

Edgar Filing: TRANE INC. - Form 425

TRANE INC.  
Form 425  
December 18, 2007

Filed by Ingersoll-Rand Company Limited

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12 under

the Securities Exchange Act of 1934

Subject Company: Trane Inc.

Commission File No.: 1-11415

This filing contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements relating to anticipated financial and operating results, the companies' plans, objectives, expectations and intentions and other statements including words such as anticipate, believe, plan, estimate, expect, intend, will, should, may, similar expressions. Such statements are based upon the current beliefs and expectations of the management of Ingersoll-Rand Company Limited (IR) and Trane Inc. (Trane) and involve a number of significant risks and uncertainties. Actual results may differ materially from the results anticipated in these forward-looking statements. The following factors, among others, could cause or contribute to such material differences: failure to satisfy any of the conditions of closing, including the failure to obtain Trane stockholder approval; the risks that IR's and Trane's businesses will not be integrated successfully; the risk that IR and Trane will not realize estimated cost savings and synergies; costs relating to the proposed transaction; disruption from the transaction making it more difficult to maintain relationships with customers, employees, distributors or suppliers; the level of end market activity in IR's and Trane's commercial and residential market; weather conditions that could negatively or positively affect business and results of operations; additional developments which may occur that could affect the IR's or Trane's estimate of asbestos liabilities and recoveries; unpredictable difficulties or delays in the development of new product technology; fluctuations in pricing of our products, the competitive environment and related market conditions; changes in law or different interpretations of laws that may affect Trane's or IR's expected effective tax rate; increased regulation and related litigation; access to capital; and actions of domestic and foreign governments. Additional factors that could cause IR's and Trane's results to differ materially from those described in the forward-looking statements can be found in the 2006 Annual Report on Form 10-K of IR and the 2006 Annual Report on Form 10-K of Trane filed with the Securities and Exchange Commission (the SEC) and available at the SEC's Internet site (<http://www.sec.gov>). Neither IR nor Trane undertakes any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made.

This communication is being made in respect of the proposed merger transaction involving IR, Trane and Indian Merger Sub, Inc. In connection with the proposed transaction, IR will file with the SEC a registration statement on Form S-4 and Trane will mail a proxy statement/prospectus to its stockholders, and each will be filing other documents regarding the proposed transaction with the SEC as well. **BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** The final proxy statement/prospectus will be mailed to Trane's stockholders. Stockholders will be able to obtain a free copy of the proxy statement/prospectus, as well as other filings containing information about IR and Trane, without charge, at the SEC's Internet site (<http://www.sec.gov>). Copies of the proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the proxy statement/prospectus can also be obtained, without charge, by directing a request to Ingersoll-Rand Company Limited, P.O. Box 0445, 155 Chestnut Ridge Road, Montvale, NJ 07645 Attention: Investor

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Relations, (201) 573-0123, or to Trane Inc., One Centennial Avenue, Piscataway, NJ 08855 Attention: Investor Relations, (732) 980-6125.

IR, Trane and their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding IR's directors and executive officers is available in IR's proxy statement for its 2007 annual meeting of stockholders and IR's 2006 Annual Report on Form 10-K, which were filed with the SEC on April 23, 2007 and March 1, 2007, respectively, and information regarding Trane's directors and executive officers is available in Trane's proxy statement for its 2007 annual meeting of stockholders and Trane's 2006 Annual Report on Form 10-K, which were filed with the SEC on March 23, 2007 and February 26, 2007, respectively. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

The following is a presentation made to Trane employees on December 18, 2007.

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The Next Chapter in Our Success Story  
Global Town Hall Meeting

2  
Next Chapter of Success  
This  
filing  
contains  
forward-looking  
statements  
within  
the

meaning  
of  
the  
Private  
Securities  
Litigation  
Reform  
Act  
of  
1995.  
Such  
statements  
include,  
but  
are  
not  
limited  
to,  
statements  
relating  
to  
anticipated  
financial  
and  
operating  
results,  
the  
companies  
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objectives,  
expectations  
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anticipate,  
believe,  
plan,  
estimate,  
expect,  
intend,  
will,  
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and

other  
similar  
expressions.

Such statements are based upon the current beliefs and expectations of the management of Ingersoll-Rand Company Limited ( Trane ) and involve

a  
number  
of  
significant  
risks  
and  
uncertainties.

Actual  
results  
may  
differ  
materially  
from  
the  
results  
anticipated  
in  
these  
forward  
looking  
statements.

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contribute  
to  
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material  
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of  
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conditions  
of  
closing,  
including  
the

failure  
to  
obtain  
Trane  
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approval;  
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IR s  
and  
Trane s  
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IR  
and  
Trane  
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more  
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to  
maintain  
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employees,  
distributors  
or  
suppliers  
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and  
Trane s  
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and  
recoveries;



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difficulties  
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technology;  
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of  
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products,  
the  
competitive  
environment  
and  
related  
market  
conditions;  
changes  
in  
law  
or  
different  
interpretations  
of  
laws  
that  
may  
affect  
Trane's  
or  
IR's  
expected  
effective  
tax  
rate;  
increased  
regulation  
and  
related  
litigation;  
access  
to  
capital;

and  
actions  
of domestic and foreign governments.

Additional  
factors  
that  
could  
cause  
IR's  
and  
Trane's  
results  
to  
differ  
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date  
on  
which  
such  
statements  
were  
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This  
communication  
is  
being  
made  
in

respect  
of  
the  
proposed  
merger  
transaction  
involving  
IR,  
Trane  
and  
Indian  
Merger  
Sub,  
Inc.  
In  
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with  
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0445, 155 Chestnut Ridge Road, Montvale, NJ 07645 Attention: Investor Relations, (201) 573-0123, or to Trane Inc., One Cedar Brook Drive, Charlotte, NC 28217 Attention: Investor Relations, (732) 980-6125.

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directors  
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IR s  
proxy  
statement  
for  
its  
2007  
annual  
meeting  
of  
stockholders  
and  
IR s  
2006  
Annual  
Report  
on  
Form  
10-K,  
which  
were  
filed  
with  
the  
SEC  
on  
April  
23,  
2007  
and  
March  
1,  
2007,  
respectively,  
and  
information

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3  
Next Chapter of Success  
Agenda

Discuss today's news

Introduce Ingersoll Rand

Explore the strategic value of the combined company

Share our vision of the future together

Questions and answers

4  
Next Chapter of Success  
Combining two great  
companies to create  
a premier global  
diversified industrial  
company!  
Continuing our journeys . together

5

Next Chapter of Success

The transaction

Effective early 2008, pending shareholder approval and  
government clearances

All worldwide assets



All worldwide operations

Commercial and Residential businesses

6  
Next Chapter of Success  
Introduction to Ingersoll Rand

7

Next Chapter of Success  
Ingersoll Rand facts

Operate in every major  
geographic region

\$8+ billion diversified industrial company

~35,000 employees worldwide

80 manufacturing facilities  
worldwide

Strategic brands are #1 or #2 in their  
markets

8  
Next Chapter of Success  
Powerful market leading brands  
#1 N. America  
lock and door  
hardware  
#1 Worldwide  
golf cars  
#1 N. America

retail display  
cases  
#1 N. American  
service provider  
#1 Worldwide  
transport  
refrigeration  
#1 N. America  
air compressors,  
air tools  
#1 or #2 in Major Markets

9

Next Chapter of Success

Formative years

1871 Simon Ingersoll and the Rand  
brothers separately launch  
businesses based on new rock-drill  
technologies

1905

June 1 , Ingersoll-Sergeant

Drill Company merges with the Rand  
Drill Company to form Ingersoll-Rand  
Company

1906 Listed on the New York Stock  
Exchange

1910 Paid first annual dividends on  
common shares  
st



10  
Next Chapter of Success  
Hoover Dam  
A legacy of progress  
Panama Canal  
NY City  
Subway System  
  
Ports & harbors

Bridges

Tunnels

Roads & highways

Manufacturing

Petrochemical processing

Coal and precious mining production

Food & beverage production

Security

Electrical utilities

Agriculture

Construction

Major Engineering Projects

11  
Next Chapter of Success  
Charting a new course

Heavy Machinery

Deep Cyclical

Engineered Products

Product-centric

Match GDP Growth

Change Averse

Low Tech

Disconnected Businesses

Diversified Industrial

Balanced Across the Cycle

Commercial Businesses

Customer Focused

Outpacing Market Growth

Change Culture

Innovative, Visionary

Leveraged Enterprise

Old Ingersoll Rand

New Ingersoll Rand

12  
Next Chapter of Success  
Portfolio transformation 2000 through 2007

Strengthened core businesses

Divested non-core operations (\$6.5 Billion revenues)

Pumps

Bearings

Drills

Dresser-Rand

Road Development

Bobcat, Utility Equipment and Attachments

Made 65 acquisitions since 2000 (\$3 Billion revenues)

Trane represents a major milestone in our  
successful transformation

13  
Next Chapter of Success  
Earnings Per Share  
Cyclical Machinery  
Diversified Industrial  
-\$1.00  
-\$0.50  
\$0.00  
\$0.50

\$1.00

\$1.50

\$2.00

\$2.50

\$3.00

\$3.50

\$4.00

90

00

06

07

\$4.50

2007 FC

\$3.55-\$3.60

EPS Target:

12-15% YOY Growth

Improved Earnings Performance



14

Next Chapter of Success

Ingersoll Rand's values

Integrity

We act in the highest legal and ethical standards in everything we do.

Respect

We communicate and act in ways that respect and value the worth of all people, cultures, viewpoints and backgrounds.

Teamwork

We  
work  
together  
and  
share  
resources  
to  
provide  
greater  
value  
to  
our  
customers, employees, business partners and shareholders.

**Innovation**

We use our diverse skills, talents and ideas to develop innovative, imaginative and creative solutions to challenges.

**Courage**

We speak up for what is right and take measured risks so our company can thrive.

15  
Next Chapter of Success  
Ingersoll Rand's commitment  
We **inspire progress**  
by  
unleashing the potential in  
people and technologies.  
We help people tackle  
difficult challenges and

handle routine yet critical  
tasks with **efficiency and**

speed.

Our products and services  
enable customers to achieve  
real progress and **create a**

positive impact  
in their  
world.

A

Passion

for

Progress

16  
Next Chapter of Success  
Dramatic Growth  
by focusing on innovative solutions for our customers  
Operational Excellence...  
by  
pursuing  
continuous

improvement

in

all

our

operations

Dual Citizenship

by leveraging enterprise-wide strengths

We are dedicated to driving Shareholder Value by

achieving:

Ingersoll Rand's vision

17  
Next Chapter of Success

Innovation

Recurring Revenue Growth (Services and  
Aftermarket)

Acquisitions

Channel Development / Expansion

Dramatic Growth

Focused on pursuing global growth through four key areas of focus:



18

Next Chapter of Success

Formalized Business Operating  
System supporting continuous  
improvement

Optimizing processes using Lean  
Six Sigma tools

Enterprise Focus Areas driving  
repeatable results across business  
processes

Strategic Management

Global Leadership

Customer Value

Innovation

Life Cycle Management

World Class Operations  
Operational Excellence

19  
Next Chapter of Success  
Dual Citizenship

Sharing knowledge, best  
practices, and resources  
company-wide

Utilizing cross-business

councils in virtually all  
business disciplines

Promoting talent movement  
across business units,  
regions, and functions  
Enabling a One Ingersoll Rand  
Culture







20  
Next Chapter of Success  
Leadership  
College  
Sales  
College  
Marketing  
College  
Ingersoll Rand University  
Ingersoll Rand University  
Curriculum  
Curriculum  
Operational  
Excellence  
College  
Core Business Skills



21

Next Chapter of Success

Ingersoll Rand's business structure today

Climate Control

Technologies

Industrial

Technologies

Security

Technologies

Club Car  
(Golf Cars  
And Utility Vehicles)  
Hussmann  
(Stationary  
Refrigeration)  
Thermo King  
(Transport  
Refrigeration)  
Ingersoll Rand  
(Air Solutions, Tools,  
Energy Systems and  
Material Handling)  
Sectors  
Primary  
Brands &  
Businesses  
Multiple Brands  
(Exit  
Devices, Door  
Closers, Biometric  
Access Control,  
Integrated Systems)  
Schlage  
(Mechanical  
And Electronic Locks)

22

Next Chapter of Success

Global corporate and shared service operations

Dublin

Prague

Bangalore

Davidson

Montvale

Shanghai

23

Next Chapter of Success

Climate Control Technologies

2006 Revenues:

\$3.17 Billion

Employees:

12,300

Manufacturing

Locations:

25

Markets:

Supermarkets and convenience stores

Perishable-goods transportation

Bus and rail air conditioning

HVAC

Technologies to control the integrity of environments  
and perishable goods

24

Next Chapter of Success

Truck and trailer refrigeration

Auxiliary power units

Bus and rail air conditioning

Sea-going container  
refrigeration  
Climate Control Technologies

25

Next Chapter of Success

Refrigerated display cases

HVAC equipment

Light commercial service

Climate Control Technologies



26

Next Chapter of Success

All of the activities and processes necessary to preserve foods and perishables from their point of origin through their point of consumption or use.

Cold Chain

Food

Harvest

Vending &  
Logistics Mgmt  
End-Use  
Food Service  
End-Use  
Retail  
Large  
Warehousing  
Food  
Processing  
Transport  
Transport  
Transport

27

Next Chapter of Success

Technologies to improve the productivity, efficiency, and  
profitability of commercial and industrial operations

2006 Revenues:

\$2.58 Billion

Employees:

8,800

Manufacturing

Locations:

23

Markets:

Manufacturing processes

Industrial operations

Golf and recreation

Energy management

Industrial Technologies

28

Next Chapter of Success

Tools and material-handling equipment

Air and gas compressors

Golf cars and utility vehicles

Microturbines  
Industrial Technologies

29

Next Chapter of Success

Technologies to enhance the security and safety of residential, commercial and institutional properties, protect assets and improve workplace productivity

2006 Revenues:

\$2.29 Billion

Employees:

11,800

Manufacturing

Locations:

33

Markets:

Residential and multi-family housing

Commercial, institutional and government  
facilities

DIY, Big-box

Architectural design and remodeling  
Security Technologies



30

Next Chapter of Success

Mechanical and electronic locks

Biometric and access control technologies

Security and scheduling software

Security integration and services  
Security Technologies

31

Next Chapter of Success  
The combined company

\$17 billion in projected annual revenues; \$11+ billion  
revenues in the global climate control market

Expanded product and service offerings for climate control  
markets

Increased scale and global presence

Enhanced innovation and new product development capabilities

Stronger competitive position in our markets

32

Next Chapter of Success

A strong strategic fit

A leading climate control business for the 21  
century

Shared industry expertise

Commitment to leadership in climate control markets

Complementary products and services with no overlap

Both market leaders in respective core products

Similar heritage of innovation and success

Prepared to meet the growing global demand for climate control solutions

st

33

Next Chapter of Success  
Complementary products

Air conditioning systems and services

Building controls

Commercial and residential HVAC

Truck, trailer and sea container refrigeration equipment

Refrigerated retail displays and stationary refrigeration

Bus and rail HVAC



34

Next Chapter of Success

Expanding customer value

Broader line of products and services

End-to-end solutions across the cold chain

Expanded global presence

Positioned to participate in emerging-market growth

Enhanced service network

Immediate opportunities in light-commercial services

Broader technology base to drive innovation

Climate quality, energy efficiency, alternative refrigerants

35  
Next Chapter of Success  
The new Ingersoll Rand  
Climate Control  
Technologies  
Industrial  
Technologies  
Security  
Technologies

Trane

Residential

Trane

Commercial

~\$11 Billion

~\$3 Billion

~\$3 Billion

\*2008 Pro Forma

36

Next Chapter of Success

What to expect

Operate Commercial and Residential businesses as  
separate units within Ingersoll Rand

Run corporate and shared service functions consistent with  
Ingersoll Rand's multi-site approach

Identify cross-selling and service revenue synergies

Identify material, supplier, procurement, manufacturing and administrative efficiencies

Communicate frequently using multiple channels and methods

37

Next Chapter of Success  
What's next?

Shareholder approval

Government reviews

Transition period

Joint integration teams



Creating a  
premier global organization!