

INGERSOLL RAND CO LTD  
Form 11-K  
June 30, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 11-K**

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the fiscal year ended December 31, 2007**

Or

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_ to \_\_\_\_

**Commission File No. 1-985**

**A.** Full title of the plan and address of the plan, if different from that of the issuer named below:

**INGERSOLL-RAND COMPANY EMPLOYEE SAVINGS PLAN FOR BARGAINED EMPLOYEES**  
(Full title of the plan)

**B.** Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

**INGERSOLL-RAND COMPANY LIMITED**  
**Clarendon House**  
**2 Church Street**  
**Hamilton HM 11, Bermuda**

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**Ingersoll-Rand Company**  
**Employee Savings Plan for Bargained Employees**  
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Note: Other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA") have been omitted because they are not applicable.

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***REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM***

To the Participants and Administrator of the  
Ingersoll-Rand Company Employee Savings Plan for Bargained Employees  
Davidson, North Carolina

We have audited the accompanying statements of net assets available for benefits of the Ingersoll-Rand Company Employee Savings Plan for Bargained Employees (the "Plan") as of December 31, 2007 and 2006 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan Administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Ingersoll-Rand Company Employee Savings Plan for Bargained Employees as of December 31, 2007 and 2006 and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) at December 31, 2007 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ Dixon Hughes PLLC  
Charlotte, NC  
June 27, 2008

**Ingersoll-Rand Company**  
**Employee Savings Plan for Bargained Employees**  
**Statements of Net Assets Available for Benefits**  
**December 31, 2007 and 2006**

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	<b>2007</b>	<b>2006</b>
<b>Assets</b>		
Investments, at fair value		
Plan's interest in Savings Plan Master Trust, excluding participant loans (Note 3)	\$ 37,499,179	\$ 36,455,404
Participant loans	1,573,495	1,261,247
Total net assets available for benefits	\$ 39,072,674	\$ 37,716,651

The accompanying notes are an integral part of these financial statements.

**Ingersoll-Rand Company**  
**Employee Savings Plan for Bargained Employees**  
**Statements of Changes in Net Assets Available for Benefits**  
**Years Ended December 31, 2007 and 2006**

	2007	2006
<b>Additions to net assets attributable to:</b>		
Contributions		
Participant	\$ 2,093,351	\$ 2,090,523
Employer	125,373	125,337
	2,218,724	2,215,860
Plan's interest in investment income of the Savings Plan Master Trust (Note 3)	2,981,609	3,163,043
Total additions	5,200,333	5,378,903
<b>Deductions from net assets attributable to:</b>		
Participant withdrawals and distributions	3,827,449	3,901,444
Administrative expenses	16,861	13,879
Total deductions	3,844,310	3,915,323
Net increase	1,356,023	1,463,580
<b>Net assets available for benefits</b>		
Beginning of year	37,716,651	36,253,071
End of year	\$ 39,072,674	\$ 37,716,651

The accompanying notes are an integral part of these financial statements.

**Ingersoll-Rand Company**  
**Employee Savings Plan for Bargained Employees**  
**Notes to Financial Statements**  
**December 31, 2007 and 2006**

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**1. Description of the Plan**

The following description of the Ingersoll-Rand Company Employee Savings Plan for Bargained Employees (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

**General**

The Plan was established to provide benefits to eligible employees of Thermo King Corporation ("Thermo King"), including employees who, until October 1997, were participants in the Westinghouse Savings Program, a defined contribution plan maintained by Westinghouse Electric Corporation ("Westinghouse"), and who, by reason of the acquisition of Thermo King from Westinghouse by Ingersoll-Rand Company ("the Company"), ceased to be participants in the Westinghouse Savings Program.

Fidelity Management Trust Company ("Fidelity") is the trustee and recordkeeper of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

**Participation**

All individuals employed by the Company, and whose terms of employment are governed by a collective bargaining agreement which specifically allows participation in the Plan are eligible to participate in the Plan upon completion of at least one year of service, as defined in the Plan.

**Contributions**

Participants may elect to contribute to the Plan 1% to 20% of their compensation, in increments of 1%, on an after-tax basis, a pre-tax basis or a combination thereof. Employee contributions are subject to limitations as defined by the U.S. Internal Revenue Code ("IRC"). For certain bargained groups, the Company makes monthly contributions to the Plan equivalent to 50% of the contributions made by participating employees, up to a maximum employer contribution of 3% of the participants' monthly compensation. Participants may change their contribution amounts at any time by contacting Fidelity. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds and an Ingersoll-Rand Company Stock Fund for participants.

**Participant Accounts**

Each participant's account is credited with (a) the participant's contribution, (b) allocations of the Company's matching contribution (if applicable), (c) allocations of Plan earnings, net of investment management fees, and (d) any Company discretionary contributions. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Investment Options**

Upon participation in the Plan, a participant may direct his or her contribution, in multiples of 1%, into various investment options offered by the Plan.

**Ingersoll-Rand Company**  
**Employee Savings Plan for Bargained Employees**  
**Notes to Financial Statements**  
**December 31, 2007 and 2006**

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**Vesting**

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts (if applicable) is based on years of continuous service. A participant is 100% vested after three to five years of service, based on the specific bargaining unit. All Company matching contributions, not otherwise vested, become 100% vested upon the participant's death, disability or the participant's becoming a retired participant.

**Participant Loans**

For certain bargaining units, participants may borrow from their accounts in multiples of \$100 with a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance reduced by the highest outstanding loan balance during the preceding twelve months. Participants are permitted to have up to two outstanding loans at any given time. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loan fund. Loan terms range from 6-60 months. Loans are collateralized by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the plan administrator. At December 31, 2007 and 2006, interest rates ranged from 5.0% to 10.0%. Principal and interest are paid ratably through payroll deductions.

**Payment of Benefits**

On termination of service, a participant with a vested account balance greater than \$3,500 to \$5,000, based on the specific bargaining unit, has three options: (1) receive a lump-sum amount equal to the value of the participant's vested interest in his or her account; (2) receive installments in the form of various types, as defined by the Plan; or (3) roll over the balance in his or her account to another qualified plan or Individual Retirement Account. A participant with a vested account balance of \$5,000 or less may only choose options (1) or (3).

**Payment of Administrative Costs**

Ingersoll-Rand Company pays all significant administrative expenses of the Plan.

**Forfeited Accounts**

At December 31, 2007 and 2006, forfeited non-vested accounts were \$2,629 and \$1,348, respectively. Forfeited non-vested amounts may be used to reduce future employer contributions. In 2007 and 2006, employer contributions were reduced by \$4,817 and \$8,540 respectively, from forfeited nonvested accounts.

**2. Summary of Accounting Policies**

**Basis of Accounting**

The accounts of the Plan are maintained on the accrual basis of accounting.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.





**Ingersoll-Rand Company**  
**Employee Savings Plan for Bargained Employees**  
**Notes to Financial Statements**  
**December 31, 2007 and 2006**

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**Investment Valuation and Income Recognition**

Plan assets are part of the Savings Plan Master Trust, which provides unified investment management. Fidelity invests Plan assets in various trust investment options at the direction of Plan participants and as required by the Plan.

Separate participant accounts are maintained by investment option. These accounts record contributions, withdrawals, transfers, earnings and changes in market value.

The Savings Plan Master Trust reports investments in mutual funds and the Ingersoll-Rand Company Limited Stock Fund at current value based on published market quotations. Fidelity's Institutional Money Market Portfolio is valued at current value based on published market quotations of those Fidelity funds in which it participates. Investments in the Self-Directed Brokerage Accounts are at current value based on published market quotations of the individual investments comprising the brokerage accounts.

The Participant loans receivable represent the net outstanding receivable balance, which approximates fair value, due to the Plan from those participants with outstanding loan balances.

Realized gains or losses on security transactions are recorded on the trade date. Realized gains or losses are the difference between the proceeds received and the security's unit cost. Dividend income is recorded on the ex-dividend date and interest income is recorded when earned.

The statements of changes in net assets include unrealized appreciation or depreciation in accordance with the policy of stating investments at current value. Appreciation or depreciation of investments reflects both realized gains and losses and the change in unrealized appreciation and depreciation of investments.

**Payment of Benefits**

Benefits to participants are recorded when paid.

**3. Investment in the Savings Plan Master Trust**

The Plan's investments are in the Savings Plan Master Trust which was established for the investment of assets of the Plan and several other Ingersoll-Rand Company sponsored retirement plans. The assets of the Savings Plan Master Trust are held by Fidelity. Each participating retirement plan has an undivided interest in the Savings Plan Master Trust. Fidelity maintains separate accounting of all contributions, benefit payments and expenses and allocates income received by the Savings Plan Master Trust on the basis of the adjusted value of each plan at year end. At December 31, 2007 and 2006, the Plan had a 2.98% and 2.41%, respectively, participation in the Savings Plan Master Trust.

The Savings Plan Master Trust financial statements are prepared on the modified cash basis of accounting while the Plan's financial statements are prepared on the accrual basis of accounting. The net assets of the Savings Plan Master Trust consisted of the following at December 31:

**Ingersoll-Rand Company**  
**Employee Savings Plan for Bargained Employees**  
**Notes to Financial Statements**  
**December 31, 2007 and 2006**

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	2007		2006
<b>Investments, at fair value</b>			
Money market portfolio	\$ 241,495,856	\$	307,212,337
Mutual funds	735,875,741		876,393,207
Self-directed brokerage accounts	11,980,148		9,318,740
Ingersoll-Rand Company Limited stock fund	301,752,204		343,456,640
Participant loans receivable	22,075,782		26,568,705
Net assets available for benefits	\$ 1,313,179,731	\$	1,562,949,629

Net realized and unrealized appreciation (depreciation) of investments and interest and dividend income for the Savings Plan Master Trust for the years ended December 31, are as follows:

	2007		2006
<b>Investment income:</b>			
Net appreciation (depreciation) in fair value of investments			
Mutual funds and self-directed brokerage accounts	\$ 8,789,891	\$	49,515,544
Money market portfolio	15,615,066		14,160,987
Ingersoll-Rand Company Limited stock fund	66,458,246		(7,074,302)
	90,863,203		56,602,229
Interest and dividend income	64,942,446		66,686,829
Total investment income	\$ 155,805,649	\$	123,289,058

**4. Plan Termination**

Although the Company has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become fully vested in their accounts and shall be entitled to a distribution of their respective account balances.

**5. Risks and Uncertainties**

Through the Master Trust, the Plan provides for various investment options in any combination of mutual funds and short-term investments. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

**Ingersoll-Rand Company**  
**Employee Savings Plan for Bargained Employees**  
**Notes to Financial Statements**  
**December 31, 2007 and 2006**

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**6. Party-In-Interest Transactions**

Certain Plan investments held in the Savings Plan Master Trust are shares of mutual funds, common/collective trusts and short-term investments managed by Fidelity. Fidelity is the trustee as defined by the Plan, and, therefore, these transactions qualify as party-in-interest transactions, but are not deemed prohibited transactions.

Certain Savings Plan Master Trust investments are units of the Ingersoll-Rand Company Limited Stock Fund. These transactions qualify as party-in-interest transactions, but are not deemed prohibited transactions.

**7. Tax Status**

The U.S. Internal Revenue Service has determined and informed the Company by a letter dated August 29, 2002, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**Ingersoll-Rand Company**  
**Employee Savings Plan for Bargained Employees**  
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**  
December 31, 2007

Schedule I

Plan Sponsor: Ingersoll-Rand Company  
Employer Identification: 13-5156640  
Plan Number: 076

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower lessor, or similar party	Description of investment, including maturity date, rate of interest, collateral par, or maturity value	Cost	Current Value	
*	Plan's interest in Savings Plan Master Trust, excluding participant loans	Master Trust 2.98% participation	** \$	37,499,179
	Participant loans	Due 01/01/08 - 08/22/12 5.0% - 10.00%	-	1,573,495
<b>TOTAL INVESTMENTS HELD BY THE PLAN</b>			<b>\$</b>	<b>39,072,674</b>

\* Includes assets which represent permitted party-in-interest transactions to the Plan.

\*\* Cost information is not required for participant directed investments and is therefore omitted.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**INGERSOLL-RAND COMPANY EMPLOYEE SAVINGS PLAN FOR BARGAINED EMPLOYEES**

Dated: June 27, 2008

By: /s/ Sheila Warren

Name: Sheila Warren

Title: Benefits Administration Committee

**EXHIBIT INDEX**

Exhibit No.	Description
23	Consent of Dixon Hughes PLLC
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