



NO DETOURS.™

NEWS RELEASE

FOR IMMEDIATE RELEASE

DATE: May 16, 2006

CONTACT: Warren W. Heidbreder

PHONE: 563-262-1260

URL: www.bandag.com

Bandag, Incorporated Declares Quarterly Dividend

MUSCATINE, IOWA -- The Board of Directors of Bandag, Incorporated, (NYSE: BDG and BDGA) today declared a regular quarterly dividend of \$.335 per share on the Common Stock, Class A Common Stock and Class B Common Stock of the Company payable July 20, 2006 to shareholders of record at the close of business on June 20, 2006.

Bandag, Incorporated manufactures retreading materials and equipment for its worldwide network of more than 900 franchised dealers that produce and market retread tires and provide tire management services. Bandag's traditional business serves end-users through a wide variety of products offered by dealers, ranging from tire retreading and repairing to tire management systems outsourcing for commercial truck fleets. Tire Distribution Systems, Inc. (TDS), a wholly-owned subsidiary, sells and services new and retread tires. In addition, Bandag has an 87.5% interest in Speedco, Inc., a provider of on-highway truck lubrication and routine tire services to commercial truck owner-operators and fleets.

BANDAG, Incorporated

2905 N. Hwy. 61, Muscatine, IA 52761-5886
Tel 563.262.1400 – url www.bandag.com