PRESS RELEASES

Feb 22, 1999

Ecolab Reports 15% EPS Gain, Record Results For Full Year 1998

FOURTH QUARTER 1998 HIGHLIGHTS:

* Record diluted earnings per share +12% to $0.29
* Record earnings +14% to $39 million
* Record sales +15% to $483 million
* Double-digit growth in domestic and European joint venture earnings
* Sixteenth consecutive quarter of double-digit EPS growth

FULL YEAR 1998 HIGHLIGHTS:

* Record diluted earnings per share +15% to $1.15
* Record earnings +15% to $155 million
* Record sales +15% to $1.9 billion
* Record return on beginning equity of 28%
* Record cash flow from operations +17% to $275 million
* Increased annual dividend rate +11% to $0.42 per share
* Sixth consecutive year of double-digit EPS growth

	December 31, 1998			
(Millions, except per share)	Fourth Quarter	% Increase	Full Year	% Increase
Net Sales	$ 483	15%	$ 1,888	15%
Operating Income	65	18	262	20
Pretax Income	59	14	240	17
Taxes	25	16	101	19
Earnings from Joint Venture	5	28	16	19
Income from Continuing Operations	$ 39	14%	$ 155	15%
Diluted Income From Continuing Operations Per Share	$ 0.29	12%	$ 1.15	15%
Diluted Average Shares Outstanding	134.2	--	134.0	--

ST. PAUL, Minn., February 22, 1999: Continued strong domestic results along with improved equity income from its European joint venture led Ecolab to a 15% diluted earnings per share gain to $1.15 for its year ended December 31, 1998. These same trends also produced an excellent fourth quarter for Ecolab in 1998, with diluted per share earnings rising 12%.

Ecolab's fourth quarter sales grew 15% to $483 million. Earnings rose 14% to a record $39 million, and diluted earnings per share rose 12% to a record $0.29.

Sales for the full year 1998 rose 15% to $1.9 billion, with earnings up 15% to $155 million. Diluted earnings per share reflected these gains and rose 15% to $1.15. In addition to continuing operations, a tax issue related to the disposal of a business discontinued in 1991 was finalized during 1998, resulting in a one-time gain of $38 million being included in net income for the full year.

Allan L. Schuman, Ecolab's President and Chief Executive Officer, stated "Ecolab enjoyed yet another year of outstanding performance in 1998 as we set records in all of our

key areas, including sales, profits, return on beginning equity, stock price, new product and service development, customer growth and retention, and sales-and-service force additions. Our domestic business once again led results and demonstrated the strength of our Circle the Customer strategy, with continued healthy momentum from our major businesses and strategic new business development. In addition, our Henkel-Ecolab joint venture enjoyed an excellent year as it benefited from new differentiated products and more aggressive selling. The strong domestic and joint venture growth more than offset weak results from our Asia Pacific business.

"We remain optimistic regarding 1999's prospects, as we expect the business strengths and balance that are hallmarks of our company to once again provide the elements for above-average growth. We continue to aggressively develop our existing businesses as well as pursue new opportunities in cleaning and sanitizing markets around the world. Our domestic business continues to enjoy healthy market trends, and we have bolstered that lineup with a number of exciting new products and services that will add incremental sales and profits to 1999. When these are combined with our strong existing core businesses and outstanding sales-and-service force, as well as improved momentum from the Henkel-Ecolab joint venture, we believe we will offset international challenges and achieve yet another year of record results and accomplishment for Ecolab. We believe 1999 will once again show why Ecolab remains the industry leader and a consistent growth company."

At year-end 1998, Ecolab adopted Financial Accounting Standards No. 131, which changes the way in which Ecolab will discuss its operating segments. The company has determined it has three reportable segments: United States Cleaning and Sanitizing, which includes Ecolab's U.S. Institutional, Food & Beverage, Kay, Professional Products, Textile Care and Water Care operations; United States Other Services, which includes the Pest Elimination, GCS and Jackson operations; and International Cleaning and Sanitizing, which includes all of Ecolab's non-European foreign operations. The company evaluates the performance of its International operations using fixed currency rates of exchange. The following discussion reflects these reporting changes.

Fourth quarter sales for Ecolab's United States Cleaning and Sanitizing operations rose 10% over the fourth quarter of 1997 to $325 million, led by the Institutional, Food and Beverage, and Kay operations. Ecolab's United States Cleaning and Sanitizing operating income rose 25% to $56 million reflecting the higher sales, new products and close attention to costs.

United States Other Services sales increased 54% to $47 million in the fourth quarter. Excluding the results of GCS, which was acquired in 1998, sales rose 13%. Operating income grew 4% to $5 million. Sales and profits benefited from a very strong performance by Pest Elimination.

Sales of Ecolab's International Cleaning and Sanitizing operations rose 27% at fixed currency rates in the fourth quarter. Acquisitions were also significant to the International sales gains. Excluding acquisitions, International's sales in fixed currencies increased 7%, as all major regions contributed to the overall growth. Aggressive new account development and new product sales served to more than offset poor general economic trends in Asia Pacific and Latin America. Fixed currency operating income including acquisitions declined 10% to $6 million; excluding acquisitions, operating income declined more than 50% from last year. Weak economic conditions in major markets along with one-time charges contributed to the operating income decline.

Earnings of the Henkel-Ecolab joint venture are included in the financial statements using the equity method of accounting. Henkel-Ecolab sales showed good results across the board in the fourth quarter. When measured in deutsche marks, Henkel-Ecolab sales increased 8%, 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 $248 million compared with $218 million in the fourth quarter of last year. Ecolab's equity in the earnings of the Henkel-Ecolab joint venture rose 28% to $5.0 million compared with $3.9 million in the fourth quarter of last year.

Ecolab reacquired 182,800 shares of its common stock during the fourth quarter and 1,626,900 shares of its common stock during the full year 1998 under its two authorized share repurchase programs. Under one plan, Ecolab reacquires shares to fund current share needs for employee incentive and benefit plans. During any fiscal quarter, the number of shares reacquired is not intended to exceed approximate plan needs for such quarter. Under a second program, established in 1995, Ecolab reacquires shares for general corporate purposes, including certain acquisitions; as of December 31, 1998, approximately 3.6 million shares remained authorized under this plan. 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. 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, for further discussion of 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, 1998

(thousands, except per share)	Fourth Quarter		Year	
	1998	1997	1998	1997

	(unaudited)			
Net Sales	$483,367	$421,909	$1,888,226	$1,640,352
Cost of Sales	220,783	184,858	851,173	722,084
Selling, General and Administrative Expenses	197,235	181,576	775,073	699,764
Operating Income	65,349	55,475	261,980	218,504
Interest Expense, Net	5,867	3,234	21,742	12,637
Income From Continuing Operations Before Income Taxes and Equity in Earnings of Henkel-Ecolab	59,482	52,241	240,238	205,867
Provision for Income Taxes	25,224	21,758	101,782	85,345
Equity in Earnings of Henkel-Ecolab Joint Venture	4,959	3,885	16,050	13,433
Income From Continuing Operations	39,217	34,368	154,506	133,955
Gain From Discontinued Operations			38,000	
Net Income	$ 39,217	$ 34,368	$ 192,506	$ 133,955
Diluted Income Per Common Share				
Continuing Operations	$ 0.29	$ 0.26	$ 1.15	$ 1.00
Discontinued Operations			0.28	
Net Income	$ 0.29	$ 0.26	$ 1.44	$ 1.00
Weighted Average Common Shares Outstanding				
Basic	129,431	128,993	129,157	129,446
Diluted	134,154	133,740	134,047	133,822

ECOLAB INC.

OPERATING SEGMENT INFORMATION

FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 1998

(thousands)	Fourth Quarter		Year	
	1998	1997	1998	1997
	(unaudited)			
Net Sales				
United States				
Cleaning & Sanitizing	$325,244	$295,899	$1,296,797	$1,156,625
Other Services	47,441	30,829	160,063	119,203
Total	372,685	326,728	1,456,860	1,275,828
International Cleaning and Sanitizing	114,449	89,982	440,668	335,337
Effect of Foreign Currency Translation	(3,767)	5,199	(9,302)	29,187

Consolidated	$483,367	$421,909	$1,888,226	$1,640,352
Operating Income				
United States				
Cleaning & Sanitizing	$ 56,122	$ 44,911	$ 218,500	$ 180,975
Other Services	4,524	4,356	19,084	14,655
Total	60,646	49,267	237,584	195,630
International Cleaning And Sanitizing	5,976	6,644	29,787	22,519
Corporate	(809)	(1,113)	(4,347)	(4,088)
Effect of Foreign Currency Translation	(464)	677	(1,044)	4,443
Consolidated	$ 65,349	$ 55,475	$ 261,980	$ 218,504

Back to Press Releases