



Donaldson[®]
Filtration Solutions

2005 Annual Report



Worldwide Reach

Local Connection

16 Consecutive Record Years



Legend:

- ⊙ world headquarters
- regional headquarters
- sales offices
- distribution centers
- manufacturing facilities
- joint ventures
- distribution centers new in 2006
- manufacturing facilities new in 2006

About Donaldson

Donaldson Company, Inc., is a leading worldwide designer and manufacturer of filtration systems and replacement parts. We strive to be 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.

Mission Statement

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.

Industrial Products Segment

2005 Sales **\$672 Million**



Industrial Air Filtration



Compressed Air and Gas Purification



Industrial Liquid Filtration



Tetratex® Expanded PTFE Membrane



Disk Drive Filters

	Industrial Filtration Solutions	Special Applications
Products	<p>Our Industrial Filtration Solutions group (IFS) provides a broad range of filtration products to industrial end-use customers under the master brand of Donaldson and three specialized product brands: Torit, Ultrafilter and Torit/DCE. Also, a full line of replacement filters and parts is offered.</p> <p>IFS offers complete solutions to:</p> <ol style="list-style-type: none"> (1) control and capture airborne dust, fumes and mist; (2) provide clean, dry and oil-free compressed air and gas; and (3) provide clean bulk oil, fuel, hydraulic fluid and other process liquids. 	<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 applied in a wide variety of industrial segments including pharmaceutical, bulk food handling, metalworking, mining, cement, plastics, glass and wood.</p> <p>Industrial Air Filtration Filtration systems and replacement filters that capture a broad spectrum of dust, mist or fume particles that create maintenance and air quality problems in manufacturing environments.</p> <p>Compressed Air and Gas Purification Air intake filters, oil filters and air/oil separators keep compressor room equipment running efficiently. Air dryers and point-of-use compressed air filters deliver clean, dry compressed air and gas throughout manufacturing facilities.</p> <p>Industrial Liquid Filtration Hydraulic filters protect manufacturing equipment by removing particulate contaminants that cause wear and damage to engines, motors and moving parts. Process liquid filters purify a variety of 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 major disk drive manufacturers such as Maxtor, Hitachi Global Storage Technologies, Seagate and Western Digital.</p> <p>Products for high technology applications include air filter systems for semiconductor processing facilities, contamination control devices for fuel cells, as well as other filters for process-critical applications.</p> <p>We sell our Tetratex® expanded PTFE membrane for applications including dust collection, air pollution control, and performance fabrics such as military outerwear.</p>
2005 Sales	\$425 Million	\$134 Million
Routes to Market	<p>IFS products are provided through multiple channels. Donaldson field sales representatives and service technicians sell directly to end-users. An extensive network of distributors, dealers, resellers, installers and engineering firms are utilized to help expand IFS coverage in specific markets and geographies. Strong OEM relationships also help incorporate IFS products into their total system configurations.</p>	<p>Disk drive filters are sold to OEM disk drive manufacturers by a direct sales force.</p> <p>Other high technology application products are sold to OEMs and directly to end-users.</p> <p>Tetratex® membranes are sold to various filter, garment and footwear manufacturers.</p>

Engine Products Segment

2005 Sales **\$924 Million**



Gas Turbine Systems



Off-Road Equipment



Trucks



Aftermarket

Gas Turbine Systems		Off-Road Equipment	Trucks	Aftermarket
<p>We provide complete systems to deliver clean air to combustion gas turbines. Products include self-cleaning filter units, static air filter units, inlet ducting and silencing, evaporative coolers, chiller coils, inlet heating and anti-icing systems. A full line of replacement filters and parts is also offered, along with field service.</p>	End-Markets	<p>Products sold to agricultural, construction, mining, aerospace and defense equipment manufacturers.</p>	<p>Products sold to manufacturers of light-, medium- and heavy-duty trucks.</p>	<p>Broad line of replacement filters and hard parts for all of the equipment applications noted at left.</p>
<p>Modern combustion 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 oil drilling platforms.</p>	Representative Customers	<p>Caterpillar, John Deere, Komatsu, CNH, Volvo Construction Equipment, General Dynamics, Stewart & Stevenson, Bobcat and AGCO</p>	<p>Freightliner, PACCAR, Volvo, Scania, International, Mitsubishi, Ford, General Motors, Hino and DAF</p>	<p>Replacement parts are provided through multiple channels including our OEMs' parts and service organizations, independent distributors, and private label accounts.</p> <p>Our replacement parts are marketed under both the Donaldson brand and through our OEMs to support their brands.</p>
\$113 Million	2005 Sales	\$286 Million	\$175 Million	\$463 Million
<p>Products are primarily sold to gas turbine OEMs such as, General Electric, Solar and Siemens Westinghouse. Replacement parts are sold both to our OEMs as well as directly to end-users.</p>	Product Families	<p>Engine Intake Air Filtration Systems ✓</p> <p>Exhaust Systems ✓</p> <p>Hydraulic Filtration Systems ✓</p> <p>Lube, Fuel and Coolant Filtration Systems ✓</p> <p>Cabin Air Filters ✓</p>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>



Dear Shareholders:

Bill Cook, Chairman, President and Chief Executive Officer

Donaldson is now deeply integrated into the global economy. We are committed to growing our business on that basis – addressing our worldwide end markets with sales, distribution and manufacturing that allow a local response to our Customers' needs. 2005 presented both global opportunities and global challenges. The bottom line is, we had another great year and our 16th consecutive EPS record.

This was also a year of transition for the leadership of our Company. My predecessor and mentor, Bill Van Dyke, retired from the Company and Board. While he will be a tough act to follow, he also leaves behind both a great company and a time-tested strategy.

We changed our strategy over 20 years ago with the objective of transforming ourselves from a cyclical U.S. based company into a well diversified portfolio of filter businesses around the world. The theory was that if we were in enough different filter businesses in different geographies running on different cycles, that in aggregate we would have a stable platform for delivering consistent financials and above average returns for our Shareholders.

That strategy has worked. 2005 represented another revenue record and our 16th consecutive earnings record. The world around us will continue to change. We will adapt to these changes and continue to execute our strategy to deliver the same goal. And that goal is the same one we have been focused on since the mid-1980's – providing superior returns to you, our Shareholders.

Operational Summary

Our revenue increased by \$180 million to a new record of \$1.6 billion. We saw solid strength on both sides of our company with Engine Products sales up 14 percent and Industrial up 11 percent.

One of the challenges we encountered was in our gross margins. In the first half of the year, higher steel prices affected margins. During the second half of the year, margins were again under pressure from higher petroleum based raw materials and freight costs. In total, these were the most significant inflationary pressures we have experienced since the early 1980's. Fortunately, we were able to offset these through a combination of selective price increases and very extensive cost reduction initiatives with our Customers. Our people around the world did a magnificent job dealing with this challenge.

The bottom line is that we dealt with the challenges. Earnings per share were a record \$1.27, up 8 percent over the \$1.18 reported in fiscal 2004, and net income was another record at \$110.6 million.

Outlook

We enter fiscal 2006 on solid footing: The economic conditions in almost all of our end markets remain good. As we started the year, our total order backlog was up 11 percent over the prior year.

In our Engine Products segment, our NAFTA heavy truck Customers are expecting strong build rates to continue through calendar 2006. Our NAFTA construction and mining OEMs also continue to see robust conditions. Our overseas Engine businesses also have good order backlogs. In summary, based on the orders backlog we have in hand and the positive feedback from our Customers, we expect an increase in Engine Product sales of about 10 percent in 2006.



Groundbreaking in Wuxi

We are building two new plants in Wuxi, China in 2006. These plants are our fifth and sixth manufacturing facilities in China.



Czech Republic Plant

To meet European demand for our industrial filtration systems, we will build a new manufacturing facility in Kadan, Czech Republic in 2006. This plant will serve our Western European customers while allowing us to better serve the fast-growing Eastern Europe market.



Farewell to Bill Van Dyke

In the 10 years Bill Van Dyke led Donaldson Company as its President, CEO and Chairman, our company grew into a \$1.6 billion international enterprise with operations in 35 countries and more than half of its revenue originating outside the U.S.

Even more important, Bill built an organization that delivered unprecedented financial results to our Shareholders: **16 consecutive years of record earnings growth, a 21 percent average annual return to our Shareholders.** If he had one mantra, it was always, "if we take care of the Shareholders, the company and its people will prosper." And they most definitely have.

Two growth initiatives worth noting in our Engine Products segment: PowerCore™ filters and our diesel emissions solutions.

PowerCore is a filtration technology breakthrough that allows us to offer our Customers a significant innovation and value improvement. Using PowerCore, we now have won 36 new vehicle platforms at our OEM Customers. In addition, we have made another 60+ PowerCore proposals for new platforms. The bottom line on PowerCore: we expect to see continued strong PowerCore sales growth over the next several years with sales up another 40 percent during 2006.

In diesel emissions, we've identified two significant growth opportunities. The first is related to the clean-up of the exhaust of existing fleets of diesel powered vehicles. This is being driven by state and local governments, whose main area of focus is school buses. In 2005, we sold \$12 million in retrofit solutions for existing fleets and expect to experience continued growth in '06 and beyond. The second opportunity is related to the upcoming 2007 federal regulations for the reduction of diesel emissions for all new heavy duty diesel powered trucks. We have already won the emissions business for two major truck engine platforms with several more of our proposals in the bidding process. All in all, we expect to see our current \$50 million truck exhaust and emissions business in North America grow to \$150 million by 2010.

In the Industrial side of our business, global conditions are good, and we continue to execute our growth plan around the combination of our industrial air filtration and Ultrafilter™ product lines. We acquired Ultrafilter three years ago and are very pleased with how it has fit into our existing Industrial businesses. In our Special Applications business, we are expecting a strong '06 due to the continued strength in both our disk drive filter and membrane businesses. Finally, conditions in our gas turbine business are improving modestly, as we see good growth opportunities internationally. Combining all of our Industrial related businesses, we're expecting 2006 sales growth in our Industrial Products Segment in the high single-digits.

Donaldson's Global Presence

Three years ago, our mix of international versus North American sales passed the 50 percent mark. This was a major milestone. We now have more than 11,000 Donaldson employees in 35 countries around the world, supporting our global OEM, aftermarket and industrial Customers.

In North America, our 4,500 employees serve our Customers in the U.S., Mexico, and Canada. Our main global R&D center is in the U.S. We now have 14 production plants within NAFTA in addition to distribution centers and sales offices.

Bill's definition of what 'good' looked like was setting earnings records – each and every year. He vowed that we would never take a year off, and that Shareholders would reward us for that consistency.

To that end, under his thoughtful leadership, Bill built a management team who brought depth and seasoned business acumen to the company. Bill was a leader who gave people a chance to succeed – or fail – and who surrounded himself with top talent, then allowed them to do their jobs. He was all about results, and had little patience for excuses.

Bill demanded the same of himself as he did of others. He worked tirelessly as a leader and a coach and demanded excellence in everything he did as a manager, a CEO and as Chairman of our Board. At the same time, Bill always kept things in perspective, drawing clear distinctions between those things the company could control and those it couldn't.

Bill, for all that you did to build this great company – thank you! Best wishes for a wonderful retirement!

Financial Highlights

Donaldson Company, Inc. and Subsidiaries

Year ended July 31	2005	2004	% change
Net sales	\$1,595,733	\$1,414,980	12.8%
Net earnings	110,554	106,317	4.0%
Return on sales	6.9%	7.5%	(0.6) pts.
Return on average shareholders' equity	20.6%	21.3%	(0.7) pts.
Long-term capitalization ratio	16.5%	11.4%	5.1 pts.
Diluted earnings per share	\$ 1.27	\$ 1.18	7.6%
Dividends paid per share	\$ 0.235	\$ 0.205	14.6%
Shareholders' equity per share	\$ 6.32	\$ 6.38	(0.9)%
Diluted shares outstanding	86,883	90,430	(3.9)%
Employees at year-end	11,132	10,289	8.2%
Sales per employee	\$ 143.4	\$ 137.5	4.3%

Our Europe, Middle East and Africa regions now employ more than 2,800 employees. We cover this area through an extensive network including 37 sales offices, 14 production plants and five distribution centers.

Our Asia Pacific region employs more than 3,700 employees in 19 sales offices, eight production plants and three distribution centers.

From a long-term strategic standpoint, 2005 was distinguished by the number of significant investments to further grow our International businesses. Some highlights include:

- Significant expansion of our existing plants in Australia and Italy. At our Australian plant, where we manufacture engine air filters and industrial air filtration equipment, we doubled the facility size. At our Italian plant, we also doubled the size of the plant to meet demand for our liquid filters for the European market.
- We opened our first plant in Thailand. This Class 100 clean room will supply filters for the rapidly growing disk drive industry. We expect to produce almost 200 million disk drive filters in our first year of production in Thailand.

In fiscal 2005, we spent more than \$50 million in capital expenditures – the majority to support the growth in our international operations. And in fiscal 2006, we expect an even bigger year – \$85 million to \$95 million as we continue to invest in our future. Our plans include two more plants in Wuxi, China. One will be dedicated to the production of air filters to support our Engine Customers throughout Asia. The second new plant will help expand our industrial air filtration production. In Europe, we are building our second plant in the Czech Republic; this plant will manufacture industrial air filtration equipment. We are also building a new distribution center in South Africa to help serve our Customers' growing need for replacement filters throughout the African continent. And finally, we are working on several other major expansion projects that are in the proposal stage. Stay tuned.

The filtration markets we participate in represent a great business opportunity. There is a growing need for improved filtration throughout the world – we see examples of this in the news daily. Fortunately, we have the right technology to apply to many of those critical needs, so it is easy to be excited about our opportunities. To achieve our goals, we will continue to execute our strategy, leveraging both the outstanding capabilities and commitment of our Employees. Finally, our goals remain the same – by taking good care of our Customers, we provide for our Shareholders and our Employees.

Sincerely,

Bill Cook, Chairman, President and Chief Executive Officer



Ostiglia, Italy Plant Expansion

In Ostiglia, Italy we make hydraulic filters for the mobile diesel equipment market. The expanded facility allows us to serve our European Customers more efficiently through increased manufacturing and storage capacity.



Disk Drive Filter Cleanroom in Thailand

This state-of-the-art cleanroom provides a local source for serving our Customers located in Thailand, Malaysia and Singapore.

Sixteen-Year Comparison of Results

Donaldson Company, Inc. and Subsidiaries

(Millions of dollars, except per share amounts)

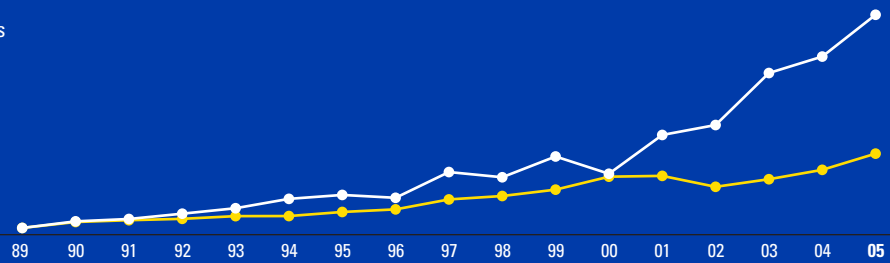
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Operating Results																
Net sales	\$1,595.7	\$1,415.0	\$1,218.3	\$1,126.0	\$1,137.0	\$1,092.3	\$ 944.1	\$ 940.4	\$ 833.3	\$ 758.6	\$ 704.0	\$ 593.5	\$ 533.3	\$ 482.1	\$ 457.7	\$ 422.9
Gross margin	\$ 505.6	447.7	391.2	349.5	341.7	327.5	275.7	263.3	250.3	222.9	198.0	166.6	152.2	133.6	129.9	121.5
Gross margin percentage	31.7%	31.6%	32.1%	31.0%	30.1%	30.0%	29.2%	28.0%	30.0%	29.4%	28.1%	28.1%	28.5%	27.7%	28.4%	28.7%
Operating income	\$ 156.5	141.6	131.8	123.8	112.1	105.6	88.4	86.8	82.7	75.6	65.5	52.1	45.2	41.2	41.3	44.4
Operating income percentage	9.8%	10.0%	10.8%	11.0%	9.9%	9.7%	9.4%	9.2%	9.9%	10.0%	9.3%	8.8%	8.5%	8.6%	9.0%	10.5%
Interest expense	\$ 9.4	5.0	5.9	6.5	11.6	9.9	7.0	4.7	2.4	2.9	3.1	3.4	2.7	2.7	3.5	3.7
Earnings before income taxes	\$ 154.7	141.8	130.6	119.0	104.9	100.3	89.2	86.4	79.1	71.1	63.2	50.2	44.7	41.7	39.4	34.9
Income taxes	\$ 44.2	35.5	35.3	32.1	29.4	30.1	26.8	29.4	28.5	27.7	24.6	18.2	16.5	16.0	15.3	13.8
Effective income tax rate	28.6%	25.0%	27.0%	27.0%	28.0%	30.0%	30.0%	34.0%	36.0%	38.9%	39.0%	36.3%	36.9%	38.2%	38.9%	39.7%
Net earnings	\$ 110.6	106.3	95.3	86.9	75.5	70.2	62.4	57.1	50.6	43.4	38.5	31.9 ⁽¹⁾	28.2	25.8	24.0	21.0
Return on sales	6.9%	7.5%	7.8%	7.7%	6.6%	6.4%	6.6%	6.1%	6.1%	5.7%	5.5%	5.4%	5.3%	5.3%	5.3%	5.0%
Return on average shareholders' equity	20.6%	21.3%	23.0%	24.8%	25.2%	25.9%	24.1%	22.8%	21.4%	19.3%	18.8%	17.6%	16.9%	17.2%	18.0%	17.8%
Return on investment	17.7%	18.1%	18.3%	19.2%	19.1%	19.4%	19.0%	20.5%	20.8%	18.5%	17.6%	16.0%	15.0%	14.8%	14.9%	14.2%
Financial Position																
Total assets	\$1,111.8	1,001.6	882.0	850.1	706.8	677.5	542.2	513.0	467.5	402.9	381.0	337.4	300.2	286.3	253.2	245.9
Current assets	\$ 618.8	557.4	454.7	456.5	407.2	383.3	326.4	300.8	283.4	250.8	247.9	220.3	196.0	187.4	169.4	168.5
Current liabilities	\$ 354.2	275.5	214.1	273.3	217.3	243.6	142.1	165.1	177.3	138.6	123.7	115.8	93.7	90.0	77.5	79.9
Working capital	\$ 264.6	281.9	240.6	183.2	189.9	139.8	184.3	135.7	106.0	112.2	124.2	104.6	102.3	97.4	91.9	88.6
Current ratio	1.7	2.0	2.1	1.7	1.9	1.6	2.3	1.8	1.6	1.8	2.0	1.9	2.1	2.1	2.2	2.1
Current debt	\$ 109.8	54.1	14.8	60.9	59.4	85.3	20.7	45.9	42.7	13.1	20.8	17.0	7.6	11.4	6.4	11.4
Long-term debt	\$ 103.3	70.9	105.2	104.6	99.3	92.6	86.7	51.6	4.2	10.0	10.2	16.0	18.9	23.5	25.7	28.3
Total debt	\$ 213.1	124.9	120.0	165.4	158.7	178.0	107.4	97.4	46.9	23.2	31.0	33.0	26.5	34.9	32.1	39.7
Shareholders' equity	\$ 524.6	549.3	447.4	382.6	319.1	280.2	262.8	255.7	243.9	228.9	221.2	189.7	174.0	160.3	138.9	128.8
Long-term capitalization ratio	16.5%	11.4%	19.0%	21.5%	23.7%	24.9%	24.8%	16.8%	1.7%	4.2%	4.4%	7.8%	9.8%	12.8%	15.6%	18.0%
Property, plant and equipment, net	\$ 275.5	261.5	255.4	240.9	207.7	204.5	182.2	178.9	154.6	124.9	110.6	99.6	90.5	84.9	72.9	68.3
Net expenditures on property, plant and equipment	\$ 50.2	43.0	33.3	40.5	38.9	36.4	29.5	54.7	47.3	39.3	25.3	24.6	15.0	15.5	16.2	16.1
Depreciation and amortization	\$ 44.3	41.6	37.6	31.8	38.6	34.3	27.7	25.3	21.5	21.7	20.5	16.4	14.8	14.0	12.2	10.9
Shareholder Information (adjusted for splits)																
Net earnings per share – assuming dilution	\$ 1.27	1.18	1.05	0.95	0.83	0.76	0.66	0.57	0.50	0.42	0.37	0.30 ⁽¹⁾	0.26	0.23	0.21	0.19
Dividends paid per share	\$ 0.235	0.205	0.175	0.155	0.148	0.135	0.115	0.095	0.085	0.075	0.070	0.060	0.050	0.045	0.035	0.030
Shareholders' equity per share	\$ 6.32	6.38	5.16	4.36	3.59	3.14	2.84	2.64	2.47	2.26	2.11	1.79	1.59	1.45	1.25	1.12
Shares outstanding (mils)	83.0	86.1	86.7	87.8	88.8	89.3	92.4	96.8	98.9	101.3	104.7	106.0	109.1	110.3	111.0	115.5
Common stock price range, per share																
High	\$ 34.45	30.75	24.59	22.50	16.53	12.41	12.94	13.59	10.19	7.00	7.00	6.53	5.03	3.97	3.28	2.91
Low	\$ 25.11	23.55	14.96	13.47	9.57	9.57	7.22	9.28	6.31	5.97	5.47	4.56	3.50	2.59	2.03	1.41

1) Excludes the cumulative effect of an accounting change of \$2,206, or \$.08 per share in 1994

Long-Term Performance *Year ended July 31 (cumulative total return)*

● = DCI	100	181	210	275	342	457	505	470	786	722	977	765	1,241	1,363	2,001	2,203	2,716
● = S&P 400	100	173	195	212	245	246	296	328	450	492	570	729	739	605	698	813	1,012

Donaldson's annual return to shareholders has averaged 21 percent per year over the last 16 years.

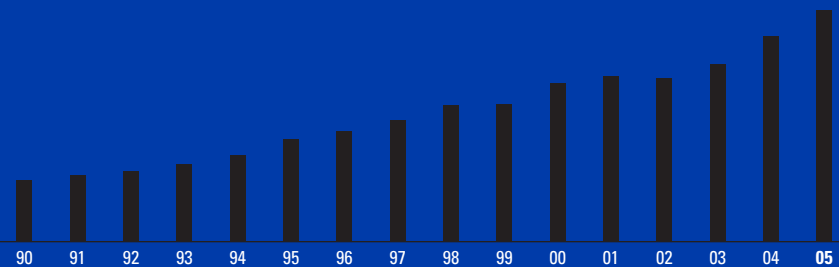


Net Sales

(millions of dollars)

423	458	482	533	594	704	759	833	940	944	1,092	1,137	1,126	1,218	1,415	1,596
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Sales have grown 9 percent per year, on average, over the last 16 years.

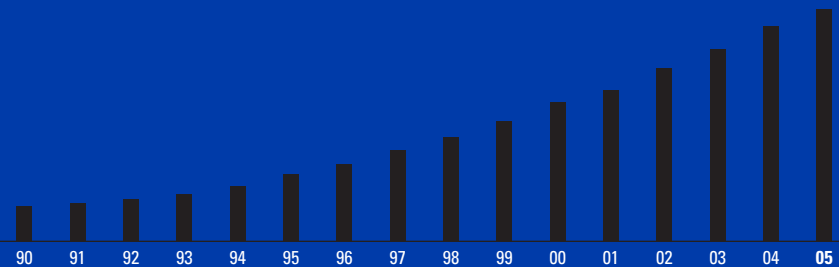


Earnings Per Share

(dollars)

0.19	0.21	0.23	0.26	0.30	0.37	0.42	0.50	0.57	0.66	0.76	0.83	0.95	1.05	1.18	1.27
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Earnings per share were up 8 percent in 2005, the 16th consecutive year of record earnings growth.

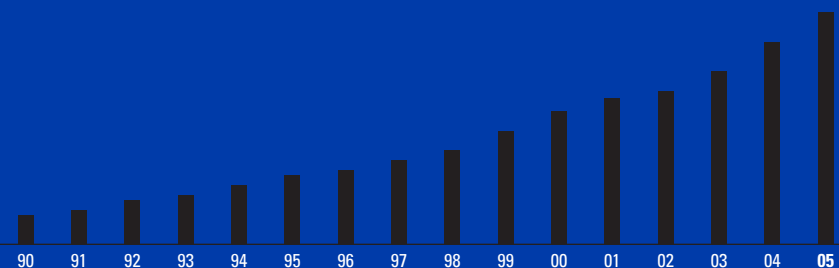


Dividends Per Share

(dollars)

0.030	0.035	0.045	0.050	0.060	0.070	0.075	0.085	0.095	0.115	0.135	0.148	0.155	0.175	0.205	0.235
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Dividends per share increased 15 percent in 2005. The company distributes between 20 and 30 percent of the prior three years' average net income through regular quarterly dividends.



Safe Harbor Statement

The Company desires to take advantage of the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995 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.

Corporate Officers

William M. Cook, 52
Chairman, President and
Chief Executive Officer
25 years service

James R. Giertz, 48
Senior Vice President,
Commercial and Industrial
12 years service

Lowell F. Schwab, 57
Senior Vice President,
Engine Systems and Parts
26 years service

Geert Henk Touw, 59
Senior Vice President,
Asia Pacific
19 years service

Norman C. Linnell, 46
Vice President,
General Counsel and Secretary
10 years service

Charles J. McMurray, 51
Vice President,
Human Resources,
IT and Europe, South Africa and Mexico
25 years service

William I. Vann, 60
Vice President,
NAFTA Operations
38 years service

Thomas R. VerHage, 52
Vice President and
Chief Financial Officer
2 years service

Board of Directors

F. Guillaume Bastiaens, 62
Vice Chairman
Cargill, Inc., Minneapolis
(Agribusiness)
Independent director since 1995 ⁽¹⁾ ⁽³⁾

William M. Cook, 52
Chairman, President and
Chief Executive Officer
Donaldson Company, Inc.
Director since 2004

Janet M. Dolan, 55
President and Chief Executive Officer
Tennant Company, Minneapolis
(Manufacturing)
Independent director since 1996 ⁽²⁾ ⁽³⁾

Jack W. Eugster, 60
Non-Executive Chairman,
ShopKo Stores, Inc.,
Green Bay, WI
(Specialty Discount Retailer)
Independent Director since 1993 ⁽¹⁾ ^(2*)

John F. Grundhofer, 66
Retired Chairman and Chief Executive Officer
U.S. Bancorp, Minneapolis
(Financial Services)
Independent director since 1997 ⁽¹⁾ ^(3*)

Paul David Miller, 63
Retired Chairman and Chief Executive Officer
Alliant Techsystems, Inc., Minneapolis
(Defense and Aerospace)
Independent director since 2001 ⁽²⁾ ⁽³⁾

Jeffrey Noddle, 59
Chairman, President and Chief Executive Officer
SUPERVALU INC., Minneapolis
(Food Retailer and Distributor)
Independent director since 2000 ^(1*) ⁽²⁾

John Wiehoff, 44
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 30, 2005, 1,153 of Donaldson Company's approximately 1,940 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 18, 2005, 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



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