PRESS RELEASES

Apr 24, 1998

Ecolab Reports 15% Earnings Per Share Gain, Record Results For First Quarter 1998

1998 FIRST QUARTER HIGHLIGHTS:

- Record diluted earnings per share +15% to $0.23
- Record earnings +17% to $31 million
- Record sales +17% to $436 million
- Strong domestic Institutional and Food & Beverage sales and profits lead growth
- Thirteenth consecutive quarter of double-digit EPS growth

	First Quarter Ended March 31 (Millions, except per share)		
	1998	1997	Increase
Net Sales	$ 436	$ 374	17%
Operating Income	$ 54	$ 43	24%
Pretax Income	$ 48	$ 40	19%
Taxes	20	16	22
Earnings from Joint Venture	3	2	9
Net Income	$ 31	$ 26	17%
Diluted Net Income Per Share	$0.23	$0.20	15%
Diluted Average Shares Outstanding	133.9	133.5	--

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., April 24, 1998: As previously announced, continued strong trends in its domestic Institutional and Food & Beverage businesses as well as good results from its Asia Pacific and Latin American operations led Ecolab's diluted earnings per share as they increased 15% to a record $0.23 in the first quarter ended March 31, 1998.

Ecolab's consolidated sales increased 17% to a record $436 million in 1998's first quarter. Net income rose 17% to a record $31 million, reflecting the higher volume, cost efficiencies and improved sales mix.

Commenting on the quarter, Allan L. Schuman, Ecolab's President and Chief Executive Officer said, "We are very pleased with this good start to 1998, especially since it compared against a strong period a year ago. Our domestic Institutional and Food & Beverage businesses continued to set an aggressive pace in their markets and once again led the company's growth. Though economic turmoil in Asia affected international markets, Ecolab nonetheless achieved good results in both the Asia Pacific and Latin America regions during the first quarter due to our aggressive salesforce and our focus on improving value to the customer.

"We are optimistic regarding the balance of the year. We have strong momentum in our core domestic businesses and their end-markets remain in good shape. While we are cautious regarding developments in the Asian economies, we believe our aggressive actions will enable us to achieve a good relative performance in that region. We have made major investments in our people, products and equipment worldwide to better serve our customers, and expect to benefit handsomely from these investments in 1998. At the same time, we will not relent in our continued aggressive pursuit of new opportunities to better serve our global customers, through innovative products and services, additional sales and service personnel, new markets and acquisitions. We expect 1998 to be yet another year of record results."

First quarter sales for Ecolab's domestic operations rose 14% to $333 million as Institutional and Food & Beverage led the growth. Both Institutional and Food & Beverage sales benefited from acquisitions; excluding those acquisitions, U.S. sales rose 10%. U.S. operating income rose 24% to $48 million, reflecting cost controls, an improved sales mix and sales of new products.

Ecolab's international sales rose 25% to $104 million in the first quarter; in local currencies, sales rose 38%. Acquisitions were also significant to International sales. Excluding acquisitions, International sales were flat; in local currencies, the increase excluding acquisitions was 9%. Excluding acquisitions, both Asia Pacific and Latin America grew local currency sales at near double-digit rates, as well as showed double-digit local currency profit improvement. Aggressive new account and new product sales offset the negative effects of changes in currency translation and led the results. Reported operating income rose 21% to $7 million with the benefits from new businesses offset by the negative effects of changes in currency translation.

Earnings of the Henkel-Ecolab joint venture are included in the financial statements using the equity method of accounting. Improved Institutional and Food & Beverage sales were somewhat offset by challenging conditions in Europe's janitorial and textile hygiene markets. When measured in deutsche marks, Henkel-Ecolab sales increased 7%. Excluding acquisitions, sales rose 3%. When translated into U.S. dollars, joint venture sales comparisons suffered from the stronger U.S. dollar and decreased 5%. Ecolab's equity in the earnings of the Henkel-Ecolab joint venture was $2.6 million compared with $2.3 million in the first quarter of last year.

In May 1995, Ecolab announced a 12 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 March 31, 1998 there were approximately 4.2 million shares remaining under the existing repurchase authorization. Additionally, consistent with its longstanding practice, Ecolab has acquired shares under a repurchase program to fund employee benefit plans. During the first quarter, 656,600 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, healthcare and light industrial markets. For the year ended December 31, 1997 Ecolab reported sales of $1.6 billion; including European joint venture sales of $0.9 billion, Ecolab's global sales coverage was $2.5 billion. Ecolab shares are traded on the New York Stock Exchange and the Pacific 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 10-K for the year ended December 31, 1997 which discusses risk factors. Additional risk factors may be described from time to time in Ecolab's filings with the Securities and Exchange Commission.

ECOLAB INC.
CONSOLIDATED STATEMENT OF INCOME
FIRST QUARTER ENDED MARCH 31, 1998
(Unaudited)

(thousands, except per share)	1998	1997
Net Sales		
United States	$332,614	$290,703
International	103,748	83,057
Total	436,362	373,760
Cost of Sales	195,909	165,726
Selling, General and Administrative Expenses	186,733	164,604
Operating Income		
United States	47,536	38,441
International	7,094	5,870
Corporate	(910)	(881)
Total	53,720	43,430
Interest Expense, Net	5,406	2,998
Income Before Income Taxes And Equity in Earnings of Joint Venture	48,314	40,432
Provision for Income Taxes	20,289	16,577
Equity in Earnings of Henkel-Ecolab Joint Venture	2,563	2,349
Net Income	$ 30,588	$ 26,204
Net Income Per Common Share		
Basic	$ 0.24	$ 0.20
Diluted	$ 0.23	$ 0.20
Weighted Average Common Shares Outstanding		
Basic	128,958	129,548
Diluted	133,934	133,520

###

Back to Press Releases