

Donaldson Company Completes Acquisition of ultrafilter international AG -- Reaffirms Fiscal Year 2002 Earnings Guidance

MINNEAPOLIS, Jul 15, 2002 (BUSINESS WIRE) -- Donaldson Company, Inc. (NYSE:DCI), announced today that it has completed the acquisition of ultrafilter international AG ("ultrafilter"), headquartered in Haan, Germany, for 72 million euros.

With roughly 100 million euros in sales, ultrafilter is a global leader in the design and manufacture of components, replacement parts and complete systems for the compressed air purification industry. Its products include compressed air filters and a wide assortment of replacement filters, a complete offering of refrigeration and desiccant dryers, condensate management devices and after-sale services. ultrafilter, with operations in 30 countries, is built on selling direct to end users, excellent customer service and a strong focus on the aftermarket. For further information on ultrafilter, visit www.ultrafilter.com.

The transaction is expected to be earnings neutral for fiscal 2003 and accretive thereafter, with additional upside dependent on the pace and success of integration efforts.

"ultrafilter represents a great strategic fit for Donaldson," said Bill Van Dyke, Donaldson Company's chairman, president and chief executive officer. "The combination of the two companies satisfies all three dimensions of our long-standing diversification strategy by helping us expand our presence in industrial markets, focus on replacement parts and add international revenue."

With the acquisition, the company will reduce its relative dependence on mobile diesel engines, new capital equipment and the U.S. economy, creating a more balanced portfolio and enhancing the stability of its performance over time.

"ultrafilter's direct selling approach is similar to our dust collection business, which has the highest market share in its industry," Van Dyke said. "We expect the two organizations to enhance each other's respective expansions in the U.S., Asian and European markets."

Separately, Donaldson Company announced that it is reaffirming its expectation to achieve its 13th consecutive year of double-digit earnings growth in fiscal year 2002, which ends July 31. The company will release its fourth-quarter earnings on Monday, August 26 at market close, and host a live Webcast of its fourth-quarter earnings conference call on Tuesday, August 27 at 10:00 a.m. CDT.

About Donaldson Company, Inc.

Donaldson Company, Inc., headquartered in Minneapolis, Minn., 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 9,000 employees contribute to the company's success at 40 manufacturing locations around the world. In fiscal year 2001, Donaldson reported record sales of more than \$1.1 billion and achieved its twelfth 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.

Statements that Donaldson Company, Inc. may publish, including those in this announcement, that are not strictly historical are "forward-looking statements" made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks which may cause actual results and corporate developments to differ materially from those expected, including those risks described in the Company's SEC filings, including quarterly reports on Form 10-Q, annual reports on Form 10-K and reports on Form 8-K. New factors emerge from time-to-time and it is not possible for management to predict all such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or a combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Investors are cautioned not to place undue reliance on such forward-looking statements as they speak only to the Company's views as of the date that the statement is made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTACT: Donaldson Company, Inc., Minneapolis
Rich Sheffer, 952/887-3753
or
Padilla Speer Beardsley Inc.
Tony Carideo, 612/455-1720

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