

spotlights on **Growth**

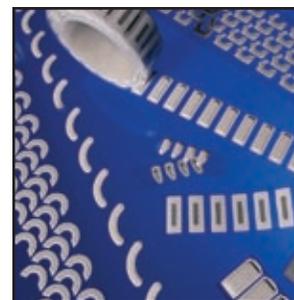


Annual Report 2006

17 Consecutive Record Years



Industrial Air Filtration



Disk Drive Filters

the Company

Donaldson Company, Inc. is a leading worldwide designer and manufacturer of filtration systems and replacement parts. We strive to be both the technology leader in every market we serve and to provide the best overall value to our Customers. Our products include air and liquid filters and exhaust and emission control products for mobile equipment; aircraft cabin air and defense equipment filters; in-plant air cleaning systems; compressed air and gas purification systems; air intake systems for industrial gas turbines; and specialized filters for such diverse applications as computer disk drives, semiconductor processing and fuel cell contamination control. We serve our Customers through our extensive network of sales offices, distribution centers and manufacturing facilities now located in 35 countries around the world.

Our financial objective is to create shareholder value through superior share price appreciation and consistent dividend payouts. We will continue to grow by aggressively pursuing new opportunities with our Customers in our existing and related markets. We will utilize our diversified portfolio of related filtration businesses around the world to deliver *consistent* earnings growth.

Industrial Products Segment

2006 Sales \$702 Million

| | INDUSTRIAL FILTRATION SOLUTIONS | SPECIAL APPLICATIONS |
|------------------|--|---|
| PRODUCTS | <p>Our Industrial Filtration Solutions group (IFS) provides a broad range of filtration products under the Donaldson brand and six product brands—Torit™, Ultrafilter™, Torit/DCE™, AirCel™, LHA™ and Triboguard™—as well as a full line of replacement filters and parts.</p> | <p>We provide a wide range of high efficiency media, filters and filtration systems for various high technology applications.</p> |
| APPLICATIONS | <p>IFS products are used in a variety of industries, including pharmaceutical, bulk food handling, metalworking, mining, cement, plastics, glass and wood.</p> <p>Air Filtration Systems and replacement filters capture dust, mist or fumes in demanding manufacturing and processing environments. Replacement filters and bags are stocked and distributed quickly through our strategically located Distribution Centers.</p> <p>Compressed Air and Gas Purification solutions include air intake and oil filters, air/oil separators for compressor room equipment, and air dryers and point-of-use compressed air filters to deliver clean, dry compressed air and gas throughout manufacturing facilities.</p> <p>Our Industrial Liquid Filtration products include hydraulic filters to help protect engines, motors and moving parts in manufacturing processes. Our process filters purify industrial liquids used in beverages, dairy products, paint and other consumer products.</p> | <p>Products for the disk drive market include particulate filters, desiccant filters and chemical adsorbing filters. Customers include the major disk drive and microelectronics manufacturers.</p> <p>Our products for high technology applications include air filter systems for semiconductor processing facilities, contamination control for process-critical applications.</p> <p>We sell our Tetratex® expanded PTFE membrane for applications including dust collection, environment and pollution control, fluid separation, water-resistant venting, and performance fabrics, such as medical, military and emergency service garments.</p> |
| ROUTES TO MARKET | <p>We sell to our Customers directly, as well as through an extensive network of distributors, dealers, resellers, installers and engineering firms. We also have built strong OEM relationships to encourage the incorporation of IFS products into our Customers' equipment.</p> | <p>Disk drive filters are sold to OEM manufacturers by a direct sales force. Other high technology application products are sold to OEMs and directly to end users. Tetratex® membranes are sold directly to various footwear, garment and filter manufacturers.</p> |
| 2006 SALES | <h1>\$440</h1> million | <h1>\$141</h1> million |



Gas Turbine Systems



Aftermarket



Original Equipment

Engine Products Segment

2006 Sales **\$992 Million**

| GAS TURBINE SYSTEMS | | ORIGINAL EQUIPMENT | | AFTERMARKET | |
|---------------------|---|--------------------|--|---------------------|---|
| | <p>We provide complete air intake systems for gas turbines and industrial compressors. Products include self-cleaning filter units, static air filter units, inlet ducting and silencing, evaporative coolers, chiller coils, inlet heating and anti-icing systems. We also offer a full line of replacement filters and parts, along with field service.</p> | | <p>Our Engine Systems & Parts group provides a wide range of quality filtration solutions and replacement parts under the Donaldson and Le Bozec brand names, as well as the technology brands of Donaldson Endurance™, PowerCore™, Spiracle™ and Synteq™.</p> | | <p>Our global distribution network delivers a broad line of filtration and exhaust replacement products quickly and accurately to meet the needs of our Customers around the world. Our filters utilize the latest in filtration technology, such as Ultra-Web®, PowerCore™ and Synteq™.</p> |
| | <p>Modern gas turbines require inlet air filtration and noise attenuation systems. These turbines provide base electricity, peaking capacity and remote power generation for special applications, such as pipelines and off-shore drilling platforms. Customers include most major turbine manufacturers.</p> | | <p>Products are sold to agricultural, construction, mining, aerospace and defense equipment manufacturers.</p> <p>We pride ourselves on being the world's leading first fit supplier of air filtration, exhaust and hydraulic systems for off-road equipment, requiring heavy-duty protection. Our products are also used in the roughest aircraft and military applications—effectively filtering air, lube, oil, fuel, transmission and hydraulic fluids, as well as reducing exhaust noise and emissions.</p> <p>Leading truck and bus manufacturers around the globe rely on us for quality engine protection products. Our filtration products are sold to manufacturers of light-, medium- and heavy-duty trucks. They Demand Donaldson® for our superior design features which optimize performance and efficiency while reducing maintenance costs.</p> | | <p>We sell replacement parts to fit our first-fit systems and also through an all-makes program. Our replacement parts are sold through our OEM's parts and service organizations, independent distributors and private label marketers. We market our replacement filters and parts under both the Donaldson brand and our OEMs' brands.</p> |
| | <p>We sell our gas turbine products primarily to turbine manufacturers. Our replacement parts and filters are sold both to our OEMs and directly to end-users, such as power generation companies, oil and gas producers and others.</p> | | | | |
| | <p>\$121 million</p> | | <p>\$493 million</p> | | <p>\$499 million</p> |
| | | <p>PRODUCTS</p> | | <p>APPLICATIONS</p> | |
| | | <p>2006 SALES</p> | | | |

dear Shareholders,

At Donaldson, we believe that any long-term corporate strategy should revolve around an integrated purpose to build:

- *a strong and enduring business that generates solid returns for our Shareholders,*
- *high value products and services for our Customers, and*
- *opportunity and challenge for our Employees.*



More than 20 years ago, we embarked on a long-term strategy to diversify our filter businesses—by geography, by industry and by Customer segment. We adopted this strategy with the goal of delivering value to our Shareholders by improving the consistency and quality of our financial results.

A commitment like that is easy to articulate but difficult to execute. Yet, with our strong and dedicated workforce, we have been very successful in that endeavor. Our results this year added to that success—in short, we had a great year! We delivered:

- a new sales record and our 17th consecutive earnings record,
- a full-year operating margin of 11.4%, ahead of our 11% target, and
- a return on shareholders' equity of 24.7%.

At the same time, we continued to invest around the world for our future growth and to support our commitment to stay close to our Customers. Last year, we invested more than \$77 million in new facilities. This included the construction of two new production plants in China—one for engine air filters and the other for industrial filtration equipment. We also built another new plant in the Czech Republic to produce dust collectors for the European market.

In addition, we began work on a number of projects to improve our parts distribution network:

- a new distribution center in Johannesburg, South Africa,
- a 50 percent expansion of our main U.S. distribution center in Rensselaer, Indiana,
- a new distribution center in Aguascalientes, Mexico to support our sales growth in Latin America, and
- a new distribution center in Brugge, Belgium to more cost-effectively serve our growing European Customer base.

These projects will be completed in the next few months and will further expand our support capabilities to our Customers.

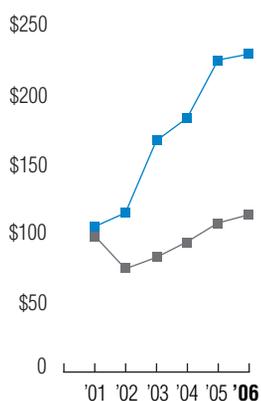
Listening to Our Customers

Across our organization, we have reemphasized the need to listen—**really listen**—to our Customers, understand their needs, and apply our technology, applications expertise, and manufacturing skills to deliver cost-effective solutions. This has always been the case at Donaldson, but this past year, across the Company, we have rededicated ourselves to this process: listening, understanding, and responding with effective solutions to our Customers' needs. Our collective efforts have paid off. How do we know that? Our Customers—both Engine and Industrial—have told us so, and more broadly, our financial results confirm that.

By business unit, we were firing on all cylinders in the second half of 2006, giving us solid momentum as we enter 2007.

In Europe, our Engine Products segment was strong across the board, resulting in double-digit sales growth in the truck, off-road and aftermarket businesses. Local market conditions improved throughout the year, and we also increased our market share with some of our new innovative technologies such as our PowerCore™ Filtration Technology.

5 Year Cumulative Total Return*



■ Donaldson Company, Inc.
■ S & P 500

* \$100 invested on 7/31/01 in stock or index-including reinvestment of dividends.

In North America, our Engine Products segment was also strong. Conditions for our Customers in the construction and mining segments remained robust. New heavy truck build rates at our truck OEMs continued at record levels, and equipment utilization rates for existing fleets of construction, truck and agricultural equipment remained high.

In our Industrial Products segment, our Gas Turbine Systems business enjoyed its first full-year sales growth since 2002, the last year of the North American power generation boom. This business has clearly turned the corner. We also saw a dramatic improvement in the profitability of our Industrial Filtration Solutions, or IFS, business which includes our dust collection and compressed air filtration products. Many factors contributed to our strong results including numerous internal improvement initiatives, higher sales volume and a higher mix of replacement filters. And finally, our Disk Drive filter business had another very strong year. We currently manufacture over one million Disk Drive filters a day in our production facilities in China and Thailand.

Strengthening Our Balance Sheet

We have accomplished all of this while maintaining our overall financial health. Thanks to excellent financial management at all levels of our organization, we were able to:

- invest \$77 million in new plants and distribution facilities,
- repatriate \$160 million of foreign cash that will be invested in accordance with the provisions of the American Jobs Creation Act,
- reduce debt and interest expense—in spite of higher overall interest rates,
- repurchase \$119 million of our stock—consistent with our share repurchase philosophy,
- make our largest investment ever in new product development, and
- build the financial foundation that allows another \$60 to \$70 million for capital projects in 2007.

A Strong Outlook for Fiscal 2007

Our outlook for 2007 is good—and here again, our long-term strategy is the key. We have created a well-diversified global portfolio of filtration businesses. Although we foresee a cyclical downturn in our North American new truck business during the second half of our new fiscal year, this should be more than offset by the strength in our other Engine businesses globally, as well as solid sales growth across our Industrial group.

Moreover, we remain focused on improving the core profitability of our business. We made significant progress in 2006, with operating margins exceeding 12 percent in both the third and fourth quarters. We will continue our work on cost reductions and internal efficiency improvements.

The bottom line is that we expect the strength of our diversified portfolio of filtration businesses and our continued focus on improvements within our businesses to deliver another year of record sales and earnings in 2007.

None of this would be possible without the business we enjoy with our Customers. To our Customers I say, “Thank you for the opportunity to serve you.”

The dedication and hard work of my fellow 11,500 Employees makes our strategy successful and provides value to our Customers. Thank you for your efforts.

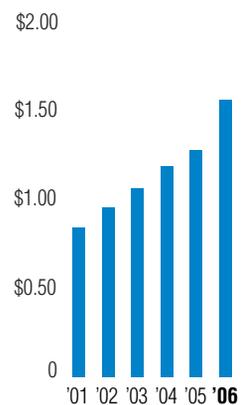
Finally, to our Shareholders, our sincere thanks for your continued trust and support.

Sincerely,

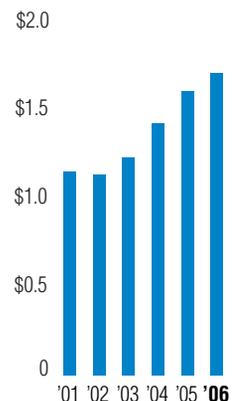


BILL COOK
Chairman, President and CEO

Earnings Per Share
(diluted)



Net Sales
(dollars in millions)



new Plants

MANUFACTURING TO MEET DEMAND

**Donaldson
increased
manufacturing
capacity by
350,000
square feet,
or more than
32,500
square meters.**

We spent a record \$77 million in capital expenditures in 2006, including two more production plants in China—one for engine filters, one for industrial filtration equipment—and another plant in the Czech Republic to produce industrial filtration equipment for the European market. These new plants added 350,000 square feet of capacity to serve our industrial and engine filtration Customers.

Our new production capacity also provides the foundation to serve these new emerging and growing markets. In China, our new industrial filtration plant significantly expands our existing capacity and capabilities for both China and the surrounding region. Our new engine air filter plant allows us to serve our multinational Customers in China and our existing Asian Customer base. In the Czech Republic, our new industrial filtration plant helps us to better serve our established Customer base in Western Europe as well as establish an important presence in Central Europe, a region undergoing massive industrialization.



Wuxi, China



Kadan, Czech Republic

new Distribution

Donaldson increased distribution capacity by **450,000** square feet, or more than **41,800** square meters.

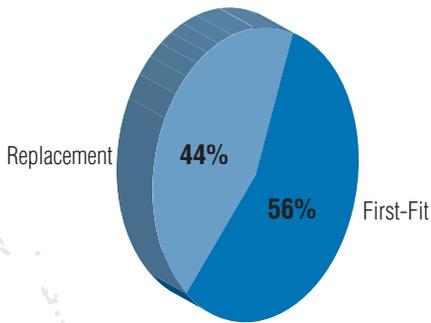
ADDRESSING CUSTOMER NEEDS

New and expanded distribution facilities will further enhance our ability to fill the growing demand for replacement filters throughout the world.

Not long ago we were primarily a “first fit” filtration provider, manufacturing filtration systems installed on new equipment and capturing only a small portion of the replacement filter sales for those systems. In 2006, our sales of engine and industrial replacement filters accounted for more than 44 percent of our \$1.7 billion in 2006 revenues, approaching our long-term goal of 50 percent.

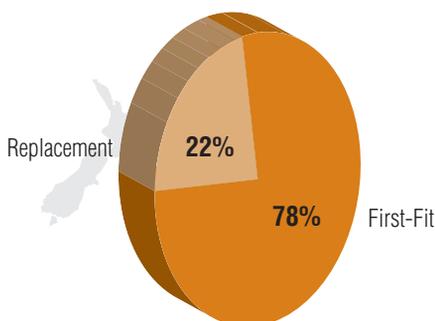
The key to growth in our replacement filter business is the ability to deliver high quality filters to our Customers where and when our Customers need them. In 2006, we began work on new distribution centers in South Africa and Mexico, a 50 percent expansion of our U.S. distribution center in Rensselaer, Indiana and a new European distribution center in Brugge, Belgium. These facilities will be operational in early 2007.

Growth of Replacement Filter Sales 2006



Replacement Air Filters

1983



New distribution center—Johannesburg, South Africa

new Platforms

The PowerCore Success Story

YEAR-OVER-YEAR
INCREASE:

45%

NEW PLATFORM
WIN RATE:

90%

UNITS SOLD:

**2.7
MILLION**

INDUSTRY-LEADING FILTRATION TECHNOLOGY

Our PowerCore™ filtration technology—the recipient of the 2006 Frost & Sullivan Automotive Air Filters Aftermarket Product Innovation of the Year Award—is poised to become the industry standard for air filtration over the next few years. Introduced in 2000, PowerCore air filtration systems have been approved on 60 of our Customers' new equipment platforms. In addition, we had proposals at our Customers for an additional 67 platforms.

PowerCore employs a proprietary combination of high-density filtration construction and nano-fiber technology which together results in improved particle collection efficiency and higher air flow—all in a package half the size of competing technologies. These advantages make PowerCore systems ideally suited to meet size, weight and efficiency demands of our Customers' new equipment designs. And, PowerCore's proprietary media and design means we will capture most of the replacement filter sales for equipment installed with our PowerCore air filtration systems.



PowerCore Replacement Filters

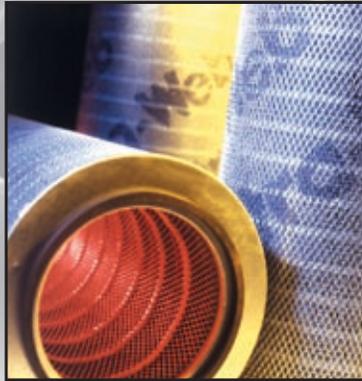


Ford® Super Duty Power Stroke® Diesel Pickup



Corvette Z06

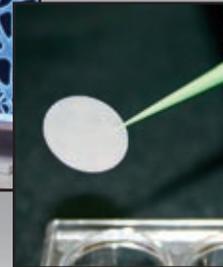
new Frontiers



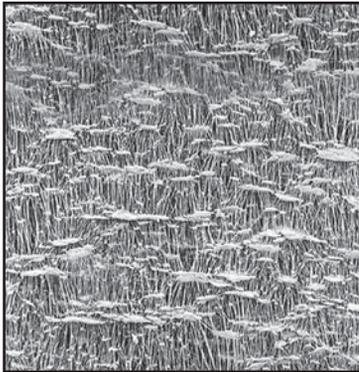
Replacement Air Filters with Ultra-Web™



Ultra-Web™ Nano-fiber Structure



Ultra-Web™ Synthetic ECM



Tetratex® Expanded PTFE Membrane—magnified 1,000X



Donaldson Torit® Downflo® Oval Collector

Our Ultra-Web™ nano-fiber media is a technology that remains unequalled in usefulness, functionality—and potential. This technology application extends all the way from large and demanding industrial applications to high-tech biochemical frontiers.

Our award-winning Downflo® Oval technology is a great filtration solution for those large and demanding industrial applications. By employing Ultra-Web filtration media, our Downflo Oval collector provides a 25 percent increase in airflow capacity; improved airflow path and a 29 percent increase in pulse cleaning pressure, giving our Customers improved filtration efficiency without increasing the size of the collector. This fall, we will be extending our technology into another frontier—Ultra-Web media on a spunbond substrate—ideal for applications requiring the removal of more abrasive particulate or chemicals.

Another good example of our application of Ultra-Web media in a completely new and non-filtration field is our partnership with Minneapolis-based SurModics, Inc. We jointly developed a new variation of our Ultra-Web surface—Ultra-Web Synthetic ECM—a material that produces consistent, reproducible, and biologically meaningful results for cell research and cell-related applications. Our synthetic ECM technology provides a 3-D tissue culture surface that closely mimics the body's own microenvironment. Researchers are using it for the growth and development of cell cultures in the search for new disease therapies.

Eleven-Year Comparison of Results

July 31, 2006

| | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|
| Operating Results | | | | | | | | | | | |
| Net sales | \$1,694.3 | \$1,595.7 | \$1,415.0 | \$1,218.3 | \$1,126.0 | \$1,137.0 | \$1,092.3 | \$944.1 | \$940.4 | \$833.3 | \$758.6 |
| Gross margin percentage | 32.9% | 31.7% | 31.6% | 32.1% | 31.0% | 30.1% | 30.0% | 29.2% | 28.0% | 30.0% | 29.4% |
| Operating income percentage | 11.4% | 9.8% | 10.0% | 10.8% | 11.0% | 9.9% | 9.7% | 9.4% | 9.2% | 9.9% | 10.0% |
| Effective income tax rate | 30.1% | 28.6% | 25.0% | 27.0% | 27.0% | 28.0% | 30.0% | 30.0% | 34.0% | 36.0% | 38.9% |
| Net earnings | \$ 132.3 | \$ 110.6 | \$ 106.3 | \$ 95.3 | \$ 86.9 | \$ 75.5 | \$ 70.2 | \$ 62.4 | \$ 57.1 | \$ 50.6 | \$ 43.4 |
| Return on sales | 7.8% | 6.9% | 7.5% | 7.8% | 7.7% | 6.6% | 6.4% | 6.6% | 6.1% | 6.1% | 5.7% |
| Return on average shareholders' equity | 24.7% | 20.6% | 21.3% | 23.0% | 24.8% | 25.2% | 25.9% | 24.1% | 22.8% | 21.4% | 19.3% |
| Return on investment | 20.8% | 17.7% | 18.1% | 18.3% | 19.2% | 19.1% | 19.4% | 19.0% | 20.5% | 20.8% | 18.5% |
| Financial Position | | | | | | | | | | | |
| Total assets | \$1,124.1 | \$1,111.8 | \$1,001.6 | \$ 882.0 | \$ 850.1 | \$ 706.8 | \$ 677.5 | \$542.2 | \$513.0 | \$467.5 | \$402.9 |
| Current debt | \$ 79.9 | \$ 109.8 | \$ 54.1 | \$ 14.8 | \$ 60.9 | \$ 59.4 | \$ 85.3 | \$ 20.7 | \$ 45.9 | \$ 42.7 | \$ 13.1 |
| Long-term debt | \$ 100.5 | \$ 103.3 | \$ 70.9 | \$ 105.2 | \$ 104.6 | \$ 99.3 | \$ 92.6 | \$ 86.7 | \$ 51.6 | \$ 4.2 | \$ 10.0 |
| Total debt | \$ 180.4 | \$ 213.1 | \$ 124.9 | \$ 120.0 | \$ 165.4 | \$ 158.7 | \$ 178.0 | \$107.4 | \$ 97.4 | \$ 46.9 | \$ 23.2 |
| Shareholders' equity | \$ 546.8 | \$ 524.6 | \$ 549.3 | \$ 447.4 | \$ 382.6 | \$ 319.1 | \$ 280.2 | \$262.8 | \$255.7 | \$243.9 | \$228.9 |
| Long-term capitalization ratio | 15.5% | 16.5% | 11.4% | 19.0% | 21.5% | 23.7% | 24.9% | 24.8% | 16.8% | 1.7% | 4.2% |
| Property, plant and equipment, net | \$ 317.4 | \$ 275.5 | \$ 261.5 | \$ 255.4 | \$ 240.9 | \$ 207.7 | \$ 204.5 | \$182.2 | \$178.9 | \$154.6 | \$124.9 |
| Net expenditures on property, plant and equipment | \$ 77.6 | \$ 50.2 | \$ 43.0 | \$ 33.3 | \$ 40.5 | \$ 38.9 | \$ 36.4 | \$ 29.5 | \$ 54.7 | \$ 47.3 | \$ 39.3 |
| Depreciation and amortization | \$ 44.7 | \$ 44.3 | \$ 41.6 | \$ 37.6 | \$ 31.8 | \$ 38.6 | \$ 34.3 | \$ 27.7 | \$ 25.3 | \$ 21.5 | \$ 21.7 |
| Shareholder Information (adjusted for splits) | | | | | | | | | | | |
| Net earnings per share—assuming dilution | \$ 1.55 | \$ 1.27 | \$ 1.18 | \$ 1.05 | \$ 0.95 | \$ 0.83 | \$ 0.76 | \$ 0.66 | \$ 0.57 | \$ 0.50 | \$ 0.42 |
| Dividends paid per share | \$ 0.320 | \$ 0.235 | \$ 0.205 | \$ 0.175 | \$ 0.155 | \$ 0.148 | \$ 0.135 | \$0.115 | \$0.095 | \$0.085 | \$0.075 |
| Shareholders' equity per share | \$ 6.80 | \$ 6.32 | \$ 6.38 | \$ 5.16 | \$ 4.36 | \$ 3.59 | \$ 3.14 | \$ 2.84 | \$ 2.64 | \$ 2.47 | \$ 2.26 |
| Shares outstanding (millions) | 80.5 | 83.0 | 86.1 | 86.7 | 87.8 | 88.8 | 89.3 | 92.4 | 96.8 | 98.9 | 101.3 |
| Common stock price range, per share | | | | | | | | | | | |
| High | \$ 36.00 | \$ 34.45 | \$ 30.75 | \$ 24.59 | \$ 22.50 | \$ 16.53 | \$ 12.56 | \$12.97 | \$13.85 | \$10.19 | \$ 7.13 |
| Low | \$ 28.60 | \$ 25.11 | \$ 23.55 | \$ 14.96 | \$ 13.47 | \$ 9.41 | \$ 9.53 | \$ 6.75 | \$ 9.28 | \$ 6.34 | \$ 5.97 |

Safe Harbor Statement

The Company desires to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 (the "Act") and is making this cautionary statement in connection with such safe harbor legislation. Some of the information provided in this annual report constitutes forward-looking statements which reflect the Company's current views with respect to future events and financial performance, but involve uncertainties that could significantly impact results. All forecasts and projections are "forward-looking" statements and are based on management's current expectations of the Company's near-term results. There can be no assurance that actual results will not differ materially from its expectations. For a more detailed explanation of the safe harbor statement and the risks, see the Company's Form 10-K filed with the SEC.

Shareholder Information

Corporate Officers

WILLIAM M. COOK, 53
Chairman, President and Chief Executive Officer
26 years service

CHARLES J. MCMURRAY, 52
Senior Vice President, Industrial Products, Technology, and South Africa
26 years service

LOWELL F. SCHWAB, 58
Senior Vice President, Engine Systems and Parts
27 years service

GEERT HENK TOUW, 60
Senior Vice President, Asia Pacific
20 years service

SANDRA N. JOPPA, 41
Vice President, Human Resources, Communications, and Facilities
1 year service

NORMAN C. LINNELL, 47
Vice President, General Counsel and Secretary
11 years service

WILLIAM I. VANN, 61
Vice President, NAFTA Operations and Mexico
39 years service

THOMAS R. VERHAGE, 53
Vice President and Chief Financial Officer
3 years service

Board of Directors

F. GUILLAUME BASTIAENS, 63
Vice Chairman
Cargill, Inc., Minneapolis (Agribusiness)
Independent director since 1995⁽¹⁾(3)

WILLIAM M. COOK, 53
Chairman of the Board, President and Chief Executive Officer
Donaldson Company, Inc.
Director since 2004

JANET M. DOLAN, 56
Retired President and Chief Executive Officer
Tennant Company, Minneapolis (Manufacturing)
Independent director since 1996⁽²⁾(3)

JACK W. EUGSTER, 61
Retired Chairman, President and Chief Executive Officer
The Musicland Group, Inc., Minneapolis (Consumer Products)
Independent Director since 1993⁽¹⁾(2)*

JOHN F. GRUNDHOFER, 67
Retired Chairman and Chief Executive Officer
U.S. Bancorp, Minneapolis (Financial Services)
Independent director since 1997⁽¹⁾(3)*

MICHAEL J. HOFFMAN, 51
Chairman, President and Chief Executive Officer
The Toro Company, Minneapolis (Manufacturing)
Independent director since 2005⁽²⁾

PAUL DAVID MILLER, 64
Retired Chairman and Chief Executive Officer
Alliant Techsystems, Inc. Minneapolis (Defense and Aerospace)
Independent director since 2001⁽²⁾(3)

JEFFREY NODDLE, 60
Chairman, President and Chief Executive Officer
SUPERVALU INC., Minneapolis (Food Retailer and Distributor)
Independent director since 2000^(1)(2)*

WILLARD D. OBERTON, 47
Chief Executive Officer and President
Fastenal Company, Winona, MN (Industrial Supplies)
Independent director since 2006⁽³⁾

JOHN P. WIEHOFF, 45
Chief Executive Officer and President
C. H. Robinson Worldwide, Inc., Minneapolis (Transportation & Logistics)
Independent director since 2003⁽²⁾(3)

- (1) Human Resources Committee
(2) Audit Committee
(3) Corporate Governance Committee
(*) Committee Chairperson

Shareholder Information

NYSE Listing

The common shares of Donaldson Company, Inc. are traded on the New York Stock Exchange, under the symbol DCI.

Shareholder Information

For any concerns relating to your current or prospective shareholdings, please contact Shareowner Services at (800) 468-9716 or (651) 450-4064.

Dividend Reinvestment Plan

As of September 21, 2006, 1,155 of Donaldson Company's approximately 1,903 shareholders of record were participating in the Dividend Reinvestment Plan. Under the plan, shareholders can invest Donaldson Company dividends in additional shares of Company stock. They may also make periodic voluntary cash investments for the purchase of Company stock.

Both alternatives are provided without service charges or brokerage commissions. Shareholders may obtain a brochure giving further details by writing Wells Fargo Bank Minnesota, N.A., Shareowner Services, P.O. Box 64854, St. Paul, MN 55164-0854.

Annual Meeting

The annual meeting of shareholders will be held at 1 p.m. CT on Friday, November 17, 2006, at Donaldson Company, Inc., 1400 West 94th Street, Bloomington, Minnesota. Shareholders are welcome to attend.

Investor Relations

You can access investor relations information, including our SEC filings, on our website at www.donaldson.com. For investor inquiries, contact Rich Sheffer, Director of Investor Relations at (952) 887-3753 or rsheffer@mail.donaldson.com.

Auditors

PricewaterhouseCoopers LLP
Minneapolis, Minnesota

Public and Investor Relations Counsel

The Carideo Group, Inc.
Minneapolis, Minnesota

Transfer Agent and Registrar

Wells Fargo Bank Minnesota, N.A.
South St. Paul, Minnesota

Diversity

Donaldson is focused on creating a globally inclusive culture. Our goal is to create an atmosphere of mutual respect where individual differences are valued and all employees can contribute to their full potential.

Board of Directors



Front Row (l-r)—Hoffman, Dolan, Bastiaens, Noddle; Middle Row (l-r)—Miller, Grundhofer; Back Row (l-r)—Wiehoff, Oberton, Eugster, Cook.

Corporate Officers



Front Row (l-r)—McMurray, VerHage, Joppa, Schwab; Middle Row (l-r)—Cook, Vann, Linnell; Back Row—Touw.

Donaldson: our mission



We provide the best filtration solutions and value to our Customers through our portfolio of global filter businesses. We manage our business to deliver consistent long-term earnings growth and superior returns for our Shareholders. By serving the best interests of both our Customers and Shareholders we create security and opportunities for our Employees.



Wir bieten unseren Kunden ein vollständiges Produktportfolio an innovativen Filtrationslösungen. Unseren Anspruch können Sie an unserem wirtschaftlichen Erfolg messen. Kontinuierliche Gewinnsteigerungen und eine konstante, positive Geschäftsentwicklung geben beste Aussichten für die Zukunft unserer Aktionäre. Unser besonderes Interesse gilt unseren Kunden und Aktionären und wir schaffen somit gleichzeitig Sicherheit und Visionen bei unseren Mitarbeitern.



Ofrecemos las mejores soluciones en filtración y valor a nuestros clientes a través de nuestro portafolio de negocios en filtración global. Manejamos nuestro negocio para entregar crecimiento constante de ganancias a largo plazo y retornos de inversión superiores para nuestros Accionistas. Sirviendo a los mejores intereses tanto de nuestros clientes y accionistas, creamos seguridad y oportunidades para nuestros empleados.



透过其足迹遍及全球，领域涵盖广泛的业务部门，唐纳森为客户提供最佳过滤方案和价值。公司的经营着眼于为股东提供稳健、长远的利润增长和卓越的投资回报。秉承服务于客户和股东最高利益的宗旨，唐纳森为员工创造就业安全和机会。



Široké portfolio globální nabídky nám umožňuje poskytnout zákazníkům to nejlepší a nejkvalitnější řešení v oblasti filtrace. Naše obchodní činnost je řízena tak, aby vykazovala trvale dlouhodobý růst výnosů a přinášela výrazný zisk našim akcionářům. Kvalitní službou zákazníkům a akcionářům zajišťujeme pevné zázemí a perspektivu našim zaměstnancům.



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