Ingersoll-Rand Sells its Drilling Solutions Business to Atlas Copco

Hamilton, Bermuda, July 1, 2004--Ingersoll-Rand Company Limited (NYSE:IR), a leading diversified industrial firm, today announced that it has sold its Drilling Solutions business unit to Atlas Copco AB, headquartered in Stockholm, Sweden, for approximately $225 million.

The transaction includes 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. Also, the transaction includes Drilling Solutions assets held by Ingersoll-Rand (India) Limited, subject to approval by the shareholders of the Indian company, which is expected in the third quarter of 2004. 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.

"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."

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.