes "forward-looking statements" that involve risks and uncertainties. Political, economic, climatic, currency, tax, regulatory, technological, competitive and other factors could cause actual results to differ materially from those anticipated in the forward-looking statements. Additional information regarding these risk factors and uncertainties is detailed from time to time in the company's SEC filings, including but not limited to its report on Form 10-Q for the quarter ended March 30, 2000.

###

Hussmann International, Inc., shareholders are advised to read the tender offer statement regarding the acquisition of Hussmann International, Inc., referenced in this press release, which will be filed by IR Merger Corporation and Ingersoll-Rand Company with the U.S. Securities and Exchange Commission and the related solicitation/recommendation statement which will be filed by Hussmann International, Inc., with the Commission. The tender offer statement (including an offer to purchase, letter of transmittal and related tender offer documents) and the solicitation/recommendation statement will contain important information which should be read carefully before any decision is made with respect to the offer. These documents will be made available to all shareholders of Hussmann International, Inc., at no expense to them, by contacting the information agent, Georgeson Shareholders Communications Inc. Shareholders in the U.S. and Canada please call (800) 223-2064; shareholders outside the U.S. and Canada please call collect 011-44-207-335-7296. These documents also will be available at no charge at the SEC's website at www.sec.gov.
May 12, 2000; 8:30 a.m.
Good morning.

Today we are proud to discuss our acquisition of Hussmann International, the first major acquisition accomplished as part of the long-term strategic growth plan that we have shared with you previously. There are several reasons why this acquisition is a perfect fit within our strategic growth plan. I’d like to highlight a few:

o First, the acquisition of Hussmann International, combined with our Thermo King unit, will make IR a world leader in the climate control market. This transaction creates a one-stop resource in the $25 billion global ‘cold chain’ for products and services used in the storage, transportation and retailing of food.

o Second, the acquisition meets all of our acquisition criteria. It will be immediately accretive to earnings in 2000.

o Third, we will be able to realize significant synergies through our total climate control sector. It is important to note that the synergies generated from this transaction are not exclusive to Hussmann and will be gained throughout the entire climate control sector. The sharing of resources will reduce the need for capital expenditures that would otherwise have been required for the global expansion of our climate control operations; and

o Fourth, we expect to achieve a return on invested capital of 15% from the transaction by 2004.

You will recall that last November we presented our long-range plan for achieving key growth rate and profitability targets. We said this plan would be accomplished by a combination of organic growth and acquisitions. I am pleased to say that the acquisition of Hussmann will significantly contribute to our ability to reach our targets.

[NEXT SLIDE (4)]

By now you know that we have reorganized IR in four distinct sectors fully focused on the global markets they serve.

Moving away from our previous structure of product driven businesses, our new structure reflects a major focus framed in terms of four global growth areas: Climate Control, Industrial Productivity, Infrastructure Development and Security and Safety.
Today, we are going to talk primarily about one global growth market, climate control, and our enhanced capabilities and opportunities in that market. Since 1997, we have served the climate control market through Thermo King, which is the leader in transport refrigeration equipment.

As you can see from this slide, before the acquisition of Hussmann, in the climate control market we only participated in the movement of perishable goods as represented in the red boxes. However, the cold chain includes the entire process involved in taking perishable goods from harvest to the consumer. As a result we aggressively focused on the opportunity in the blue areas, or the storage and display of perishable goods.

And here's why. By regarding the entire cold chain as the market we serve--as opposed to just the transportation of perishable goods, we dramatically increase our market opportunity from $5 billion to $25 billion.

Clearly, Hussmann fits the requirements of our long-term strategy in the climate control market. It has world leading products for the display case segment and for refrigerated warehousing and distribution. With Hussmann, we will be able to provide our customers in stationary or transportation applications with one stop shopping for their temperature control needs.

Hussmann is a world leader and global provider of refrigeration products and services. Sales were $1.3 billion in 1999. The company manufactures, sells, installs and services merchandising and refrigerator systems for the world's commercial food industry and retail outlets.

Hussmann's major worldwide markets include supermarkets, convenience stores and food retail warehouses.
These markets represent significant long-term growth. For the past five years, there have been several significant growth drivers in the display case market. Supermarkets and convenience stores have accelerated their expansion by opening new stores, remodeling their facilities and modernizing their equipment, partially in response to increased competition from new store formats.

Refrigerated display cases are being installed to address growing consumer demand for fresh, prepared and ready to eat products. The popularity of the home meal replacement trend is accelerating the growth. Internet-enabled electronic grocers will also require Hussmann commercial refrigeration equipment for warehouses in order to serve this new segment. This trend also fits with Thermo King, which will provide the equipment for home delivery of perishable and frozen foods.

In addition, more stringent federal and state environmental regulations on core product temperatures and sanitation are also fueling expansion and remodeling expenditures.

Overall, display case refrigeration is expected to have an organic growth rate that is between 5-9% due to ongoing grocery store consolidations and refurbishment.

Hussmann has historically been a leader in meeting customer needs in critical areas. First is product efficiency, which leads to low life-cycle costs. Most supermarkets operate on very tight margins and energy related to total cooling costs is a major cost component. It's estimated that 4% of all energy consumed in the U.S. is related to cooling foods. Other critical needs Hussmann's products meet include reliability, advanced product features, such as remote temperature monitoring, appealing merchandising units and flexibility of design, which is important to supermarket and convenience store applications.

Display cases are a major product line that serve supermarkets and convenience stores, including global and national chains as well as local retailers.

Here are some pictures of the display case products. Hussmann products are known for their visual appeal, an important point in merchandising, and solid energy efficient technology.
Hussmann is the technological leader in centralized commercial refrigeration systems. These systems, which include multi-compressor, automatic flow control systems and electronic controls, are generally located in the store's back room. In addition, Hussmann makes systems for the large, commercial, industrial refrigeration market and manufactures and installs walk-in storage coolers and freezers used for bulk storage and the storage of non-display items.

These commercial systems ensure the safe and efficient storage of food at consistent temperatures with a high degree of reliability.

For convenience stores Hussmann provides a wide range of products, such as sandwich merchandisers, salad bars, ice cream displays, reach-in cases, and walk-in coolers.

Display cases represent the largest product grouping, accounting for approximately about half of Hussmann's total revenues. Refrigeration systems for stores and warehouses is about 25%, and installation and service make up the balance.

This slide shows the geographic breakdown of sales with about 71% of sales in North America, 16% in Europe and 13% in the rest of the world.

The company is headquartered outside of St. Louis. Hussmann has 25 manufacturing facilities worldwide; nine which are owned; 16 leased. It also operates 55 service facilities, 39 of them owned and has 100 independent agents.

As you can see, Hussmann is a major worldwide player in its markets.

Hussmann has operations worldwide and is the market leader in North America and in the two largest markets in Latin America, Mexico and Brazil. It also has significant and growing positions in Europe and China. The international markets represent a significant long-term growth opportunity as countries develop infrastructures to meet their food distribution and preservation needs.

Retailers in Mexico and other Latin American countries are expanding and remodeling their stores to compete with U.S. and European chains entering their markets.
From '97 to '99 Hussmann's sales have grown at a compound annual rate of almost 10%; operating profit increased 18%; and they have had operating margins improved from 8.3 to 9.6%. We believe that through our corporate purchasing and cost reduction efforts, we will increase these margins to 15% by 2004.

In summary, the acquisition of Hussmann is consistent with our strategy in the Climate Control segment to expand beyond transportation to stationary refrigeration.

The purchase of Hussmann places us in the leadership position in North American where we have the #1 market share in the transport and stationary food refrigeration markets. We also have a strong platform to grow in quickly expanding overseas markets.

-- Hussmann's service network will also give us the ability to go beyond the equipment business.

-- Our customers, mainly food retailers, can now have a single source for transport and stationary refrigeration.

Now I'd like to turn the presentation over to Dave Devonshire who will review the financial aspects of this transaction.

We expect to realize cumulative operating synergies of more than $100 million by 2003 from the combined operations of Hussmann and Thermo King. We have only built in about $13 million in savings for 2000. These synergies will come from achieving efficiencies, rationalizing manufacturing facilities and streamlining and rationalizing overhead, logistics, R&D, etc. These synergies will come from the total climate control sector which will have sales of about $2.8 billion and which I emphasize includes BOTH Hussmann and Thermo King. Hussmann's worldwide manufacturing assets will also allow Thermo King to grow in markets like Mexico, Brazil and Spain with minimal capital expenditures.
We expect the transaction to contribute two to five cents to 2000 EPS. This is based on about $8.3 million of synergies after tax, offset by about $20 million of goodwill amortization and a $35.1 million of after tax interest expense.

We also expect at least 15 cents of additional earnings in 2001 as a result of this transaction.

As a note, Hussmann's earnings are usually back-end loaded with about two-thirds of annual earnings occurring in the second half of the year.

Our earnings forecast for the second half of 2000 is based on Hussmann’s earnings of approximately 98 cents per share or 4 cents per share above the current Street consensus of 94 cents. However, our forecast is about 13 cents below the current Hussmann internal management forecast of $1.11 per share for the last two quarters of 2000, so we do have some upside potential.

The transaction will temporarily take our total debt-to-capital ratio to 56%. After we complete the Dresser-Rand and IDP transactions, the ratio will fall to about 48%. We expect the debt-to-capital ratio to be about 43% by year-end 2000. Because of our strong cash generating capability, both Standard and Poors and Moodys have reaffirmed our debt ratings.

Now I'd like to provide an update of our earnings expectation for 2000. The earnings for Hussmann of two to five cents put us in the $3.98 to $4.12 range which is slightly above the range we reported during our first quarter conference call. Now I'll turn the presentation back to Herb Henkel.

Thanks, Dave.

As you can see, the Hussmann acquisition meets all the criteria we set:

-- it is accretive to earnings in the first full year;
-- it earns its cost of capital in three years, and
-- it achieves a ROIC of 15% by year five.
Similarly, Hussmann, including our derived synergies, fits our long term goals in revenue growth, operating margins, earnings growth, working capital to sales, cash flow and return on invested capital.

Hussmann will not only increase our growth rate but will also change the balance of Ingersoll-Rand's operations. By 2001, Climate Control will be our second largest sector, representing 29% of our sales. With the Hussmann acquisition, we have significantly improved our position in a growing global market sector while strengthening IR's position as a major diversified industrial company.

In closing, we are extremely enthusiastic about this acquisition. Hussmann perfectly fits our long-term strategy and our financial goals.

Thank you.

Now we will be pleased to take your questions.
FORWARD LOOKING STATEMENTS
THAT INVOLVE RISKS.

PLEASE REFER TO FIRST QUARTER 2000 FORM 10Q
FOR DETAILS ON FACTORS THAT INFLUENCE RESULTS.

================================= SAFE HARBOR =============================
TRANSACTION HIGHLIGHTS

- Creates one-stop resource in the $25 billion global "cold chain"
- Immediately accretive to earnings in 2000
- Realize significant synergies in entire IR Climate Control sector
- Achieve ROIC of 15% by 2004
FOUR GLOBAL GROWTH SECTORS

FOCUSED ON MARKETS SERVED...

- Climate Control
- Industrial Productivity
- Infrastructure Development
- Security and Safety
CLIMATE CONTROL

[GRAPHIC OMITTED]

[Included computerized graphic of the climate control transportation process.]
$25 BILLION "COLD CHAIN"

<table>
<thead>
<tr>
<th>End-Use</th>
<th>Retail</th>
<th>Transport</th>
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<tbody>
<tr>
<td>Food</td>
<td>Food</td>
<td>Large</td>
</tr>
<tr>
<td>Harvest</td>
<td>Processing</td>
<td>Warehousing</td>
</tr>
<tr>
<td>$2.0B</td>
<td>$2.0B</td>
<td>$2.0B</td>
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</table>

Transport $4.4B

Display Case $14.0B

Total Transport = $5.0B

Display Case is largest opportunity
A REDEFINED BUSINESS MODEL

[GRAPHIC OMITTED]

[Included bar chart showing growth in market opportunity from $5 billion to $25 billion.]
## DISPLAY CASE: STRATEGIC FIT WITH CURRENT BUSINESS

**HUSSMANN**

<table>
<thead>
<tr>
<th>Harvest Refrigeration</th>
<th>Refrigerated Transport</th>
<th>Whse Distrib Transport</th>
<th>Refrigeration</th>
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### Customer Value

**OPPORTUNITY FOR "ONE-STOP" SHOPPING**
[ Included photographs of merchandising and refrigeration systems. ]
HUSSMANN MARKET SERVED

- Supermarkets
- Convenience stores
- Warehouses
NORTH AMERICAN GROWTH: INDUSTRY TRENDS

- New store openings
- Remodeling and facility upgrades
- Increased consumer demand for fresh, prepared and ready-to-eat foods
- Internet home deliveries
- Equipment upgrades required for federal and state regulations

DEMAND GROWTH OF 5-9%
CRITICAL SUCCESS FACTORS TO MEET CUSTOMER NEEDS

- Low life-cycle costs
- Reliability
- Product features [GRAPHIC OMITTED]

- Merchandising capability [Included photograph of merchandising unit with remote control unit.]
- Flexibility to service unique customer needs
SUPERMARKET DISPLAYS

[GRAPHIC OMITTED]

[Included photographs of display cases.]
COMMERCIAL REFRIGERATION SYSTEMS

- Products/markets
  -- Compressors and systems for food display cases
  -- Large food processing and chilling plants
  -- Cold storage warehouses

[GRAPHIC OMITTED]

[Included photographs of refrigeration systems.]
[Included photographs of display cases.]
SALES BY PRODUCT 1999

[Included pie graph of sales by product in 1999.]

<table>
<thead>
<tr>
<th>Product</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Display Case</td>
<td>48%</td>
</tr>
<tr>
<td>Service/Distributor</td>
<td>24%</td>
</tr>
<tr>
<td>Refrigeration Systems</td>
<td>15%</td>
</tr>
<tr>
<td>Walk-in/Refrigerated Warehouse</td>
<td>13%</td>
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</table>
SALES BY REGION 1999

[GRAPHIC OMITTED]

[Included pie graph of 1999 sales by region.]

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>U.S. &amp; Canada</td>
<td>71%</td>
</tr>
<tr>
<td>Europe</td>
<td>16%</td>
</tr>
<tr>
<td>Mexico, Latin America, &amp; Asia Pacific</td>
<td>13%</td>
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</table>
[Included a map showing the location of Hussmann's facilities.]
[Included two bar graphs showing Hussmann's sales for 1997 to 1999 (9.5% CAGR) and operating profits for 1997 to 1999 (17.9% CAGR).]
STRATEGIC BENEFITS OF THE DEAL

- "Cold chain" expansion consistent with strategic plan
- Places IR in leadership position in "cold chain" in North America... Platform for growth internationally
- Hussmann service network key to leverage the complete value chain in stationary refrigeration
- Opportunity for "one-stop" shopping
### HUSSMANN TRANSACTION SUMMARY

<table>
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<tr>
<td>Per share price</td>
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<tr>
<td>Equity value</td>
<td>$ 1,555</td>
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<tr>
<td>Plus net debt</td>
<td>$ 277</td>
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<tr>
<td><strong>TOTAL COST</strong></td>
<td><strong>$ 1,832</strong></td>
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### SYNERGIES FROM TOTAL CLIMATE CONTROL SECTOR

#### $ MILLIONS

**CUMULATIVE OPERATING INCOME IMPACT**

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<tr>
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<th>2000</th>
<th>2001</th>
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<tr>
<td>Purchasing/Procurement</td>
<td>$ 9.0</td>
<td>$ 25.0</td>
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<tr>
<td>Manufacturing rationalization</td>
<td>--</td>
<td>$ 27.0</td>
</tr>
<tr>
<td>SG&amp;A Costs</td>
<td>4.0</td>
<td>15.0</td>
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<tr>
<td><strong>TOTAL PRE-TAX</strong></td>
<td>$ 13.0</td>
<td>$ 67.0</td>
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**TOTAL SAVINGS EXCEED $100 MILLION BY 2003**
## HUSSMANN PROFORMA IMPACT

### IR EPS 2000-2001 EPS

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
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<tbody>
<tr>
<td>o Sales</td>
<td>$ 711.0</td>
<td>$1,477.0</td>
</tr>
<tr>
<td>o Net Income</td>
<td>50.0</td>
<td>91.3</td>
</tr>
<tr>
<td>o Savings (A/T)</td>
<td>8.3</td>
<td>43.4</td>
</tr>
<tr>
<td>o Depr. &amp; Amort.</td>
<td>(19.9)</td>
<td>(39.7)</td>
</tr>
<tr>
<td>o Interest Exp. (A/T)</td>
<td>(35.1)</td>
<td>(70.2)</td>
</tr>
<tr>
<td>o Net Income</td>
<td>$ 3.3</td>
<td>$ 24.8</td>
</tr>
</tbody>
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EPS $ .02 $ .15
BALANCE SHEET

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<tr>
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<th>Proforma with Hussmann</th>
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<tbody>
<tr>
<td>TOTAL</td>
<td>45%</td>
<td>56%</td>
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<tr>
<td>WITHOUT D-R &amp; IDP</td>
<td>37%</td>
<td>48%</td>
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## 2000 Earnings Per Share Estimates

- **From operations**: $3.82 - 3.85
- **Bolt-on acquisitions**: $0.03 - 0.05
- **Productivity initiatives**: $0.08 - 0.12
- **Accelerated stock buyback**: $0.03 - 0.05

Total: $3.96 - 4.07

- **Hussmann acquisition**: $0.02 - 0.05, $3.98 - 4.12
## HUSSMANN MEETS ACQUISITION CRITERIA

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>HUSSMANN</th>
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<tr>
<td>o Accretive to earnings in first full year</td>
<td>2-5 cents accretive 2000</td>
</tr>
<tr>
<td></td>
<td>15-20 cents in 2001</td>
</tr>
<tr>
<td>o Cost of capital in year 3</td>
<td>11% in 2002</td>
</tr>
<tr>
<td></td>
<td>13% in 2003</td>
</tr>
<tr>
<td>o 15% ROIC by year 5</td>
<td>15% in 2004</td>
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HUSSMANN FITS LONG TERM GOALS

<table>
<thead>
<tr>
<th>GOALS</th>
<th>HUSSMANN</th>
</tr>
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<tbody>
<tr>
<td>o  Revenue growth 4-6%</td>
<td>-- Growth rate of 6-8%</td>
</tr>
<tr>
<td>o  Operating margin 15%</td>
<td>-- Currently 10%: Achieve 15% by 2004</td>
</tr>
<tr>
<td>o  Earnings growth 15%</td>
<td>-- Accretive in 2000: Adds 15-20 cents in 2001</td>
</tr>
<tr>
<td>o  W/cap to revenue below 10%</td>
<td>-- Currently 21%: Lower to corporate average of 9% by 2004</td>
</tr>
<tr>
<td>o  Free cash flow</td>
<td>-- Adds $40 million to FCF in 2001</td>
</tr>
<tr>
<td>- $500 million per year</td>
<td></td>
</tr>
<tr>
<td>o  ROIC 15%</td>
<td>-- Will achieve in 2004</td>
</tr>
</tbody>
</table>
Ingersoll-Rand's 2001 Sales

[GRAPHIC OMITTED]

[Included two pie graphs showing Ingersoll-Rand's 2001 sales both excluding ($8.6 billion) and including ($10.1 billion) Hussmann.]
[GRAPHIC OMITTED]

[Included computerized graphic of climate control transportation process.]

CLIMATE CONTROL