



Donaldson Announces Filing of Form 12b-25

Donaldson Company, Inc. (NYSE:DCI) today announced that it has filed a Form 12b-25, Notification of Late Filing, with the U.S. Securities and Exchange Commission with regard to its Annual Report on Form 10-K for the year ended July 31, 2015. The filing provides the Company with an additional 15 calendar days to file its Form 10-K, and Donaldson expects to file its Form 10-K prior to the expiration of the extension.

Donaldson was unable to file its Form 10-K by the Sept. 29, 2015, deadline because the Company has not yet completed an ongoing investigation related to the recognition of revenue for certain projects in its European Gas Turbine Products business.

Specifically, the Company's Compliance Committee received reports from two former employees that revenue for a project in the European Gas Turbine Products business was improperly recognized in the second quarter of fiscal 2015. The Company initiated an internal investigation which verified the substance of the report and identified additional revenue transactions within the European Gas Turbine Products business involving the same improper practices.

The Audit Committee of the Board has subsequently engaged independent external counsel and independent forensic accountants to continue the investigation, which is still on-going. Based on the investigation findings to date, the Company concluded that documents were altered with the intent to inappropriately recognize revenue for certain transactions in periods earlier than would be allowable under generally accepted accounting principles. There is also an indication that there may have been purposeful deferring of certain charges from suppliers to later time periods than appropriate.

The investigation findings to date suggest that the revenue transactions were all valid, but revenue was inappropriately recognized in an accelerated manner during the fourth quarter of fiscal 2014 and the second and third quarters of fiscal 2015. Based on the investigation findings to date, the Company believes that the financial statement misstatements were immaterial, however the investigation is still on-going and it is uncertain as to whether additional misstatements will be found, either in revenue or other accounts. The Company has begun taking remedial actions in response to the discovery of these practices.

Once the investigation is completed, including the evaluation of its findings, the Company expects to complete its assessments as to the impacts to the financial statements and effectiveness of internal controls over financial reporting and file its Form 10-K.

Miscellaneous

The Company wishes to caution investors that any forward-looking statements (such as those identified by words such as "believe," "expect" or similar expressions) are subject to uncertainties and other risk factors that could cause actual results to differ materially from such statements, including but not limited to risks associated with the timing and outcome of the Audit Committee's investigation, including the possible identification of additional facts that could have an impact on the Company's historical or future financial results. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

About Donaldson Company

Founded 100 years ago, Donaldson (NYSE: DCI) is a global leader in the filtration industry. The Company's innovative filtration technologies improve people's lives, enhance Customers' equipment performance, and protect the environment. More than 12,500 employees support Customers at 140 sales, manufacturing, and distribution locations. For more information, visit www.Donaldson.com.



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