

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report
(Date of earliest
event reported): June 16, 2006

Bandag, Incorporated
(Exact name of registrant as specified in its charter)

Iowa
(State or other
jurisdiction of
incorporation)

1-7007
(Commission File
Number)

42-0802143
(IRS Employer
Identification No.)

2905 North Highway 61, Muscatine, Iowa 52761-5886
(Address of principal executive offices, including zip code)

(563) 262-1400
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On June 22, 2006, Bandag, Incorporated (the “Company”) issued a press release announcing the restatement of its interim financial statements for the quarter ended March 31, 2006, as described in Item 4.02 of this Current Report on Form 8-K. The information provided in Item 4.02 of this Current Report on Form 8-K is incorporated into this Item 2.02 by reference.

A copy of the press release announcing the restatement is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Form 8-K by reference.

Item 4.02. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

On June 16, 2006, the Audit Committee of the Company’s Board of Directors, in consultation with management, concluded that the Company’s condensed consolidated financial statements included in the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 should be restated to correct an error resulting in an understatement of inventories and an overstatement of cost of products sold in its North American business unit. The error resulted in the net loss for the quarter ended March 31, 2006 being overstated by approximately \$1,931,000. As a result of the restatement, the net earnings from continuing operations for the quarter ended March 31, 2006 have been increased from \$3,778,000, or \$0.19 per diluted share, to \$5,709,000, or \$0.29 per diluted share. In light of this error, the Company’s previously filed financial statements and other financial information for the quarter ended March 31, 2006 should no longer be relied upon. Restated financial data for the quarter ended March 31, 2006 is being filed today on an amended Form 10-Q/A.

The Audit Committee discussed the matters disclosed in this filing with the Company’s independent registered public accountants.

A copy of the press release announcing the restatement is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Form 8-K by reference.

Item 9.01. Financial Statements and Exhibits.

The following exhibit is being filed with this Current Report on Form 8-K:

99.1 Press release dated June 22, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BANDAG, INCORPORATED
(Registrant)

By: /s/ Warren W. Heidbreder
Warren W. Heidbreder
Vice President, Chief Financial Officer

Date: June 22, 2006

BANDAG, INCORPORATED

Exhibit Index to Current Report on Form 8-K

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated June 22, 2006.



NO DETOURS.™

Exhibit 99.1

NEWS RELEASE

FOR IMMEDIATE RELEASE

DATE: June 22, 2006

CONTACT: Warren W. Heidbreder

PHONE: 563-262-1260

URL: www.bandag.com

BANDAG, INCORPORATED ANNOUNCES RESTATEMENT OF 1ST QUARTER 2006 Bandag, Inc. (NYSE: BDG and BDGA)

MUSCATINE, IOWA, June 22, 2006 – Bandag, Incorporated (NYSE:BDG and BDGA) today announced that it will restate the Company’s financial statements for the quarter ended March 31, 2006. The restatement is to correct an error that occurred during the first quarter of 2006 resulting in an understatement of inventories and an overstatement of cost of products sold in its North American business unit. Restated consolidated earnings from continuing operations were \$5.7 million, or \$0.29 per diluted share, for first quarter 2006, compared to previously reported earnings from continuing operations of \$3.8 million, or \$0.19 per diluted share, and compared to first quarter 2005 consolidated net earnings of \$6.0 million, or \$0.30 per diluted share. The restatement will have no effect on cash flows.

In connection with the restatement, the Audit Committee of the Company’s Board of Directors has concluded, in consultation with management, that the Company’s previously filed financial statements and other financial information for the quarter ended March 31, 2006 should no longer be relied upon.

The following table shows the changes to earnings reflected on the Company’s Unaudited Condensed Consolidated Statements of Earnings resulting from the restatement, together with results for the quarter ended March 31, 2005:

	First Quarter Ended March 31, 2006		
	Previous y Reported	2006 <u>Restated</u>	<u>2005</u>
Earnings before income taxes, minority interest and discontinued operations	\$6,111	\$9,128	\$10,032
Earnings from continuing operations	\$3,778	\$5,709	\$5,962
Net earnings (loss)	\$(12,578)	\$(10,647)	\$5,962
Diluted earnings (loss) per share			
Earnings from continuing operations	\$0.19	\$0.29	\$0.30
Net earnings (loss)	\$(0.64)	\$(0.54)	\$0.30

More --

Today Bandag will file an amended Form 10-Q/A reflecting the restatement. The restatement is due to an inadvertent accounting error, not misconduct on the part of the Company.

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., 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.