

PRESS RELEASES

Feb 23, 1998

Ecolab Reports 13% Earnings Per Share Gain, Record Results For Fourth Quarter

FOURTH QUARTER 1997 HIGHLIGHTS:

- Record diluted earnings per share +13% to \$0.26
- Record earnings +13% to \$34 million
- Record sales +8% to \$422 million
- Double-digit domestic and international operating income growth
- Twelfth consecutive quarter of double-digit EPS growth

FULL YEAR 1997 HIGHLIGHTS:

- Record diluted earnings per share +18% to \$1.00
- Record earnings +18% to \$134 million
- Record sales +10% to \$1.6 billion
- Record return on beginning equity of 25.8%
- Increased annual dividend rate +19% to \$0.38 per share
- Fifth consecutive year of double-digit EPS growth

	1997		1997	
(Millions, except per share)	Fourth	%	Full	%
	Quarter	Increase	Year	Increase
Net Sales	\$ 422	8%	\$ 1,640	10%
Operating Income	55	11	219	18
Pretax Income	52	11	206	20
Taxes	22	9	85	21
Earnings from Joint Venture	4	18	13	3
Net Income	\$ 34	13%	\$ 134	18%
Diluted Net Income Per Share	\$ 0.26	13%	\$ 1.00	18%
Diluted Average Shares Outstanding	133.7	--	133.8	1%

*All per share and number of share data reflect a two-for-one stock split paid January 15, 1998 in the form of a 100% stock dividend to shareholders of record on December 26, 1997.

ST. PAUL, Minn., February 23, 1998: Continued strong domestic and international results along with improved equity income from its joint venture propelled Ecolab to a 13% diluted earnings per share gain for its fourth quarter of 1997. These same trends also produced an excellent year for Ecolab in which diluted per share earnings increased 18% for the full year ended December 31, 1997.

Ecolab's fourth quarter sales grew 8% to \$422 million. Earnings rose at a faster rate of 13% to a record \$34 million, or \$0.26 per share on a diluted basis. Fourth quarter earnings reflected continued strong sales and operating income growth from the company's domestic businesses, an excellent profit performance from International operations and higher equity in the earnings from the Henkel-Ecolab joint venture.

Sales for the full year 1997 rose 10% to \$1.6 billion, with earnings up 18% to \$134 million. Strong sales growth and new products, combined with a more stable raw material cost environment and tight cost controls, enabled Ecolab to post double-digit operating income gains in both its domestic and international operations, despite limited pricing flexibility and a challenging international currency environment. In addition, aggressive cost reductions and better local currency sales growth enabled equity income from the Henkel-Ecolab joint venture to rise over last year's record level. Diluted earnings per share reflected these income gains and rose 18% to \$1.00.

Allan L. Schuman, Ecolab's President and Chief Executive Officer, stated "We achieved an outstanding performance in 1997. We beat each of our financial objectives, produced the highest growth in our core U.S. operations in over a dozen years, introduced a breadth of new products and technologies, made a major expansion of our renowned and industry-leading sales-and-service force, completed key strategic acquisitions in both our domestic and international businesses, and saw our share price beat the market averages for the third year in a row. It was simply a terrific year.

"As we begin 1998, we remain fully committed to our aggressive global growth plans and our 'Circle the Customer - Circle the Globe' strategy. Never before has Ecolab had such a powerful array of tools to achieve these plans and strategies. We have strengthening global market leadership positions; a powerful, aggressive and expanding sales-and-service force; an increasing portfolio of innovative and differentiated technologies, products and equipment; an excellent customer base; and a focused and proven strategy for growth. We are determined to build on these strengths in 1998 and improve on the exceptional value we deliver to our customers, every day, every where. We

believe these strengths and continued good business trends will enable us to achieve yet another record performance in 1998."

Fourth quarter sales for Ecolab's domestic operations rose 9% over the previous year to \$327 million, led by Institutional, Food and Beverage and the Pest Elimination divisions. Domestic operating income rose 10% to \$49 million reflecting the higher sales, new products and close attention to costs.

Ecolab's International sales rose 5% to \$95 million in the fourth quarter. When measured in local currencies, the gain was 12% and showed good strength in all major regions. International operating income increased 22% to \$7 million. Strong income gains were also achieved in all of International's major regions resulting from the higher sales, improved product mix and cost controls. Income statement results exclude the Gibson business which was acquired just before year-end.

Earnings of the Henkel-Ecolab joint venture are included in the financial statements using the equity method of accounting. When measured in deutsche marks, sales for the fourth quarter grew 11%. When translated into U.S. dollars, joint venture sales comparisons were hurt by the strengthening U.S. dollar and decreased 4% to \$218 million in the fourth quarter of 1997, compared with \$228 million in the fourth quarter of the previous year. Ecolab's equity in the earnings of the Henkel-Ecolab joint venture was \$4 million for the fourth quarter compared with \$3 million in 1996. Aggressive cost reductions and the sales gain benefited earnings.

In May 1995, Ecolab announced a twelve million share repurchase program. As part of that program, Ecolab purchased 7.1 million shares in June 1995 under a "Dutch auction" self-tender offer. At December 31, 1997, there were approximately 4.2 million shares remaining under the existing repurchase authorization. In addition, consistent with its long-standing practice, Ecolab has acquired shares under a repurchase program to fund employee benefit plans. During the fourth quarter of 1997, 1,036,000 shares were purchased under these programs. For the full year, purchases totaled 2,561,400 shares under both 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 and maintenance products and services for the hospitality, institutional and industrial markets. Ecolab shares are traded on the New York Stock Exchange and the Pacific Stock Exchange under the symbol ECL.

Ecolab news releases and other investor information are available on the Internet at <http://www.ecolab.com>; and by telephone at 1-800-FACT-ECL.

This news release contains various "Forward-Looking Statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which represent Ecolab's expectations or beliefs concerning various future events, are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ materially from those of such Forward-Looking Statements. Readers are referred to the Company's statement entitled "Forward-Looking Statements and Risk Factors" which is contained in the Company's Form 8-K dated February 20, 1998 which discusses risk factors. Additional risk factors may be described from time to time in Ecolab's filings with the Securities and Exchange Commission.

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ECOLAB INC CONSOLIDATED STATEMENT OF INCOME FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 1997

(thousands, except per share)	Fourth Quarter		Year	
	1997	1996	1997	1996
(unaudited)				
Net Sales				
United States	\$326,728	\$300,658	\$1,275,828	\$1,148,778
International	95,181	90,370	364,524	341,231
Total	421,909	391,028	1,640,352	1,490,009
Cost of Sales	184,858	176,276	722,084	674,953
Selling, General and				
Administrative Expenses	181,576	164,881	699,764	629,739
Operating Income				
United States	49,267	44,924	195,630	164,886
International	7,321	5,980	26,962	23,871
Corporate	(1,113)	(1,033)	(4,088)	(3,440)
Total	55,475	49,871	218,504	185,317
Interest Expense, Net	3,234	2,756	12,637	14,372
Income Before Income Taxes				
and Equity in Earnings				
of Joint Venture	52,241	47,115	205,867	170,945
Provision for Income				
Taxes	21,758	19,991	85,345	70,771
Equity in Earnings of				
Henkel-Ecolab				
Joint Venture	3,885	3,290	13,433	13,011
Net Income	\$ 34,368	\$ 30,414	\$ 133,955	\$ 113,185
Net Income Per				
Common Share				
Basic	\$ 0.27	\$ 0.23	\$ 1.03	\$ 0.88
Diluted	\$ 0.26	\$ 0.23	\$ 1.00	\$ 0.85
Weighted Average Common				
Shares Outstanding				
Basic	128,993	129,439	129,446	128,991
Diluted	133,740	133,658	133,822	132,817

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