

## Donaldson Company Forms New Emissions Group For Heavy-Duty Diesel Engines

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FOR IMMEDIATE RELEASE

*Group Will Develop Technology and Products to Meet Heightened Emissions Standards*

MINNEAPOLIS, June 20 — To help its customers meet increasing exhaust emissions standards and to better capitalize on a significant market opportunity, Donaldson Company, Inc. (NYSE: DCI) has formed an Exhaust and Emissions Group. The group will focus on developing integrated filtration and exhaust systems to meet more stringent regulatory standards around the world.

Proposed regulations for on-road diesel engines in Europe, Japan and the United States will converge to essentially the same low levels in the 2007–2008 timeframe. Reductions of more than 95 percent from current levels are required for nitrous oxide (NOx) and particulate matter (PM) emissions to meet the new regulations.

"We're excited about the size and nature of this opportunity and are planning for market expansion," said Steve Schmeichel, general manager, Exhaust and Emissions Group, Donaldson Company. "Our efforts will be directed at finding ways to improve product performance and durability, while reducing cost for our customers."

The Exhaust and Emissions Group will work with engine and vehicle original equipment manufacturers to develop engine filtration solutions that reduce both NOx and PM to required regulation levels, as well as provide testing and production support.

Coupled with the rules on new engines, major retrofit programs are emerging for existing on-road and off-road applications. California's retrofit program requires that 1.25 million diesel engines must be retrofit with aftertreatment devices to reduce PM and/or NOx emissions. Houston, Portland, Ore., Denver, Las Vegas and North Carolina are conceiving similar programs domestically, while Sweden, Paris, Hong Kong and Tokyo are contemplating programs outside the United States.

"Donaldson is strategically positioned to become a major supplier in future diesel engine emissions markets," Schmeichel said. "Our vast knowledge and experience with vehicle exhaust systems and mounting hardware make us uniquely qualified to apply emissions aftertreatment devices to both on-road and off-road applications. Our systems integrator approach provides added value that a packager or component supplier cannot offer."

Donaldson is a familiar participant in the expanding emissions market and was the first company to obtain certification for an active diesel trap system in CARB's Urban Bus Program in the late 1980's and early 1990's. To improve durability, Donaldson later converted over 2,000 trap systems to integrated catalytic converter mufflers (CCM's) using diesel oxidation catalysts. Donaldson has since manufactured over 300,000 passive CCM units for urban bus and medium-duty diesel applications.

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, off-road equipment, trucks, and automotive. More than 8,400 employees contribute to the company's success at roughly 40 manufacturing locations around the world. In fiscal year 2000, Donaldson reported record sales of more than \$1 billion and achieved its eleventh 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](http://www.donaldson.com).

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