

Donaldson Company Announces Quarterly Cash Dividend Increase; Authorizes Share Repurchase Program
MINNEAPOLIS--(BUSINESS WIRE)--Jan. 17, 2003--Donaldson Company, Inc. (NYSE:DCI), announced today that the company's board of directors has increased the common stock cash dividend for the 16th consecutive fiscal year and authorized the repurchase of up to 4.0 million common shares.

The board declared a regular cash dividend of nine cents per share, payable March 14, 2003, to shareholders of record as of February 28, 2003. As of December 31, 2002, there were approximately 43,500,000 shares outstanding. The current declaration is the 190th consecutive quarterly cash dividend paid by Donaldson, a time span of over 47 years.

The repurchase authorization of 4.0 million common shares, which is effective until terminated by the board, replaces the existing authority that was due to expire at the end of March 2003. Previously, the company repurchased 1.2 million shares out of the 4.5 million shares authorized in the expiring authority. Shares may be repurchased through a variety of methods including open market share repurchases, privately negotiated share repurchases, accelerated share repurchase programs, equity options or other similar facilities.

About Donaldson Company, Inc.

Donaldson Company, Inc., headquartered in Minneapolis, is a leading worldwide provider of filtration systems and replacement parts. Founded in 1915, Donaldson is a technology-driven company committed to satisfying customer needs for filtration solutions through innovative research and development. Donaldson serves customers in the industrial and engine markets including dust collection, power generation, specialty filtration, compressed air purification, off-road equipment, industrial compressors, and trucks. More than 8,500 employees contribute to the company's success at 40 manufacturing locations around the world. In fiscal year 2002, Donaldson reported sales of more than \$1.1 billion and achieved its 13th consecutive year of double-digit earnings growth. Donaldson is a member of the S&P MidCap 400 Index and Donaldson shares are traded on the New York Stock Exchange under the symbol DCI. Additional company information is available at www.donaldson.com.

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Contact: Padilla Speer Beardsley Inc., Minneapolis

Patty Hoffman, 612/455-1781

E-mail: phoffman@psbpr.com

or

Donaldson Company, Inc., Minneapolis

Rich Sheffer, 952/887-3753

E-mail: rsheffer@mail.donaldson.com

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