

TRANE INC.
Form 8-K
January 29, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): January 29, 2008 (January 25, 2008)

TRANE INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-11415
(Commission File No.)

13-3465896
(I.R.S. Employer
Identification No.)

One Centennial Avenue, P.O. Box 6820, Piscataway, NJ
(Address of principal executive offices)

08855-6820
(Zip Code)

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Registrant's telephone number, including area code: (732) 980-6000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.02 Termination of a Material Definitive Agreement.

On January 25, 2008, Trane Inc. (the Company), as borrower agent for its wholly-owned subsidiaries, Trane U.S. Inc. and Trane International Inc. and certain foreign subsidiary borrowers, sent a notice to JP Morgan Chase Bank, N.A. terminating the \$500 million multi-currency 364-day unsecured revolving credit agreement (the 364-Day Facility), dated as of May 31, 2007, with the lenders and agent banks party thereto, including JPMorgan Chase Bank, N.A., as Administrative Agent and Swingline Lender, J.P. Morgan Europe Limited, as London Agent, Bank of America, N.A., as Syndication Agent, and BNP Paribas, Citibank, N.A. and Mizuho Corporate Bank, Ltd., as Document Agents. The termination will be effective on January 30, 2008. As of January 25, 2008, no amounts were drawn under the 364-Day Facility, which was scheduled to expire on May 28, 2008. No early termination penalties were incurred by the Company as a result of the termination.

Item 2.02 Results of Operations and Financial Condition.

On January 29, 2008, the Company issued a press release reporting its results for the quarter and year ended December 31, 2007 and provided its forward-looking outlook for the Company's first quarter and fiscal year ending December 31, 2008. The press release, which is attached as Exhibit 99.1, and the information included in Item 7.01 of this Form 8-K are incorporated herein by reference. The projections constituting the outlook included in the release involve risks and uncertainties, the outcome of which cannot be foreseen at this time and, therefore, actual results may vary materially from these forecasts. In this regard, see the information included below under the caption Information Concerning Forward-Looking Statements.

The information in the earnings release and in this Item 2.02 is furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. Such information may be incorporated by reference in another filing under the Securities Exchange Act of 1934 or the Securities Act of 1933 only if and to the extent such subsequent filing specifically references such information.

The earnings release contains non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of a registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally acceptable accounting principles in the United States. Pursuant to the requirements of Regulation G, the Company has provided reconciliations of the non-GAAP financial measures to the most comparable GAAP financial measures set forth in the earnings release on the Statement of Operations, Reconciliation of Income from Continuing Operations to Adjusted Income from Continuing Operations, Reconciliations of Income from Continuing Operations to Adjusted Income from Continuing Operations Per Diluted Common Share, the Data Supplement Sheet and the Reconciliations of Net Cash Provided by Operating Activities to Free Cash Flow attached to the earnings release.

Item 7.01 Regulation FD Disclosure

On January 29, 2008, the Company issued a press release announcing its results for the quarter and year ended December 31, 2007 and provided its forward-looking outlook for the Company's first quarter and fiscal year ending December 31, 2008. The press release, which is attached as Exhibit 99.1, and the information included in Item 2.02 of this Form 8-K are incorporated herein by reference.

The information in the press release and this Item 7.01 is furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. Such information may be incorporated by reference in another filing under the Securities Exchange Act of 1934 or the Securities Act of 1933 only if and to the extent such subsequent filing specifically references the information incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

The following exhibits are filed or furnished as part of this Report to the extent described in Item 2.02 and Item 7.01.

(d) *Exhibits*

99.1 Press Release, dated as of January 29, 2008.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this report, and the exhibit attached hereto, including, without limitation statements as to management's good faith expectations and beliefs concerning future developments are forward-looking statements. Forward-looking statements can be identified by the use of words such as believe, expect, plans, strategy, prospects, estimate, project, anticipate, intends and other similar words having that meaning. Forward-looking statements which are based on management's good faith expectations and beliefs concerning future developments and their potential effect upon the Company. There can be no assurance that future developments will be in accordance with management's good faith expectations or that the effect of future developments on the Company will be those anticipated by management. Actual results may differ materially from these expectations as a result of many factors including (i) pricing changes to materials used to produce products and the ability to offset those changes through price increases, (ii) changes in U.S. or international economic conditions, such as inflation and interest rate and exchange rate fluctuations, (iii) the actual level of construction activity in the Company's end-markets, (iv) periodic adjustments to accruals for contingent liabilities, including accruals associated with litigation matters, government investigations, asbestos liabilities and asbestos insurance recoveries, and (v) the amount and timing of operational consolidation expenses and gains or losses on asset sales and tax items. Additional factors that could cause actual results to differ materially from expectations are set forth in the company's 2006 Annual Report on Form 10-K and in the Management's Discussion and Analysis section of the company's Quarterly Reports on Form 10-Q. In addition, there are risks and uncertainties relating to the sale of the Company to Ingersoll-Rand Company Limited, including the failure to obtain approval by the Company's shareholders or the failure to satisfy any of the other conditions to closing, costs relating to the proposed transaction, and disruption from the transaction making it more difficult to operate the business prior to closing of the transaction and to maintain relationships with customers, employees, distributors or suppliers. The Company does not undertake any obligation to update any forward-looking statements after the date on which such statements are made.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRANE INC.

By: /s/ Brad M. Cerepak

Name: Brad M. Cerepak

Title: Vice President and Controller

DATE: January 29, 2008