INGERSOLL RAND CO

FORM 10-Q
(Quarterly Report)

Filed 8/10/1999 For Period Ending 6/30/1999

Address	200 CHESTNUT RIDGE RD PO BOX 8738
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CIK	0000050485
Industry	Auto & Truck Manufacturers
Sector	Consumer Cyclical
Fiscal Year	12/31

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended June 30, 1999 or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to _______

Commission File Number 1-985

INGERSOLL-RAND COMPANY
Exact name of registrant as specified in its charter

New Jersey	13-5156640
State of incorporation	I.R.S. Employer Identification No.
Woodcliff Lake, New Jersey	07675
Address of principal executive offices	Zip Code

(201) 573-0123
Telephone number of principal executive offices

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes . X . No . . .

The number of shares of common stock outstanding as of July 31, 1998 was 165,099,536.

INGERSOLL-RAND COMPANY
FORM 10-Q

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INGERSOLL-RAND COMPANY
CONDENSED CONSOLIDATED BALANCE SHEET
(in millions)

ASSETS

	June 30, 1999	December 31, 1998
Current assets:		
Cash and cash equivalents	$ 79.3	$ 71.9
Marketable securities	3.7	5.7
Accounts and notes receivable, net of allowance for doubtful accounts	1,293.0	1,177.1
Inventories	905.8	940.8
Prepaid expenses and assets held for sale	166.8	88.7
Deferred income taxes	146.8	143.4
Total current assets	2,595.4	2,427.6
Investments in and advances with partially-owned equity affiliates	328.3	344.7
Property, plant and equipment, at cost	2,448.2	2,416.3
Less - accumulated depreciation	1,106.9	1,068.7
Net property, plant and equipment	1,341.3	1,347.6
Intangible assets, net	3,800.8	3,774.3
Deferred income taxes	216.1	235.9
Other assets	184.3	179.4
Total assets	$8,466.2	$8,309.5
LIABILITIES AND EQUITY		
Current liabilities:		
Loans payable	$ 298.0	$ 318.7
Accounts payable and accruals	1,494.1	1,501.9
Income taxes	20.2	28.2
Total current liabilities	1,812.3	1,848.8
Long-term debt	2,185.9	2,166.0
Postemployment liabilities	898.7	897.1
Minority interests	121.8	133.6
Other liabilities	161.2	154.0
	$5,179.9	$5,199.5
Company obligated mandatorily redeemable preferred securities of subsidiary trust holding solely debentures of the Company	402.5	402.5
Shareholders' equity:		
Common stock	342.1	337.8
Other shareholders' equity	2,757.2	2,522.8
Accumulated other comprehensive income	(215.5)	(153.1)
Total shareholders' equity	2,883.8	2,707.5
Total liabilities and equity	$8,466.2	$8,309.5

See accompanying notes to condensed consolidated financial statements.

INGERSOLL-RAND COMPANY
CONDENSED CONSOLIDATED INCOME STATEMENT
(in millions except per share figures)

	Three months ended June 30,		Six months ended June 30,	
	1999	1998	1999	1998
Net sales	$2,249.3	$2,186.2	$4,332.6	$4,189.1
Cost of goods sold	1,617.7	1,596.7	3,154.1	3,080.8
Administrative, selling and service engineering expenses	312.3	303.2	612.5	608.4
Operating income	319.3	286.3	566.0	499.9
Interest expense	(53.5)	(58.0)	(106.4)	(120.3)
Other income (expense), net	(3.8)	(8.1)	(7.5)	(8.3)
Equity in earnings of partially-owned affiliates	8.3	13.3	14.9	20.1
Minority interests	(12.0)	(15.1)	(21.0)	(19.3)
Earnings before income taxes	258.3	218.4	446.0	372.1
Provision for income taxes	91.8	77.5	158.4	132.1
Net earnings	$ 166.5	$ 140.9	$ 287.6	$ 240.0
Basic earnings per common share	$ 1.01	$ 0.86	$ 1.75	$ 1.46

Diluted earnings per common share	$ 0.99	$ 0.85	$ 1.73	$ 1.45
Dividends per common share	$ 0.15	$ 0.15	$ 0.30	$ 0.30

See accompanying notes to condensed consolidated financial statements.

INGERSOLL-RAND COMPANY
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)

	Six months ended June 30, 1999	1998
Cash flows from operating activities:		
Net earnings	$ 287.6	$ 240.0
Adjustments to arrive at net cash provided by operating activities:		
Depreciation and amortization	147.8	143.5
Gain on sale of property, plant and equipment	(0.4)	(5.5)
Equity earnings/loss, net of dividends	(10.4)	(16.5)
Minority interests in earnings, net of dividends	6.7	11.6
Deferred income taxes	12.5	11.3
Other items	22.9	9.0
Changes in other assets and liabilities, net	(196.2)	(9.1)
Net cash provided by operating activities	270.5	384.3
Cash flows from investing activities:		
Capital expenditures	(90.4)	(119.8)
Proceeds from sales of property, plant and equipment	15.3	20.6
Acquisitions, net of cash	(159.8)	(35.0)
Proceeds from business dispositions	--	19.5
Decrease/(increase) in marketable securities	1.5	(3.9)
Cash advances from/(to) equity companies	22.5	(3.7)
Net cash used in investing activities	(210.9)	(122.3)
Cash flows from financing activities:		
Decrease in short-term borrowings	(16.3)	(566.2)
Proceeds from long-term debt	21.0	--
Payments of long-term debt	(0.9)	(0.6)
Net change in debt	3.8	(566.8)
Net proceeds from issuance of equity-linked securities	--	390.2
Purchase of treasury stock	(82.0)	(51.8)
Dividends paid	(49.5)	(49.2)
Proceeds from exercise of stock options	66.6	20.7
Net cash used in financing activities	(61.1)	(256.9)
Effect of exchange rate changes on cash and cash equivalents	8.9	(1.5)
Net increase in cash and cash equivalents	7.4	3.6
Cash and cash equivalents - beginning of period	71.9	104.9
Cash and cash equivalents - end of period	$ 79.3	$ 108.5

See accompanying notes to condensed consolidated financial statements.

INGERSOLL-RAND COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments (including normal recurring accruals) necessary to present fairly the consolidated unaudited financial position and results of operations for the three and six months ended June 30, 1999 and 1998. Certain amounts in the consolidated financial statements have been reclassified in order to conform with current year presentation.

NOTE 2 - On March 30, 1999 the company completed the acquisition of Harrow Industries Inc., a leading manufacturer of access control technologies, architectural hardware, and decorative bath fittings and accessories. The purchase price was approximately $160 million, which includes the assumption and immediate repayment of certain debt. This transaction has been accounted for as a purchase with the results included in the second quarter financial statements.

NOTE 3 - Inventories of domestically manufactured standard products

are valued on the last-in, first-out (LIFO) method and all other inventories are valued using the first-in, first-out (FIFO) method. The composition of inventories for the balance sheets presented were as follows (in millions):

	June 30, 1999	December 31, 1998
Raw materials and supplies	$ 182.6	$ 186.2
Work-in-process	252.0	246.5
Finished goods	620.6	653.5
	1,055.2	1,086.2
Less - LIFO reserve	149.4	145.4
Total	$ 905.8	$ 940.8

Work-in-process inventories are stated after deducting customer progress payments of $19.1 million at June 30, 1999 and $17.8 million at December 31, 1998.

NOTE 4 - The Company adopted SFAS No. 131 "Disclosures about Segments
of an Enterprise and Related Information" effective January 1, 1998. The statement requires companies to report financial and descriptive information about its operating segments in financial statements for interim and annual periods.

A summary of operations by reportable segment for the three and six months ended June 30, is as follows:

	Three months ended June 30,		Six months ended June 30,	
	1999	1998	1999	1998
Sales				
Specialty Vehicles	$ 679.7	$ 610.5	$1,262.1	$1,149.7
Air & Temperature Control	574.5	587.1	1,104.7	1,125.2
Hardware & Tools	469.8	433.8	920.9	849.1
Engineered Products	525.3	554.8	1,044.9	1,065.1
Total	$2,249.3	$2,186.2	$4,332.6	$4,189.1

	Three months ended June 30,		Six months ended June 30,	
	1999	1998	1999	1998
Operating Income				
Specialty Vehicles	$ 129.3	$ 101.9	$ 222.8	$ 173.4
Air & Temperature Control	78.8	74.7	141.7	135.4
Hardware & Tools	74.5	70.6	144.0	130.0
Engineered Products	50.8	52.5	86.6	87.7
Unallocated corporate expense	(14.1)	(13.4)	(29.1)	(26.6)
Total	$ 319.3	$ 286.3	$ 566.0	$ 499.9

No significant changes in segment assets have occurred since December 31, 1998.

NOTE 5 - Information on basic and diluted earnings per share is as
follows (in millions except per shares figures):

	Three months ended June 30,		Six months ended June 30,	
	1999	1998	1999	1998
Net earnings	$166.5	$140.9	$287.6	$240.0
Average number of basic shares	164.5	163.9	164.1	163.9
Shares issuable assuming exercise under incentive stock plans	2.5	2.0	2.0	2.1
Shares issuable in connection with equity-linked securities	0.7	--	--	--
Average number of diluted shares	167.7	165.9	166.1	166.0
Basic earnings per shares	$1.01	$ 0.86	$ 1.75	$ 1.46
Diluted earnings per share	$0.99	$ 0.85	$ 1.73	$ 1.45

The components of comprehensive income are as follows (in millions):

	Three months ended June 30,		Six months ended June 30,	
	1999	1998	1999	1998
Net income	$166.5	$140.9	$287.6	$240.0
Other comprehensive income - Foreign currency equity adjustment	(22.9)	(8.9)	(62.4)	(27.8)
Comprehensive income	$143.6	$132.0	$225.2	$212.2

NOTE 6 -SFAS No. 133 "Accounting for Derivative Instruments and
Hedging Activities" requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. The FASB recently delayed the required adoption to fiscal years beginning after June 15, 2000. The company will adopt SFAS No. 133 by January 1, 2001, and is currently evaluating the impact this statement may have on the company's financial position and results of operations.

INGERSOLL-RAND COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The company's results for the second quarter of the year established a new record. Sales totalled $2,249.3 million, operating income was $319.3 million and net earnings reached $166.5 million ($0.99 diluted earnings per share). For the second quarter of 1998, the company reported sales of $2,186.2 million, operating income of $286.3 million and net earnings of $140.9 million ($0.85 diluted earnings per share).

A comparison of key income statement amounts between the quarters, is as follows:

Net sales for the second quarter of 1999 increased three percent over last year's comparable quarter.

The ratio of cost of goods sold to sales for the second quarter of 1999 was 71.9 percent and reflected an improvement over the reported 1998 second quarter ratio of 73.0 percent. The benefits of cost reduction and efficiency programs on our strategic sourcing contributed to this improvement.

The ratio of administrative, selling and service engineering expenses to sales was 13.9 percent for the three months ended June 30, 1999 and equalled last year's ratio for the three months ended June 30, 1998, and emphasized the company's continued commitment to cost containment.

Operating income for the second quarter of 1999 totalled $319.3 million, an increase of $33 million (or 11.5 percent) over the $286.3 million reported for last year's second quarter. The ratio of operating income to sales in the second quarter increased to 14.2 percent, as compared to 13.1 percent in 1998's second quarter.

Interest expense for the second quarter of 1999 was $53.5 million as compared to $58.0 million for the second quarter of 1998. The reduction is attributed to lower average outstanding debt balances in 1999.

Other income (expense), net, aggregated $3.8 million of expense for the three months ended June 30, 1999, as compared to $8.1 million of net expense in the second quarter of 1998. This $4.3 million favorable change is primarily attributable to foreign exchange activity, which generated a net gain for the second quarter of 1999, as compared to a net loss for the comparable quarter of the prior year.

The company's equity interest in the earnings of its partially- owned equity companies totalled $8.3 million for the second quarter of 1999, versus $13.3 million for the comparable 1998 quarter. This reduction is primarily attributable to lower profits during the quarter from its 49-percent interest in Dresser-Rand Company. Dresser-Rand experienced decreased profitability due to lower order levels.

The company's charges for minority interests are composed of interests of less than 50 percent owners in a consolidated unit of the company and charges associated with the company's equity- linked securities (issued in March 1998). The charge for minority interests totalled $12.0 million for the three months ended June 30, 1999 versus $15.1 million in 1998. This change is primarily attributed to lower net earnings from Ingersoll-Dresser Pump Company (IDP), in 1999.

The company's effective tax rate for the second quarters of both 1999 and 1998 was 35.5 percent. The current year's estimated effective tax rate for the full year 1999 is 35.5 percent, which equalled last year's effective rate.

The consolidated results for the second quarter of the year benefitted from the combination of business improvements in a number of the company's domestic and selected foreign markets and a continued emphasis on the company's productivity-improvement programs. Incoming orders for the second quarter of the year totalled $2.1 billion, which equalled last year's second quarter total. The company's backlog of orders at June 30, 1999, believed by it to be firm, was $1.5 billion, which approximated the backlog at December 31, 1998. The company estimates that approximately 90 percent of the backlog will be shipped during the next twelve months.

A comparison of key income statement amounts between the first half of both years, is as follows:

Net sales for the first half of 1999 totalled $4,332.6 million, an increase of 3.4 percent over last year's six month total.

The ratio of cost of goods sold to sales for the first six months of 1999 was 72.8 percent and reflected an improvement over the reported first half of 1998 ratio of 73.5 percent. The benefits of cost reduction and efficiency programs on our strategic sourcing contributed to this improvement.

The ratio of administrative, selling and service engineering expenses to sales was 14.1 percent for the six months ended June 30, 1999 and reflected an improvement over the 14.5 percent ratio reported for the comparable 1998 period.

Operating income for the first half of 1999 totalled $566.0 million, an increase of $66.1 million (or 13.2 percent) over the $499.9 million reported for last year's six month total. The ratio of operating income to sales in the period increased to 13.1 percent, as compared to 11.9 percent in 1998's first half.

Interest expense for the first half of 1999 was $106.4 million as compared to $120.3 million for the first two quarters of 1998. The reduction is attributed to lower outstanding debt balances during the comparable periods.

Other income (expense), net, aggregated $7.5 million of expense for the six months ended June 30, 1999, as compared to $8.3 million of net expense for the first two quarters of 1998. This $0.8 million net favorable change is primarily attributed to changes from foreign exchange activity (which produced an $8.6 million favorable comparison during the periods), reduced by lower gains on the sale of excess assets.

The company's equity interest in the earnings of its partially- owned equity companies totalled $14.9 million for the first half of 1999, versus $20.1 million for the comparable 1998 period. This reduction is split between lower profits from the company's 49- percent interest in Dresser-Rand Company, and overall lower operating results from the company's other partially-owned entities, during the comparable periods.

The company's charges for minority interests are composed of interests of less than 50 percent owners in a consolidated unit of the company and charges associated with the company's equity- linked securities (issued in March 1998). The charge for minority interests totalled $21.0 million for the six months ended June 30, 1999 versus $19.3 million in 1998. This change is attributed to the fact the equity-linked securities were outstanding for the full six months in 1999 and lower net earnings from Ingersoll- Dresser Pump Company (IDP), during the comparable periods.

The company's effective tax rate for the six months ended June 30, 1999 was 35.5 percent which equalled 1998's rate for the comparable period.

Liquidity and Capital Resources

During the first half of 1999 the company experienced improvements in its overall financial position. The company's working capital increased by $204.3 million to $783.1 million at June 30, 1999, from the December 31, 1998 balance of $578.8 million. The current ratio increased to 1.4 to 1.0 at the end of the first six months from the 1.3 to 1.0 at the end of 1998. The company's debt-to-total capital ratio at June 30, 1998, totalled 42 percent, which reflects an improvement from the 43 percent reported at December 31, 1998. This improvement is even more significant after considering the company's March 30, 1999 acquisition of Harrow Industries, Inc. for approximately $160 million (see Note 2).

The company's cash and cash equivalents totalled $79.3 million at June 30, 1999, up slightly from the $71.9 million at December 31, 1998. In evaluating the net change in cash and cash equivalents, cash flows from operating, investing and financing activities, and the effect of exchange rate movements must be considered. Cash flows from operating activities provided $270.5 million, investing activities used $210.9 million and financing activities used $61.1 million. Exchange rate changes during the first six months of 1999 increased cash and cash equivalents by $8.9 million.

Receivables totalled $1.3 billion at June 30, 1999, which represents a $115.9 million increase over the amount reported at December 31, 1998. The increase was attributed to strong sales for the first six months of the year and the effect of an acquisition, which were partially offset by the effects of foreign currency translation of $45.4 million.

Inventories totalled $905.8 million at June 30, 1999, which represents a decrease of $35.0 million from the year-end balance of $940.8 million. The change is almost exclusively attributed to the effects of foreign currency translation, because acquisition activity offset the company's inventory reduction program.

Intangible assets increased by a net amount of approximately $26.5 million during the first six months of 1999. Intangibles increased by approximately $102 from acquisitions and were reduced by amortization and the effects of foreign currency translation.

Long term debt, including current maturities, at June 30, 1999, totalled $2.4 billion. The company's debt-to-total capital ratio was 42 percent at June 30, 1999, which represented a reduction from the 43 percent reported at December 31, 1998.

During the first six months of 1999, foreign currency translation adjustments resulted in a net decrease of approximately $62.4 million in shareowners' equity, caused by the strengthening of the U.S. dollar against other currencies. Currency changes in Belgium, Brazil, France, Germany, Ireland, Italy, Spain, and the United Kingdom accounted for most of this change.

Computer Systems and the Year 2000

The company has in place a year 2000 compliance program to address the issues raised by computer date programs using the last two digits of a year. Pursuant to its year 2000 program, the company reviewed its computer information systems, computer hardware and embedded technology used in the company's products and processes. This review was designed to identify which computer systems and embedded technology might fail to correctly process the year 2000. Based upon this review, which is now complete, the company is replacing, modifying and/or upgrading certain computer systems and embedded technology with the objective being that no significant systems or devices will malfunction as the result of failing to correctly process the year 2000. The company, through the use of both internal resources and outside consultants, has actively engaged in this replacement, modification and upgrading and had substantially completed its remediation program and testing by the end of 1998. The review of company products revealed that all products currently being produced are year 2000 compliant.

The total cost of the year 2000 compliance program since 1997, is approximately $60 million. Although the company had incurred expenses prior to 1997, these costs were not separately identified. Management estimates that as of June 30, 1999, substantially all of the costs have been incurred and were funded through operating cash flow. Approximately 45 percent of these expenses were internal costs of the company. The company believes that all internal systems will be completed before the end of the third quarter.

In addition to its internal review process, the company has contacted suppliers and distributors on the year 2000 issue to minimize problems in its supply and distribution chains. Most major suppliers have given assurances that their ability to supply the company will not be affected by the year 2000 issue; however, the company cannot assure timely compliance of third parties and may be adversely affected by failure of a significant third party to become year 2000 compliant.

The company believes that the costs to address the issues raised by the year 2000 problem will not have a material impact on the company's financial condition, results of operations, liquidity or cash flows for any period. The schedule for successful completion of the year 2000 program and the estimated costs are based upon certain assumptions by management on future events, including the continued availability of qualified resources to implement the program and current costs for such resources.

If the company fails to successfully complete a significant portion of its year 2000 compliance program, such failure may have a material adverse impact on the company's financial condition. Currently management does not consider the possibility of such a failure to be reasonably likely; however, in the event management's assessment changes an appropriate contingency plan is being developed.

Euro Conversion

On January 1, 1999, eleven of the fifteen member countries of the European Union established fixed conversion rates between their existing sovereign currencies and the euro. The participating countries agreed to adopt the euro as their common legal currency on that date.

The company continues to identify and address all euro conversion compliance issues. At this time, the company has not experienced significant difficulties, but cannot predict the impact of the euro conversion because of the numerous uncertainties associated with noncompliance by third parties and the effect in the market place on pricing due to currency transparency.

Environmental Matters

The company is a party to environmental lawsuits and claims, and has received notices of potential violations of environmental laws and regulations from the Environmental Protection Agency and similar state authorities. It is identified as a potentially responsible party (PRP) for cleanup costs associated with off-site waste disposal at approximately 29 federal Superfund and state remediation sites, excluding sites as to which the company's records disclose no involvement or as to which the company's liability has been fully determined. For all sites, there are other PRPs and in most instances, the company's site involvement is minimal. In estimating its liability, the company has not assumed that it will bear the entire cost of remediation of any site to the exclusion of other PRPs who may be jointly and severally liable. The ability of other PRPs to participate has been taken into account, based generally on the parties' financial condition and probable contributions on a per site basis. Additional lawsuits and claims involving environmental matters are likely to arise from time to time in the future.

Although uncertainties regarding environmental technology, state and federal laws and regulations and individual site information make estimating the liability difficult, management believes that the total liability for the cost of remediation and environmental lawsuits and claims will not have a material effect on the financial condition, results of operations, liquidity or cash flows of the company for any year. It should be noted that when the company estimates its liability for environmental matters, such estimates are based on current technologies, and the company does not discount its liability or assume any insurance recoveries.

Acquisitions

On March 30, 1999, the company completed the acquisition of Harrow Industries, Inc., a leading manufacturer of access control technologies, architectural hardware, and decorative bath fittings and accessories. The purchase price was approximately $160 million, which includes the assumption and immediate repayment of certain debt. In connection which this acquisition, the company has designated approximately $57 million as assets held for sale.

Second-quarter Business Segment Review

The Specialty Vehicles Segment includes Bobcat skid-steer loaders and compact hydraulic excavators; Club Car golf cars; Blaw-Knox pavers; and Ingersoll-Rand compactors, drilling equipment and rough-terrain material handlers. This segment's sales totaled $679.7 million for the second quarter of 1999, an 11-percent increase over 1998 second-quarter sales. Operating income of $129.3 million increased by 27 percent compared to last year. The Road Machinery, Bobcat and Club Car product lines achieved double-digit sales growth and improved operating margins.

The Air and Temperature Control Segment includes Thermo King transport temperature-control equipment and Ingersoll-Rand air compressors. The segment's second quarter 1999 sales totaled $574.5 million versus $587.1 million last year. Operating income for the second quarter of 1999 increased by about five percent to $78.8 million from $74.7 million last year. Air compressor sales declined slightly in the second quarter; operating margins, however, increased due to continuing cost reductions. Thermo King sales were comparable to last year's second quarter but operating earnings improved by nearly 10 percent because of a better sales mix and cost containment actions.

The Hardware and Tools Segment includes architectural hardware products, such as Schlage locks, as well as exit devices, door-control hardware, steel doors and power-operated doors; and Ingersoll-Rand tools and related industrial-production equipment. For this segment, second-quarter 1999 sales increased by eight percent to $469.8 million. Operating income for the quarter totaled $74.5 million, an increase of six percent over last year's second quarter. Architectural hardware products reported strong sales gains and a moderate improvement in operating income. Production Equipment sales declined but operating income improved through ongoing cost reduction activities.

The Engineered Products Segment includes Torrington and Fafnir bearings and components, and Ingersoll-Dresser Pump Company (IDP), a joint venture that produces pumps used in industrial, commercial and municipal applications. Second-quarter 1999 sales of $525.3 million decreased by about five percent, and operating income of $50.8 million declined slightly, compared to last year's second quarter. Bearings and components sales were down slightly because of continued weakness in industrial bearings. Operating income and margins improved based on strong sales from the needle bearings business. IDP's sales for the second quarter decreased by approximately 10 percent and operating income declined due to lower demand in the worldwide utility and hydrocarbon processing industries

Forward-Looking Statements

Information provided by the company in reports such as this report on Form 10-Q, in press releases and in statements made by employees in oral discussions may constitute or contain "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995 or by the Securities and Exchange Commission in its rules, regulations and releases. Forward-looking statements represent the company's expectations concerning future events and, by their nature, involve risk and uncertainty.

The company cautions investors that forward-looking statements are not guarantees of future performance. A variety of factors could cause business conditions and actual results to differ materially from expected results contained in forward-looking statements. The company includes among those factors the following: changes in the rate of economic growth in the United States and in other major international economies; impacts of unusual items resulting from ongoing evaluations of organizational structures, business strategies and acquisitions and dispositions; significant changes in trade, monetary and fiscal policies worldwide; currency fluctuations among the U.S. dollar and other currencies; demand for company products; distributor inventory levels; performance issues with key suppliers and subcontractors; impact of the year 2000; failure to achieve the company's productivity targets; costs and effects of unanticipated legal and administrative proceedings; and, competitor actions, such as unanticipated pricing actions or cost reduction strategies and entry into direct product line competition.

INGERSOLL-RAND COMPANY

PART II OTHER INFORMATION

Item 1 - Legal Proceedings

In the normal course of business, the company is involved in a variety of lawsuits, claims and legal proceedings, including proceedings for off-site waste disposal cleanup of approximately 29 sites under federal Superfund and similar state laws. In the opinion of the company, pending legal matters, including the one discussed below, are not expected to have a material adverse effect on the results of operations, financial condition, liquidity or cash flows.

By letter dated February 4, 1999, the Michigan Department of Environmental Quality ("DEQ") assessed a civil penalty in the amount of $113,750 on the Company for an alleged violation of a DEQ Administrative Order on Consent ("AOC"). The AOC governs the Company's environmental investigation and cleanup obligations related to the McCoy Creek Industrial Park, Buchanan, Michigan. The Company invoked the dispute resolution provisions of the AOC and by letter dated June 3, 1999, settled this matter with the DEQ by payment of a mutually agreed upon amount of $55,000.

Item 4. Submission of Matters to a Vote of Security Holders

At the Annual Meeting of Shareholders of the company held on May 5, 1999, the shareholders, in addition to electing directors, ratified the appointment of PricewaterhouseCoopers LLP as independent accountants of the company for the year ending December 31, 1999. The shareholders voted as follows on the following matters:

1. Election of directors. The voting result for each nominee is as follows:

Name	Votes For	Votes Withheld
Peter C. Godsoe	133,940,043	13,882,191
Herbert L. Henkel	133,055,504	14,766,730
H. William Lichtenberger	133,958,482	13,863,752
James E. Perrella	133,913,936	13,908,298
Tony L. White	133,977,750	13,844,484

Joseph P. Flannery, Constance J. Horner, Theodore E. Martin, Orin R. Smith, and Richard J. Swift all continue as directors of the company.

INGERSOLL-RAND COMPANY
PART II OTHER INFORMATION
(continued)

2. The reappointment of the company's independent accountants was approved by a vote of 147,223,030 votes for, 202,148 votes against, and 397,056 votes abstaining.

INGERSOLL-RAND COMPANY

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INGERSOLL-RAND COMPANY
(Registrant)

Date August 9, 1999 * /S/ D.W. Devonshire*
D.W. Devonshire, Senior Vice President
& Chief Financial Officer

Principal Financial Officer

Date August 9, 1999 */S/ S.R. Shawley*
S.R. Shawley, Vice President & Controller

Principal Accounting Officer

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE JUNE 30, 1999 FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000,000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1999
PERIOD END	JUN 30 1999
CASH	79
SECURITIES	4
RECEIVABLES	1,345
ALLOWANCES	52
INVENTORY	906
CURRENT ASSETS	2,595
PP&E	2,448
DEPRECIATION	1,107
TOTAL ASSETS	8,466
CURRENT LIABILITIES	1,812
BONDS	2,186
PREFERRED MANDATORY	403
PREFERRED	0
COMMON	342
OTHER SE	2,542
TOTAL LIABILITY AND EQUITY	8,466
SALES	4,333
TOTAL REVENUES	4,333
CGS	3,154
TOTAL COSTS	3,154
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	106
INCOME PRETAX	446
INCOME TAX	158
INCOME CONTINUING	288
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	288
EPS BASIC	1.75
EPS DILUTED	1.73

End of Filing