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Bandag, Incorporated Declares Increase In Quarterly Dividend

MUSCATINE, IOWA -- The Board of Directors of Bandag, Incorporated, (NYSE: BDG and BDGA) today declared an increase in the regular quarterly dividend from \$.335 per share to \$.34 per share on the Common Stock, Class A Common Stock and Class B Common Stock of the Company payable January 22, 2007 to shareholders of record at the close of business on December 22, 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.

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BANDAG, Incorporated

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