



## Ingersoll-Rand Describes Progress of Global Growth Strategy at Prudential Conference

**Mount Snow, Vermont, September 22, 2004**--At Prudential Equity Group's "Inside our Best Minds" conference, Herbert L. Henkel, chairman, president and chief executive officer of Ingersoll-Rand Company Limited (NYSE:IR), today detailed the company's efforts to build a diversified business positioned for long-term global growth.

"We have achieved several important goals in recent months in pursuit of our long-term growth strategy," said Henkel. "Today, IR is a highly diversified company that excels as an innovator in growing global markets. While more work remains to be done, we believe our business is solidly on track to continue generating revenue, earnings and cash flow growth, promoting increased shareholder value."

### Key activities in 2004 include:

- *Dramatic Growth Globally.* Henkel said the company expects to generate annual organic revenue growth of 4 percent to 6 percent and annual bolt-on acquisition revenue growth of 4 percent to 6 percent over the next three to five years. "We expect roughly half of this growth to occur in international markets, such as China, where the company currently operates nine manufacturing facilities that produce products ranging from air compressors and compact construction equipment to climate-control technologies for trucks and buses. Our diversified business is well positioned to capitalize on the broad-based economic growth now occurring in China and other areas of Asia-Pacific. In August 2004, our board of directors appointed Jeff Zhenning Song to the new position of president, Ingersoll-Rand China, a strategic move that will accelerate our growth objectives for China and neighboring regions."
- *Innovation:* Henkel said the company expects that products introduced in 2004 will add \$300 million to total revenues by year's end, compared to \$200 million in revenues from new product introductions in 2003. Products introduced in 2004 include Air Solutions' oil-free Nirvana air compressor, Productivity Solutions' nitrogen tire filling system, and Club Car's Precedent golf vehicle. "Our ability to deliver market-transforming innovations continues to be a principal driver of market-share gains in existing markets and dramatic growth in new and emerging, international markets."
- *Portfolio Realignment:* On August 26, Ingersoll-Rand announced that it had agreed to sell its Dresser-Rand business unit to a fund managed by First Reserve Corporation, a private-equity firm, for cash proceeds of approximately \$1.2 billion. The transaction is expected to close in the fourth quarter. "With the sale of Dresser-Rand, we complete the last of a series of major divestitures in recent years as part of a strategy to transform IR from a capital-intensive machinery manufacturer into a highly diversified industrial company."
- *Bolt-on Acquisitions:* Henkel said the company intends to use some of the cash proceeds from the Dresser-Rand sale to implement bolt-on acquisitions that complement IR's core business platform. "This platform comprises companies with strong brands, leading market shares and excellent growth prospects operating in four industry sectors: Security and Safety, Climate Control, Industrial Solutions and Infrastructure."
- *Increased Dividend and Share Repurchases:* In July 2004, the company announced that its board of directors had declared a 31.6% increase in the quarterly dividend of the company's Class A common shares and authorized the repurchase of up to 10 million shares of the company's Class A common shares. "As always, our goal is to take those steps that will encourage long-term growth and enhanced value for our shareholders," said Henkel. With its solid balance sheet and strong cash flow generation, the company may consider further increases in its share dividends and additional share repurchases.

For more information on the company's business objectives and recent accomplishments, please refer to the company's full presentation for the conference, which is available through the [irco.com](http://www.irco.com) corporate web site at: [www.irco.com/investorrelations/analysts](http://www.irco.com/investorrelations/analysts).

Ingersoll-Rand is a leading innovation and solutions provider for the major global markets of Climate Control, Industrial Solutions, Infrastructure, and Security and Safety. 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; 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](http://www.irco.com).

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. In addition, economic and regulatory conditions and other factors could affect the timing or completion of the transaction. 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 quarter ended June 30, 2004.