





As Donaldson has grown and diversified, our filters are now found in many different industries, environments, and applications. More than most people realize, our filters are cleaning environments and protecting equipment everywhere, every day. We are fully committed to delivering quality products and being a responsible corporate citizen.

ABOUT DONALDSON COMPANY

Donaldson is a leading worldwide provider of filtration systems that improve people's lives, enhance our Customers' equipment performance, and protect our environment. We are a technology-driven Company committed to satisfying our Customers' needs for filtration solutions through innovative research and development, application expertise, and global presence. Our approximately 13,600 employees contribute to the Company's success by supporting our Customers at our more than 100 sales, manufacturing, and distribution locations around the world.

We have two business segments engaged in the design, manufacture, and sale of systems and replacement filters that filter air and liquid: Engine Products

and Industrial Products.

The Engine Products segment consists of air filtration systems, exhaust and emissions systems, liquid filtration systems, and replacement parts. This segment sells to original equipment manufacturers (OEMs) in the construction, mining, agriculture, transportation, defense, and aerospace markets and to independent distributors, OEM dealer networks, private label accounts, and large equipment fleets.

The Industrial Products segment consists of dust, fume, and mist collectors, compressed air purification systems, air filter systems for gas turbines, and specialized air filtration systems for diverse applications, including computer hard disk drives. This segment sells to various industrial end-users, OEMs of gas-fired turbines, and OEMs and end-users

requiring highly purified air and fluids.

Donaldson is traded on the New York Stock Exchange under the symbol DCI.

Donaldson At A Glance

- Founded in 1915 by Frank Donaldson, Sr
- Revenue (year ended July 31, 2012): \$2.5 billion
- Approximately 13,600 employees in 44 countries
- On January 27, 2012, we announced a two-for-one split of the Company's common stock.
- On July 27, 2012, we announced our 228th consecutive quarterly cash dividend over a 57-year period



Financial Information

Additional financial information is available at www.donaldson.com under the Investors link.

(Dollars in millions, except per share data)	2012	2011	2010	2009	2008
Net sales	\$ 2,493	\$ 2,294	\$ 1,877	\$ 1,869	\$ 2,233
Gross margin percentage	35.0%	35.5%	35.1%	31.6%	32.5%
Operating income percentage	14.6%	13.7%	12.7%	9.1%	11.0%
Effective income tax rate	28.7%	27.9%	27.8%	18.3%	27.2%
Net earnings	\$ 264	\$ 225	\$ 166	\$ 132	\$ 172
Diluted earnings per share*	\$ 1.73	\$ 1.43	\$ 1.05	\$ 0.83	\$ 1.06
Total assets	\$ 1,730	\$ 1,726	\$ 1,500	\$ 1,334	\$ 1,549
Total debt	\$ 301	\$ 267	\$ 312	\$ 289	\$ 322
Shareholder equity	\$ 910	\$ 935	\$ 747	\$ 689	\$ 740
Dividend paid per share*	\$ 0.320	\$ 0.268	\$ 0.235	\$ 0.228	\$ 0.210

(*) Prior year shares and per share amounts reflect the impact of the Company's two-for-one stock split that occurred during the third quarter of fiscal 2012.

Corporate Governance

Donaldson is committed to uniformly applying high standards of ethics and business conduct wherever we do business. Our long-standing commitment to sound corporate governance and integrity is a key part of our success.

Our Board of Directors oversees

Donaldson's governance practices for the benefit of its stockholders. They adopted Corporate Governance Guidelines to reflect these sound practices, including a policy requiring that a significant majority of Donaldson's directors meet the criteria for independence required by the New York Stock Exchange.

No corporate funds or other assets are paid or furnished, directly or indirectly, to a political party, political candidate, or incumbent. You can access information related to our Corporate Governance Guidelines online at http://ir.donaldson.com/corp_governance.html.

Our Commitment

Since 1915, we have strived to leverage our distinguishing characteristics—innovative technology, strong Customer relationships and broad geographic capabilities—to meet the diverse and changing needs of our Customers.

Our Vision –To Lead the World in Filtration Solutions

There are three things we must do to lead the world in filtration solutions. We must develop the best technology for our Customers, offer the best Customer support, and supply the best value.

Our Mission

We provide our Customers with solutions that improve people's lives, enhance our Customers' equipment performance, and protect the environment. These three words—improve, enhance, and protect—convey our mission and help us set our priorities for the future.

Our Values

Our actions, guided by our shared values, demonstrate what Donaldson stands for. We believe every behavior, decision, and contribution we make paves the way for our future success and must be driven by our values of integrity, respect, and commitment.

Integrity – We must demonstrate the highest ethical standards in all of our actions.

Respect – We must foster an inclusive workplace through collaboration and teamwork.

Commitment – We must be fully committed to the attainment of our goals and assume individual responsibility for their achievement.



SUPPORTING OUR EMPLOYEES AROUND THE WORLD

We will attract and develop talented employees who then create our business success.

As of July 31, 2012, there are approximately 13,600 employees on the Donaldson team, with 27% from Europe, Middle East and Africa, 32% from Asia Pacific, and 41% from the Americas. Of those, approximately 35% are U.S. based with 23% being represented by labor unions.

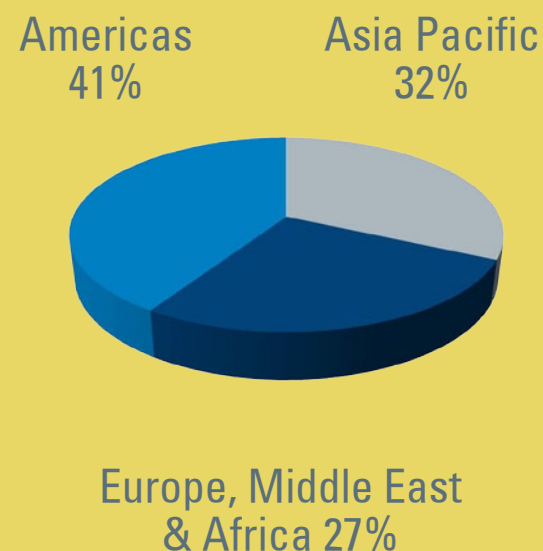
Compensation and Benefits

We provide our U.S. employees access to quality health care and wellness programs. We offer a variety of medical, dental, and vision benefits for employees and eligible dependents, as well as a fitness discount program and an Employee Assistance Program. Additionally, we offer two reimbursement accounts that afford employees the opportunity to use pre-tax pay to fund out-of-pocket health and childcare expenses. We also provide disability benefits, life insurance, and an employee Company stock purchase plan so employees can share in our Company's success.

It is important that we help our employees build a more secure financial future. As a result, we offer two key retirement benefits. In our 401(k) Savings Plan for non-union U.S.-based employees, Donaldson matches 100% of employee contributions up to 3% of compensation contributed to the plan and 50% on the next 2% of compensation contributed. In fiscal 2012 (FY12), Donaldson contributed \$5.5 million to this plan. The second retirement program (at the majority of our U.S. locations) is a Company-paid, Cash Balance Pension Plan.

Many of our international employees participate in either Company-sponsored or government retirement plans. For example, at Donaldson India we moved our self-managed gratuity fund to a professional, state backed, insurance company. This gives our employees greater investment security and returns.

Our Worldwide Team Population



Because everyone needs some personal time, we provide paid holidays and a competitive vacation plan that increases with years of service. Many employees also gather outside of work to participate in Donaldson-sponsored recreation programs, including bowling, golf, softball, and soccer leagues.

From a development perspective, we have Company-wide succession and development programs that encourage internal employee growth and promotion. We require individual development plans from employees so that they leverage their strengths and build skills where development is needed. We also provide leadership training and rich experiences for our existing employees, as well as one-on-one mentoring and coaching programs intended to develop leadership skills.

Learning is a lifelong ambition for our employees and we encourage continued education by sharing expenses for job-related courses and by providing other internal and external training and development opportunities.

The Donaldson Foundation, the Company's primary charitable arm, supports dependant children of U. S. employees by offering educational

scholarship opportunities for post-secondary institutions.

Code of Conduct

At Donaldson, we believe that a key to our success is our long-standing commitment to integrity in our dealings with our Customers, employees, shareholders, government authorities, suppliers, neighbors, and the public. We are committed to preventing ethical violations and conflicts and correcting any that may occur.

Our employees are encouraged to discuss concerns with their supervisor, Human Resources representative, or the Legal Department. Donaldson employees are required to promptly report known or suspected violations.

Employees who, in good faith, report wrongdoing to management will not be the subject of reprisals or other punishment.

While we have internal controls and procedures that we believe will discourage and prevent improper conduct, we also provide an easy way to report actual or suspected activities that may involve improper conduct or violations of our Code of Conduct. Our Business Conduct Help Line is managed by EthicsPoint, a secure and independent third-party reporting source, ensuring confidentiality and access by telephone or the internet at all times, at all locations across our Donaldson global footprint. Access to the Help Line is available online at www.donaldson.com.



Diversity and Inclusion

We believe that our efforts to incorporate a broad base of skills, cultures, and values are critical to our continued global leadership in filtration solutions. We feel that different points of view will lead to new and innovative ideas.

To that end, our workforce is comprised of individuals with various backgrounds, cultures, abilities, and perspectives. We know that our talented employees are essential for us to continue to excel in our core strengths. Our goal is to create an atmosphere of mutual respect where all employees are appreciated and can contribute to their full potential.

“Our focus is on creating a globally inclusive culture where all of our employees, regardless of their race, gender, nationality, and other unique qualities, are an integral part of the Donaldson family. When we capitalize on the uniqueness of each individual, we help our employees succeed and that contributes to our global leadership in providing filtration solutions for our Customers.”

-Bill Cook, CHAIRMAN, PRESIDENT, AND CEO

Since we work with Customers and colleagues from around the world, we have established initiatives to promote and integrate diversity throughout our organization. These include mentoring, leadership development, diversity training, succession planning, global meetings, and cultural awareness events. Through collaboration of our employees' unique talents and perspectives, we will continue to create new business opportunities around the world.

We also have a written policy that provides equal employment opportunity without regard to race, religion, age, sex, disability, sexual orientation, or other applicable, protected class status. As of July 27, 2012, 9.3% of our U. S. manager population is considered minorities as described by the EEOC and 20.5% is female.

Learn more about our diversity initiatives at www.donaldson.com/en/about/diversity/index.html.



Community Involvement

In addition to providing value to our shareholders, quality products to our Customers, and opportunities to our employees we are committed to maintaining an effective presence in our local communities. We proudly support programs and organizations that strengthen the communities of which we are a part.

The Donaldson Foundation is one of the primary instruments of the Company for our charitable contribution efforts. Overall, our Foundation strives to positively impact the communities in which we live and work by supporting education. The Foundation is led by a group of employees who volunteer their time to help the Foundation realize its mission.

Organizational Gifts - We focus our giving on educational initiatives. Our Foundation views "education" in its broadest context.

United Way - Our employees, retirees, and the Foundation provide significant support to the Greater Twin Cities and other local United Way agencies in or nearby our U.S. plant cities.

Donaldson Scholars - This program provides scholarships for post-secondary education to those children of U. S. employees and retirees who qualify.

Education Matching Gifts - This program provides matching gifts to an eligible secondary and post-secondary institution of the employee's choice (U. S. only).

The generosity of our employees and our commitment to making a difference in our communities are qualities of which we are very proud. We encourage our employees to participate in volunteer opportunities within their communities, as well as Company-sponsored programs. In Bloomington, these include:

- Six Memorial Blood Center blood drives annually,
- Four Loaves and Fishes soup kitchen dinners annually,
- Junior Achievement (JA) classroom teaching,
- A yearly JA bowl-a-thon,
- A yearly MS 150 bike-a-thon,
- Family Partnership sponsorships for back-to-school supplies, and
- Toys for Tots during the holidays.

Each year, employees at Corporate Headquarters volunteer during our United Way Campaign to help a local non-profit do work they couldn't otherwise afford to do. During our fiscal 2012 campaign, 352 dental kits were packaged and delivered to Children's Dental Services in Minneapolis (MN), an organization that has been providing dental services to children in low-income families for 90 years.

In addition, Bloomington-based employees participated in a Snack Pack Event. Through team competitions, 1,044 lunch bags were creatively decorated and filled with a juice box, protein bar, and fruit cup. These healthy snack packs were delivered to the CAP Agency in Shakopee (MN), a non-profit organization for Scott, Carver, and Dakota Counties.

Outside of the larger-scale event, we encourage employees to volunteer and we provide flexibility so volunteerism can take place during the work day.

For more information about the Donaldson Foundation and employee support of volunteer initiatives, visit www.donaldson.com/en/about/community/index.html.



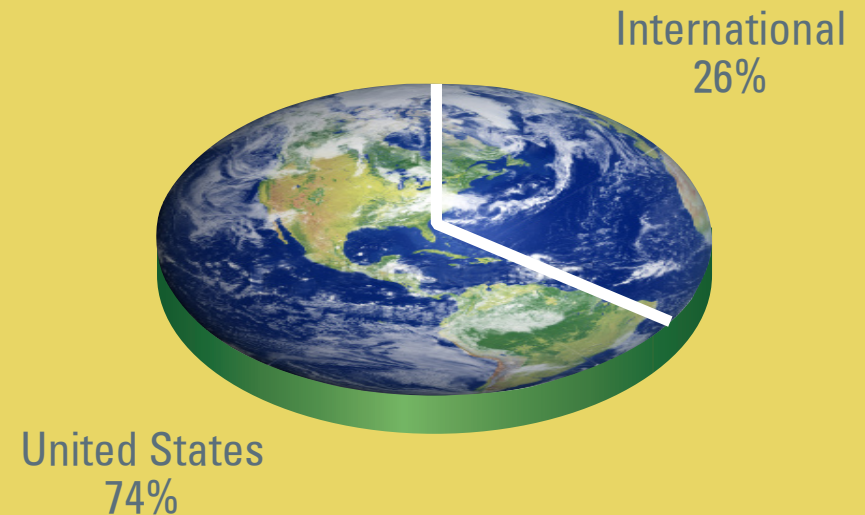
SUPPORTING OUR CUSTOMERS AROUND THE WORLD

In 1915, we had three employees and one Minneapolis location. Today, our geographic reach spans the globe. Our headquarters are located in Bloomington, Minnesota (MN), a suburb of Minneapolis. Our principal European administrative and engineering offices are in Leuven, Belgium. Our Asia Pacific headquarters is located in Shanghai, China.

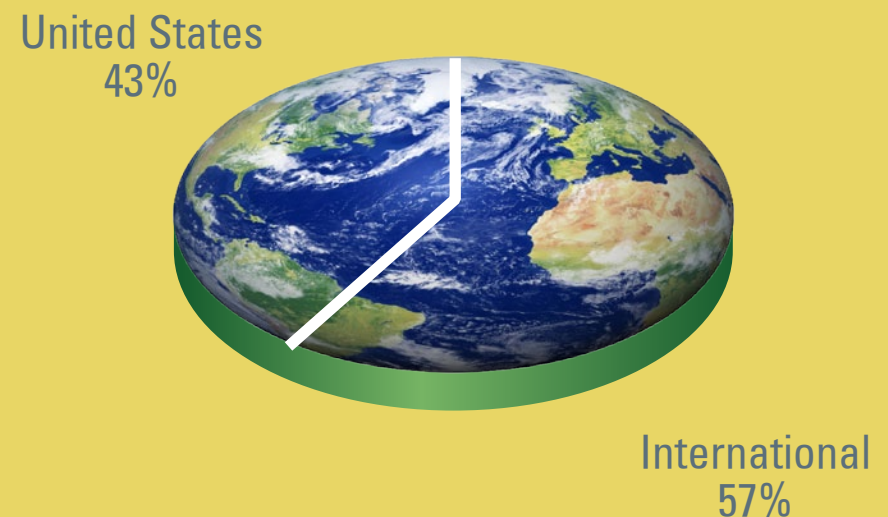
We manufacture our products around the world. Through our worldwide sales, engineering, manufacturing, and distribution capabilities, we provide exceptional support to our global Customer base. In fiscal 2012, international sales accounted for 57% of our total revenue.

Geographic Diversification

1980



FY2012





The Americas

Auburn, Alabama
Riverbank, California
Valencia, California
Dixon, Illinois
Frankfort, Indiana
Cresco, Iowa
Grinnell, Iowa
Nicholasville, Kentucky
Bloomington, Minnesota
Chesterfield, Missouri
Chillicothe, Missouri
Philadelphia, Pennsylvania
Greeneville, Tennessee
Baldwin, Wisconsin
Stevens Point, Wisconsin
Sao Paulo, Brazil
Brockville, Canada
Aguascalientes, Mexico
Monterrey, Mexico

Europe/Middle East/Africa

Kadan, Czech Republic
Klasterec, Czech Republic
Domjean, France
Paris, France
Dülmen, Germany
Flensburg, Germany
Haan, Germany
Ostiglia, Italy
Cape Town, South Africa
Johannesburg, South Africa
Hull, United Kingdom
Leicester, United Kingdom

Asia Pacific

Hong Kong, China
Wuxi, China
New Delhi, India
Gunma, Japan
Rayong, Thailand
Wyong, Australia

Joint Venture Facilities

Champaign, Illinois (U.S.)
Jakarta, Indonesia
Dammam, Saudi Arabia

Distribution Centers

Wyong, Australia
Brugge, Belgium
Ostiglia, Italy
Aguascalientes, Mexico
Johannesburg, South Africa
Rensselaer, Indiana (U.S.)

Third-Party Logistics Providers

Santiago, Chile
Wuxi, China
Mumbai, India
Gunma, Japan
Singapore
Plainfield, Indiana (U.S.)
Greeneville, Tennessee (U.S.)

DELIVERING INNOVATIVE FILTRATION TECHNOLOGIES

Ours is a technology-driven Company committed to satisfying Customer needs for filtration solutions through innovative research and development. Hundreds of Donaldson engineers have contributed patented innovations. We combine our particulate and chemical filtration technology with other disciplines, including fluid dynamics, structural analysis, and acoustics to deliver market leading products. We have two reporting segments: Industrial Products and Engine Products.

Industrial Products Segment

Sales for the Industrial Products segment totaled \$923 million for the fiscal year ending July 31, 2012. This segment is comprised of three primary businesses: Industrial Filtration Solutions, Gas Turbine Systems, and Special Applications.

Industrial Filtration Solutions

2012 Sales: \$553 million

Our filtration products are used in a variety of industrial processes and environments, such as dust collection, compressed air and gas systems, and food and

beverage processing.

Donaldson Torit® manufactures the broadest line of dust, fume, and mist collectors and replacement filters available to ensure clean air in industrial environments. By combining our cartridge, bag, or PowerCore® collectors with Ultra-Web®, Dura-Life™, or Synteq™ media, our system can handle any type of industrial application, including grain, cement, mining, pharmaceutical, chemical, food, and metal.

On-Compressor Systems provides filtration and separation solutions for compressed air. Our products include high-efficiency inlet air filters, featuring our PowerCore and Ultra-Web nanofiber technology, air-oil pre-separation designs to minimize footprint, energy-saving air-oil separators with our proprietary Synteq™ XP media, and lube filtration systems.

Clean, Dry Compressed Air is possible with our complete line of drying and filtration equipment, based on innovative, cutting-edge designs. Our Ultrafilter™ design reduces pressure drop significantly and delivers unrivaled performance,

efficiency, ease of use, and safety.

Process Filtration provides filters from pre filtration to final filtration, and from low to high capacity. Our sterile air and culinary steam filtration products are among the most effective and efficient filters used in the food and beverage industries.



Our membrane and depth process filters are widely used in electronics, pharmaceuticals, paints, inks, coatings, and other process industries where high purity compressed air, gas, liquids, or steam are required.

Gas Turbine Systems

2012 Sales: \$181 million

We design and provide custom-engineered air filtration systems for gas turbines and industrial compressors. Our products incorporate patented system designs and proprietary filter media, such as Spider-Web®. We also provide aftermarket replacement filters, parts, and service.

Our filtration solutions are used in construction with our Customers' gas turbines, which provide base electricity, peaking capacity, and remote power. These turbines require inlet air filtration that protects the turbine from damage and helps it run at peak efficiency. Our Customers include most major turbine manufacturers, utility companies, and oil and gas companies.

Special Applications

2012 Sales: \$189 million

We produce a wide variety of high efficiency air filters for the disk drive, micro-environment venting, and semiconductor industries. We protect computer disk drives in applications, including desktop and laptop computers, servers, gaming systems,

external storage devices, digital video recorders, and a wide variety of consumer electronic devices. We offer protection from harmful particles, gases, and moisture.

Within micro-environments, we provide a wide range of venting solutions to help increase product effectiveness, reliability, and life span. We have innovative solutions for sensors, hearing aids, electronics, gas vents, lighting, headlamps, and critical enclosures.

Our semiconductor filters help Customers increase their product yields and process uptime. Our products are designed to control airborne molecular contaminants in highly sensitive process

environments, such as semiconductor manufacturing and industrial photocopiers.

We also manufacture Tetratex® ePTFE membrane filter media. This high performance filter media can improve a Customers' filtration application by reducing energy consumption and environmental emissions, while improving productivity, product reclamation, and extending filter element life. Tetratex ePTFE membrane filter media is used in a vast array of industries, including chemical processing, food manufacturing, fuel cells, metal processing, mineral and cement production, pharmaceuticals, and vacuum cleaners and sweepers.



Engine Products Segment

Sales for the Engine Products segment totaled \$1.570 billion for the fiscal year ending July 31, 2012.

Off-Road Products

2012 Sales: \$377 million

We provide air and liquid filtration and exhaust solutions to construction, transportation, agriculture, and mining equipment manufacturers. Our filtration products protect heavy-duty engines in a variety of difficult working environments.

We filter engine intake air, fuels, lubricants, crankcase emissions, and hydraulic fluids, and treat engine exhaust by reducing noise and tailpipe emissions.

On-Road Products

2012 Sales: \$164 million

Our products incorporate proprietary and patented designs, including PowerCore, PowerCore G2, Spiracle™, TopSpin™, and Twist&Drain™, as well as proprietary filter media technologies like

Ultra-Web and Synteq XP. We also continue to leverage our extensive experience with our Duramax® product line and our RadialSeal™ technology.

Our media superiority is backed by excellence in product development. Our OE and aftermarket programs follow a stage-gated process that integrates sales, engineering, manufacturing, and logistics to deliver products on time, while assuring no design or manufacturing detail is overlooked.

Aftermarket

2012 Sales: \$907 million

Our Engine Aftermarket product line includes a broad line of replacement oil, fuel, air, coolant, transmission, and mobile hydraulic filters, accessories, and exhaust components.

We sell our product line to our Customers' OEM parts and service organizations, independent distributors, and private label Customers. We distribute our replacement filters and parts under both our Customers' brands and the Donaldson brand. Our distribution centers are strategically located to support the needs of our Customers throughout the world.

Aerospace and Defense

2012 Sales: \$107 million

The biggest names in aerospace and defense rely on our growing portfolio of liquid and air filtration solutions.

Our deep understanding of the aerospace and defense industries, coupled with the most innovative products and Customer support, have resulted in robust solutions that meet the advanced demands of our Customers that operate ground vehicles, airplanes, rotorcraft, space, and marine vehicles.



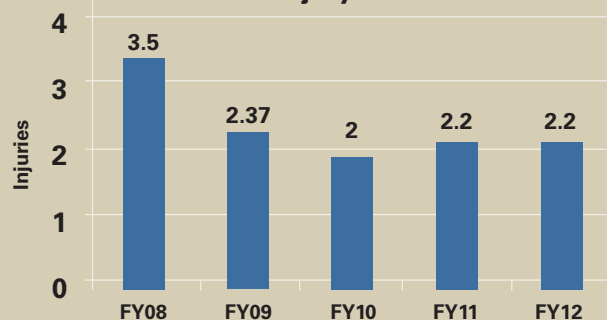
PROVIDING A HEALTHY AND SAFE ENVIRONMENT

Donaldson is an environmentally and socially responsible Company. We comply with environmental laws and regulations and are committed to being a responsible corporate citizen. Our environmental policy is located online at www.donaldson.com/en/about/quality/environment.html.

Safety Performance Metrics

Donaldson Region	Final FY12 OSHA Recordable Injuries Rate/100 Employees/Year
Americas	2.3
Europe and South Africa	3.3
Asia Pacific	1.3
Our Total Company	2.2
Industry Benchmark (US Motor Vehicle Parts-CY10)	4.8

Worldwide Recordable Injury Trend



Our leadership team, local safety committees, corporate environmental, health, and safety staff, and all of our employees work together to help maintain a safe and healthy environment. In fiscal 2012, six of our 45 global, production and distribution locations did not have a recordable injury and 20 did not have a single lost workday case.

Environment, Health, and Safety Audit Process

We actively conduct comprehensive environmental, health, and safety regulatory compliance audits at our plants to ensure compliance with all applicable regulatory requirements. Our Environment, Health, and Safety (EHS) auditing program is conducted by a corporate audit team with more than 50 years of combined EHS experience in manufacturing settings, utilizing industry-leading peer-reviewed methods and protocols. Eight audits were performed in fiscal 2012, including facilities in Australia, Europe and South Africa. Eleven additional audits are planned for fiscal 2013 with the majority taking place in Asia and Europe.

Environment, Health, and Safety Maturity Matrix

We use an EHS Maturity Matrix—an electronic tool that determines an organization's EHS maturity based on 25 disciplines on five levels. The tool has been implemented globally and self-assessments have been completed by all of our U.S. facilities.

Our Environmental Pledge

We are committed to the development of enlightened environmental principles and their implementation across our organization through:

- Pollution prevention at its source and the responsible management of any residual waste;
- Recycling of raw materials, finished products, and other resources;
- Conservation of energy and natural resources through prudent use and reuse; and
- A Company commitment to minimize risks pertaining to environmental, health, and safety in the workplace and in our communities.

ISO 14001

ISO 14001 is an international accreditation that certifies conformance to an effective, site-specific environmental management system. This management system focuses on continuous process improvements and pollution prevention.

We have achieved ISO 14001 registration at the following plants and distribution centers through our Registrar, British Standards Institute:

Leicester, United Kingdom, 1999

Frankfort, Indiana (U.S.), 2001

Stevens Point, Wisconsin (U.S.), 2003

Cresco, Iowa (U.S.), 2004

Wuxi, China, 2004

Rayong, Thailand, 2004

Klasterec, Czech Republic, 2005

Gunma, Japan, 2006

Hull, United Kingdom, 2006

Ostiglia, Italy, 2006

Auburn, Alabama (U.S.), 2007

Wuxi, China, 2007

Greeneville, Tennessee (U.S.), 2008

Dülmen, Germany, 2008

Baldwin, Wisconsin (U.S.), 2009

Aguascalientes, Mexico, 2010

Ivyland, Pennsylvania (U.S.), 2010

Nicholasville, Kentucky (U.S.), 2010

Mumbai, India, 2010

Kadan, Czech Republic, 2011

Domjean, France, 2011

Rensselaer, Indiana (U.S.), 2012

Riverbank, California (U.S.), 2012

Cape Town, South Africa, 2012

Aguascalientes, Mexico, 2012

Dixon, Illinois (U.S.), 2012

OHSAS 18001:2007; Occupational, Health and Safety Management Systems, Frankfort, Indiana (U.S.) (2012), Haryana, India (2010), Hull, United Kingdom (2008), and Rayong, Thailand (2007)

TIS 18001:1999; Thailand Occupational, Health and Safety Management Systems, Rayong, Thailand (2007)

TLS 18001:2010; Thailand Labor, Ethics, Environment, Occupational Health and Safety, Rayong, Thailand (2007)

Energy Conservation

We continue to make excellent progress towards reducing energy consumption at our U.S. facilities by conducting periodic audits to identify potential energy-saving opportunities. To date, we have upgraded to energy efficient lighting systems in nearly 85% of our major U.S. facilities, resulting in a 40% reduction in the energy required to light these facilities.

Currently, our India plant is converting from an electric powered oven to a gas fired one which will reduce our overall emission footprint.

Our European Distribution Center in Brugge, Belgium operates one of the largest photovoltaic solar array installations in Belgium, at over



18,000 m².

It reduces our CO₂ emissions by over 600 metric tons annually.

Residual Waste Disposal

Recycling programs are in place at a majority of our facilities for common office materials (plastic, aluminum, paper, and cardboard) and at production plants for scrap metal and media.

Residual waste disposal is managed to minimize the use of landfills. Residual wastes are also directed for beneficial reuse, including waste-to-energy and alternative fuel blending (cement kilns, etc.). In addition, a waste disposal audit program is in place to ensure our suppliers properly manage wastes.

'Going Green' Initiative

'Going Green' is an employee-led initiative at our Bloomington headquarters campus. Our mission is to identify and implement ideas for environmental improvements that will secure a more sustainable future.

In 2011, a community garden was established as a way to use some of our Campus' green space for the benefit of our local community. Our garden provided a bounty of fresh produce that was donated to VEAP's Bloomington (MN) food pantry. The food pantry provides relief, support, and hope in times of need to low-income families, individuals, elderly, and disabled persons.





Occupational Health

Through the use of both internal and external expertise, we monitor and work to improve our occupational health environments. At our Corporate headquarters we have a full array of industrial air and noise monitoring and sampling equipment for use at our locations.

Safety and Health Committees

Committees are established to assist in the implementation of safety and health systems. Procedures are followed, promoted, and continuously improved. These committees are comprised of representatives from all departments, and are chaired by the location manager. The committees are established at most locations, including manufacturing, office, warehouses, and Research and Development (R&D) facilities.

Awards and Recognition

Memorial Blood Centers recognized the Donaldson Bloomington headquarters for their 40-year partnership

Ranked #39 for 50 Best U.S. Manufacturers in Industry Week 2012

Ranked #15 for Public Company R&D Spending in the Minneapolis/St. Paul Business Journal 2012 Book of Lists

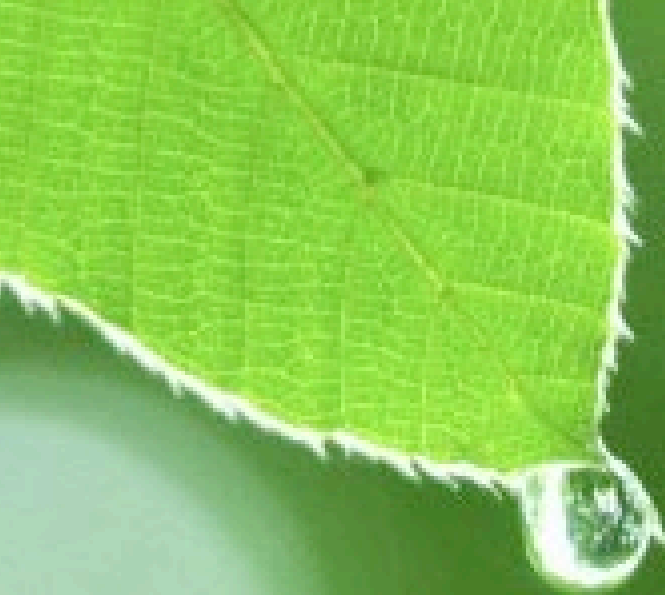
Ranked #18 for Patent Holder Top 25 List in Minneapolis/St. Paul Business Journal 2012 Book of Lists

Ranked #8 for Top 25 Publicly Traded Manufacturers in Minnesota in the 2012 Twin Cities Business B.I.G. Book

Bronze SQEP recertification earned by Donaldson Frankfort (Indiana, U.S.) from Caterpillar® which recognizes manufacturing facilities for supplier quality excellence

Gold SQEP certification earned by Donaldson Dixon (Illinois, U.S.) and Donaldson Stevens Point (Wisconsin, U.S.) from Caterpillar which recognizes manufacturing facilities for supplier quality excellence

Wisconsin Green Tier Participants earned by Donaldson Baldwin (Wisconsin, U.S.) and Donaldson Stevens Point (Wisconsin, U.S.) from the Wisconsin Department of Natural Resources



OUR CONTINUED COMMITMENT

Donaldson Company is a global innovator, developer, and manufacturer of filtration technology solutions that support our Customers' needs. We are committed to continuously improving the sustainability of our products in the marketplace and assisting our Customers by providing filtration solutions that positively affect their environments.

Data in this report summarizes Donaldson's growing environmental, product stewardship, and social responsibility activities from August 1, 2006 to July 31, 2012. Financial information is given in U.S. dollars. For more information on Donaldson's investor relations, visit www.donaldson.com. Copies of our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports are available free of charge on our website at www.donaldson.com or www.sec.gov. Corporate governance documents are available at www.donaldson.com or upon request in writing to our Corporate Secretary at Donaldson, P.O. Box 1299, Minneapolis, MN 55440-1299. Donaldson is under no obligation to provide regular updates to this report.