Ingersoll-Rand Sells its Waterjet Business to Karolin Machine Tool

Hamilton, Bermuda, September 30, 2003--Ingersoll-Rand Company Limited (NYSE:IR), a leading diversified industrial firm, today announced that it has completed the sale of its Waterjet business unit to Karolin Machine Tool AB, headquartered in Upplands Vasby, Sweden, for approximately $46.5 million.

The Waterjet business, based in Baxter Springs, Kansas, manufactures high-pressure waterjet-cutting systems and equipment used to cut or trim metals, plastics, textiles, food and other materials. The business also produces McCartney high-pressure equipment, which is principally used in polyethylene production. The transaction includes Ingersoll-Rand's 49% interest in ABB I-R Waterjet Systems AB, based in Ronneby, Sweden, subject to regulatory approval.

"This divestiture improves our ability to invest in opportunities that enhance our core product lines, recurring-revenue stream, and geographic reach," said Herbert L. Henkel, chairman, president and chief executive officer. "Through our market-leading businesses and well-known brands, we remain committed to developing innovative products and solutions for customers in our global growth markets."

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 June 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.