Ingersoll-Rand Agrees to Sell its Drilling Solutions Business to Atlas Copco

Hamilton, Bermuda, February 19, 2004--Ingersoll-Rand Company Limited (NYSE:IR), a leading diversified industrial firm, today announced that it has agreed to sell its Drilling Solutions business unit to Atlas Copco AB, headquartered in Stockholm, Sweden, for approximately $225 million. The transaction, which is expected to be completed in the second quarter of 2004, is subject to government regulatory approvals.

The Drilling Solutions business, which dates to Ingersoll-Rand's origins in 1871, manufactures drilling equipment and accessories for the worldwide construction, mining, quarrying, and water-well drilling industries. It had 2003 revenues of approximately $300 million and employs approximately 950 people.

The transaction will include production facilities in Garland, Texas; Roanoke, Virginia; Yokohama, Japan; and Xuan Hua, China; and Ingersoll-Rand Equipment Stores in Knoxville and Nashville, Tennessee; and Clarks Summit, Pennsylvania. The transaction does not include Ingersoll-Rand's France-based Montabert business unit, which manufactures hydraulic rock-breaking equipment.

"This divestiture has significant strategic and symbolic importance for our company," said Herbert L. Henkel, chairman, president and chief executive officer. "Strategically, it improves our ability to invest in opportunities that enhance our core product lines, recurring-revenue stream, and geographic reach, particularly in the global growth markets of security and safety, climate control, industrial and energy solutions, compact equipment and road development.

"At the same time, we are clearly transforming our company's historic business profile and creating a new foundation to achieve growth and consistent earnings performance. We continue to benefit from market leading businesses and well-known brands, and we remain committed to developing innovative products and solutions for customers throughout the world.

"Over its lengthy history the Drilling Solutions business has been a valued contributor to Ingersoll-Rand's success. Its market stature reflects the dedication and commitment of all current and past employees. I am confident that Drilling Solutions will benefit as part of a company providing complementary products and solutions to global customers."

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 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 three months ended September 30, 2003.

IR is a leading innovation and solutions provider for the major global markets of Security and Safety, Climate Control, Industrial Solutions and Infrastructure. The company's diverse product portfolio encompasses such leading industrial and commercial brands as Schlage locks and security solutions; Thermo King transport temperature control equipment; Hussmann commercial and retail refrigeration equipment; Bobcat compact equipment; Club Car golf cars and utility vehicles; PowerWorks microturbines; and Ingersoll-Rand industrial and construction equipment. In addition, IR offers products and services under many more premium brands for customers in industrial and commercial markets. Further information on IR can be found on the company's web site at www.irco.com.