PRESS RELEASES

Oct 20, 1998

Ecolab Reports 17% Earnings Per Share Gain, Record Results For Third Quarter 1998

- Record earnings per share +17% to $0.35
- Record earnings +16% to $47 million
- Record sales +16% to $500 million
- Strong domestic Institutional, Food & Beverage, Pest Elimination and Kay sales and profits continue to lead growth

(Millions, except per share)	1998 Third Quarter	% Increase	Nine Months	% Increase
Net Sales	$ 500	16%	$1,405	15%
Operating Income	$ 79	19%	$ 197	21%
Pretax Income	$ 74	17%	$ 181	18%
Taxes	32	19	77	20
Earnings from Joint Venture	5	29	11	16
Income from Continuing Operations	$ 47	16%	$ 115	16%
Diluted Income from Continuing Operations Per Share	$0.35	17%	$ 0.86	16%
Diluted Average Shares Outstanding	134.3	-	134.0	-

ST. PAUL, Minn., October 20, 1998: Strong domestic business trends continued to lead results as Ecolab reported a 17% earnings increase to $0.35 per diluted share for the third quarter ended September 30, 1998.

Ecolab's consolidated sales increased 16% to a record $500 million in 1998's third quarter. Income from continuing operations rose 16% to a record $47 million as the robust business performance benefited profits.

In addition to ongoing operations, an issue related to the disposal of a business discontinued in 1991 was finalized during the third quarter, resulting in a one-time gain of $38 million.

Sales for the nine-month period ended September 30, 1998 rose 15% to $1.4 billion. Income from continuing operations grew 16% to $115 million, or $0.86 per diluted share.

Commenting on the quarter, Allan L. Schuman, Ecolab's President and Chief Executive Officer said, "The third quarter results were simply terrific, especially in light of the very challenging economic conditions in a number of foreign markets. Our people showed what makes them -- and Ecolab -- so exceptional. Our key domestic businesses -- Institutional, Food & Beverage, Pest Elimination and Kay – led the way and continued to achieve excellent results, using their superb sales and service capabilities along with an increasing array of new products to improve their market penetration and better serve their customers. Asia Pacific and Latin America operations were able to post sales gains in local currencies. Further, our European joint venture, Henkel-Ecolab, turned in very good results, as quarterly earnings rose to the second highest profit level in the joint venture's history.

"We remain confident that 1998 will produce yet another year of good growth and record results for Ecolab, as our strong domestic operations offset a weakening international environment. We continue to achieve major progress toward all of our strategic objectives, making substantial investments in our existing businesses, sales and service organization, new products and management organization. We have also continued to make substantial investments in new businesses, utilizing internal development and acquisitions to help us fulfill our Circle the Customer - Circle the Globe strategy. Further, demand for the cleaning and sanitizing products and the broad range of services we offer our customers keeps on growing. Every day, everyone needs to eat, and everything needs to be cleaned. When combined with our proven expertise to deliver the right solutions for our customers, that creates an exciting formula for further growth – one that works through varying economic conditions."

Third quarter sales for Ecolab's domestic operations rose 16% to $392 million. The Institutional, Food & Beverage, Pest Elimination and Kay divisions reported double-digit sales gains and led the growth, benefiting from aggressive new sales activity, new products and a favorable hospitality market. Both Institutional and Food & Beverage sales also benefited from acquisitions; excluding those acquisitions, U.S. sales rose 9% for the third quarter. U.S. operating income rose 19% to $72 million, reflecting a favorable business sales mix and benefiting from the higher sales volume.

Ecolab's international sales rose 14% to $108 million in the third quarter; in local currencies, sales rose 31%. Acquisitions were significant to the International sales gains. Excluding acquisitions, International's reported sales decreased 3%; in local currencies, and excluding acquisitions, International sales increased 11%. Excluding acquisitions, all major regions contributed to International's overall local currency sales growth, as aggressive new account development and new product sales offset deteriorating general economic trends in Asia Pacific and Latin America. Operating income including acquisitions rose 17% to $8 million; excluding acquisitions, international operating income declined slightly from last year.

Joint venture earnings are included in the financial statements using the equity method of accounting. Joint venture sales showed good results across the board in the third quarter. When measured in deutsche marks, Henkel-Ecolab sales increased 14%, benefiting from growth in all of its businesses as well as from acquisitions. When translated into U.S. dollars, joint venture sales increased 14% to $233 million compared with $204 million in the third quarter of last year. Ecolab's equity in the earnings of the Henkel-Ecolab joint venture rose 29% to $4.7 million compared with $3.7 million in the third quarter of last year.

During the third quarter, the Company reacquired 557,500 shares of its common stock under its share repurchase program, which provides shares to fund employee benefit plans. At September 30, 1998, there were 3.7 million shares remaining under a separate 12 million share repurchase program announced in May 1995. The Company anticipates that it will continue to periodically reacquire shares under these two programs.

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, 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 that 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.

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ECOLAB INC

CONSOLIDATED STATEMENT OF INCOME

THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 1998

(Unaudited)

	Third Quarter		Nine Months	
(thousands, except per share)	1998	1997	1998	1997
Net Sales				
United States	$392,307	$338,764	$1,084,175	$ 949,100
International	107,730	94,109	320,684	269,343
Total	500,037	432,873	1,404,859	1,218,443
Cost of Sales	224,365	188,178	630,390	537,226
Selling, General and Administrative Expenses	196,501	177,899	577,838	518,188
Operating Income				
United States	72,033	60,738	176,938	146,363
International	8,287	7,102	23,231	19,641
Corporate	(1,149)	(1,044)	(3,538)	(2,975)
Total	79,171	66,796	196,631	163,029
Interest Expense, Net	5,069	3,351	15,875	9,403
Income From Continuing Operations Before Income Taxes and Equity in Earnings of Joint Venture	74,102	63,445	180,756	153,626
Provision for Income Taxes	31,794	26,613	76,558	63,587
Equity in Earnings of Henkel-Ecolab Joint Venture	4,704	3,657	11,091	9,548
Income From Continuing Operations	47,012	40,489	115,289	99,587
Gain From Discontinued Operations	38,000		38,000	
Net Income	$ 85,012	$ 40,489	$ 153,289	$ 99,587
Diluted Income Per Common Share				
Continuing Operations	$ 0.35	$ 0.30	$ 0.86	$ 0.74
Discontinued Operations	0.28		0.28	
Net Income	$ 0.63	$ 0.30	$ 1.14	$ 0.74
Weighted Average Common Shares Outstanding				
Basic	129,573	129,462	129,066	129,596
Diluted	134,319	133,930	134,023	133,835

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