PRESS RELEASES

Jul 22, 1997

Ecolab Reports 19% Earnings Per Share Gain, Record Results For Second Quarter 1997

1997 SECOND QUARTER HIGHLIGHTS:

- Record earnings per share +19% to $0.51
- Record earnings +19% to $33 million
- Record sales +10% to $412 million
- Strong domestic Institutional and Food & Beverage, Asia Pacific results lead growth

(Millions, except per share)	1997 Second Quarter	% Increase	Six Months	% Increase
Net Sales	$ 412	10%	$ 786	11%
Operating Income	$ 53	16%	$ 96	22%
Pretax Income	$ 50	22%	$ 90	27%
Taxes	21	25	37	30
Earnings from Joint Venture	4	11	6	27
Net Income	$ 33	19%	$ 59	25%
Net Income Per Share				
Per Common Share	$ 0.51	19%	$ 0.91	25%
Fully Diluted	$ 0.49	17%	$ 0.88	22%
Average Shares Outstanding	64.9	1%	64.8	1%

ST. PAUL, Minn., July 22, 1997: Continued strong trends in its domestic Institutional and Food & Beverage businesses and good gains from Asia Pacific operations propelled Ecolab results as earnings per share rose 19% to a record $0.51 in the second quarter ended June 30, 1997.

Ecolab's consolidated sales increased 10% to a record $412 million in 1997's second quarter. Net income rose 19% to a record $33 million as the strong core business performance benefited profits.

Sales for the six-month period ended June 30, 1997 rose 11% to $786 million. Net income grew 25% to $59 million, while earnings per share increased 25% to $0.91 per share.

Commenting on the quarter, Allan L. Schuman, Ecolab's President and Chief Executive Officer said, "We continue to enjoy excellent momentum in our core domestic businesses. Both our Institutional and Food & Beverage divisions have performed well this year, benefiting from good trends in the hospitality market but more so from aggressive sales activity, new products, improved account penetration and competitive gains. Further, their performance more than offset costs of approximately one cent per share in the quarter incurred due to the flooding at our Pest Elimination division offices in Grand Forks, North Dakota. International showed moderate growth in the second quarter, as strength in Asia Pacific more than offset moderate sales growth in Latin America. In addition, the joint venture achieved good income growth despite continued sluggish conditions in its major markets.

"We continue to be optimistic regarding the second half of 1997. We will continue to make the required investments -- including people, products and systems -- to further improve service to our customers and to maintain our above-average growth through the coming years. Though our earnings growth is unlikely - 3 - to match the exceptionally strong first half increases, in part due to these investments, we look for an attractive earnings performance to enable us to meet our financial objectives for 1997. We are committed to building a strong future for Ecolab and are invigorated by the growth opportunities we see ahead."

Second quarter sales for Ecolab's domestic operations rose 11% over the second quarter of last year to $320 million. Institutional and Food & Beverage led the growth, each recording double-digit gains driven by aggressive new sales activity, new products and a favorable hospitality market. Food & Beverage sales also benefited from the August 1996 acquisition of Monarch. Pest Elimination sales grew at near double-digit rates. U.S. operating income rose 18% to $47 million, reflecting a favorable business sales mix and benefiting from the higher sales volume.

Ecolab's international sales rose 7% to $92 million in the second quarter; in local currencies, sales rose 12%. Asia Pacific sales grew at a double-digit rate in local currencies due to aggressive new account activity and new product sales. Operating income rose 6% to $7 million, as strength in Asia Pacific and Canada more than offset the negative effects of currency translation in those regions and soft Latin American results. On a constant currency basis, International operating income rose 13%.

Earnings of the Henkel-Ecolab joint venture are included in the financial statements using the equity method of accounting. Joint venture sales continue to reflect difficult conditions in Europe's major economies and the janitorial and textile hygiene markets. When measured in deutsche marks, Henkel-Ecolab sales increased 3%. When translated into U.S. dollars, joint venture sales comparisons suffered from the stronger U.S. dollar and decreased 9% to $213 million compared with $233 million in the second quarter of last year. However, Ecolab's equity in the earnings of the Henkel-Ecolab joint venture rose to $3.5 million compared with $3.2 million in the second quarter of last year. Joint venture earnings benefited from the continuation of cost control programs undertaken in 1996.

In May 1995, Ecolab announced a 6 million share repurchase program. As part of that program, Ecolab purchased 3.5 million shares in June 1995 under a "Dutch auction" self-tender offer. At June 30, 1997, there were approximately 2.4 million shares remaining under the existing repurchase authorization. Additionally, consistent with its longstanding practice, Ecolab has acquired shares under its systematic repurchase program to fund employee benefit plans. During the second quarter, a total of approximately 123,000 shares were purchased under these programs. The company intends to continue making purchases from time to time in open market and privately negotiated transactions.

Ecolab is the leading global developer and marketer of premium cleaning, sanitizing, maintenance and pest elimination products and services for the hospitality, institutional and industrial markets. For the year ended December 31, 1996, Ecolab reported sales of $1.5 billion; including European joint venture sales of $0.9 billion, Ecolab's global sales coverage was $2.4 billion. Ecolab shares are traded on the New York Stock Exchange and the Pacific Exchange under the symbol ECL.

ECOLAB INC CONSOLIDATED STATEMENT OF INCOME SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 1997 (Unaudited)

	Second Quarter		Six Months	
(thousands,except per share)	1997	1996	1997	1996
Net Sales				
United States	$319,633	$287,278	$610,336	$542,973
International	92,177	85,918	175,234	163,943
Total	411,810	373,196	785,570	706,916
Cost of Sales	183,322	170,856	349,048	323,445
Selling, General and Administrative Expenses	175,685	156,991	340,289	304,324
Operating Income				
United States	47,184	39,919	85,625	70,073
International	6,669	6,271	12,539	10,649
Corporate	(1,050)	(841)	(1,931)	(1,575)
Total	52,803	45,349	96,233	79,147
Interest Expense, Net	3,054	4,584	6,052	8,024
Income Before Income Taxes and Equity in Earnings of Joint Venture	49,749	40,765	90,181	71,123
Provision for Income Taxes	20,397	16,346	36,974	28,517
Equity in Earnings of Henkel-Ecolab Joint Venture	3,542	3,179	5,891	4,637
Net Income	$ 32,894	$ 27,598	$ 59,098	$ 47,243
Net Income Per Share				
Per Common Share	$ 0.51	$ 0.43	$ 0.91	$ 0.73
Fully Diluted	$ 0.49	$ 0.42	$ 0.88	$ 0.72
Average Common Shares Outstanding	64,889	64,307	64,832	64,449

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