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NEWS RELEASE

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CONTACT: Warren W. Heidbreder

PHONE: 563-262-1260

URL: www.bandag.com

CLASS B COMMON STOCK CONVERTED INTO COMMON STOCK

Bandag, Inc. (NYSE: BDG and BDGA)

MUSCATINE, IOWA, January 16, 2007 – Bandag, Incorporated (NYSE: BDG and BDGA) today reported that pursuant to the terms of its charter, each share of its outstanding Class B Common Stock was on January 16, 2007 automatically converted into one share of Common Stock. Each stock certificate that formerly represented issued and outstanding shares of Class B Common Stock is now deemed to represent the same number of shares of Common Stock. Shareholders do not need to exchange share certificates as a result of the conversion. Class B shareholders of record at the close of business on December 22, 2006 will receive the quarterly dividend of \$.34 per share of Class B Common Stock payable on January 22, 2007.

The Class B Common Stock had ten votes per share compared to one vote per share for the Common Stock. Prior to the conversion, the Carver family owned approximately 99% of the outstanding shares of Class B Common Stock and controlled approximately 64% of the voting power of Bandag's voting securities (the Class B Common Stock and Common Stock). Following the conversion, the Carver family controls approximately 36% of the voting power of Bandag's voting securities (the Common Stock). The Carver family consists of Lucille A. Carver, Martin G. Carver and his spouse, Roy J. Carver, Jr., John Carver and his spouse, certain trusts of which members of the Carver family are beneficiaries, and certain corporations and partnerships controlled by members of the Carver family.

Following the automatic conversion of the Class B Common Stock, Bandag now has two classes of stock outstanding -- the Common Stock and the Class A Common Stock. The Common Stock is traded on the New York Stock Exchange under the symbol "BDG," and the Class A Common Stock is traded on the New York Stock Exchange under the symbol "BDGA."

Company Information

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