



Ingersoll Rand to Describe Progress of Global Growth Strategy at the Sanford C. Bernstein Strategic Decisions Conference

Hamilton, Bermuda, June 1, 2006—Ingersoll-Rand Company Limited's (NYSE:IR) chairman, president and chief executive officer Herbert L. Henkel will describe the company's progress in implementing its strategy to generate strong, consistent and sustained growth during the Sanford C. Bernstein Strategic Decisions Conference, to be held today in New York, NY.

"In recent years, we have built a business able to consistently meet or make strong progress toward our targets for earnings per share, revenues, cash flow and return on invested capital," said Henkel, speaking prior to the conference. "Strength in our end markets, and our emphasis on innovation, high quality acquisitions, profitable recurring revenue streams and operational excellence have contributed to the consistently strong operating and financial performance we have delivered the past several financial quarters. To continue our progress, we will devote greater resources to initiatives that will promote the sustained growth of our business in all economic conditions."

Earlier this year, the company announced it will increase investments in growth initiatives by \$80 million while stepping up capital expenditures, to a range of \$175 million to \$200 million, compared to last year. These initiatives include:

- **Innovations:** "Developing innovative products and services that help our customers achieve their business goals is the foundation of our business success and a key factor in our continuing strong growth." During the past three years, the company has introduced new products that together will generate more than \$1 billion in revenue in 2006. With the objective to introduce new innovations through each of its five business sectors over the next five years, the company's investments in innovation in 2006 include plans to build a new product development and engineering center in Bangalore, India, and expand the capabilities of an existing engineering center outside Prague.
- **Acquisitions:** "Our goal is to acquire businesses that provide market-leading technologies and greater access to high-growth emerging markets. Nevertheless, we will remain disciplined to ensure that acquisitions meet our criteria for immediate return on investment." The company intends to invest \$400 million in acquisitions in 2006.
- **Global Growth:** "Emerging markets represent a significant growth opportunity for each of our five business sectors. Many of the businesses that we have acquired in recent years operate and serve markets in Asia Pacific, Latin America and other geographic regions exhibiting strong market demand for our diverse range of products and services. In 2006, we intend to invest in developing markets for these acquired businesses. We also intend to grow distribution channels for our Bobcat, pneumatic tools and air compressor businesses in emerging markets, such as Asia Pacific, where these businesses are already well established and positioned for greater growth."

In addition to its growth investments, the company also is focused on maximizing efficiency, primarily through the implementation of lean and six sigma, governed by Ingersoll Rand's unique Business Operating System. "As we deploy this system across our global operations, we expect to largely offset the impact of higher material, transportation and energy costs." For the first quarter 2006, the company's operating income of \$341.1 million increased by 15% while operating margins increased by half a percentage point to 12.6% compared to last year's first quarter. "Our strategy and business structure is creating substantial opportunities for consistent and sustained revenue and earnings growth and greater shareholder value. We believe we possess the business strength and characteristics to continue to grow total revenues by 8% to 12%, operating margins by 15% and earnings per share by 12% to 15% each year in various economic conditions."

On April 21, the company projected it would generate record earnings and revenues for 2006, and raised its forecast for full-year diluted earnings per share to a range of \$3.42 to \$3.52. The company also reported that for 2006 it now expects to generate \$850 million to \$900 million in available cash flow, which is equal to cash flow from operating activities and discontinued operations, excluding voluntary pension contributions, minus capital expenditures.

To view the presentation to be given during the conference, please refer to:

<http://www.ingersollrand.com/investorrelations/analysts>.

Ingersoll Rand is a leading diversified industrial company providing products, services and integrated solutions to industries ranging from transportation and manufacturing to food retailing, construction, and agriculture. With a 135-year-old heritage of technological innovation, we help companies worldwide to be more productive, efficient and innovative. In every line of our business, Ingersoll Rand enables companies and their customers to create progress. For more information, visit www.ingersollrand.com.

This news release includes "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 with respect to our financial condition, results of operations and business. These statements are based on currently available information and are based on our current expectations and projections about future events. These statements are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements.

These risks and uncertainties include, but are not limited to: fluctuations in the condition of, and the overall political landscape of, the economies in which we operate; our competitive environment; material changes in technology or technology substitution; our ability to attract, train and retain highly-qualified employees; unanticipated climatic changes; changes in governmental regulation; the costs and effects of legal and administrative proceedings; changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof; currency fluctuations; our ability to complete acquisitions on financially attractive terms and successfully integrate them with our other businesses; and the impact of new accounting standards. Undue reliance should not be placed on such forward-looking statements as they speak only as of the date made. Additional information regarding these and other risks and uncertainties is contained in our periodic filings with the SEC, including, but not limited to, its report on Form 10-Q for the quarterly period ended March 31, 2006.