PRESS RELEASES

Oct 21, 1999

Ecolab Reports 14% Earnings Gain, Record Results For Third Quarter 1999

1999 THIRD QUARTER HIGHLIGHTS:

- Record income from continuing operations per share +14% to $0.40, excluding a $0.01 per share one-time gain

- Record income from continuing operations per share, including the one-time gain, +17% to $0.41

- Record sales +11% to $555 million

- Strong core domestic and Asia Pacific profits lead growth

- Nineteenth consecutive quarter of double-digit EPS growth

1999

(Millions, except per share)	Third Quarter	% Increase	Nine Months	% Increase
Net Sales	$555	11%	$1,564	11%
Operating Income	$88	11%	$222	13%
Pretax Income	$83	12%	$205	13%
Taxes	34	6	84	10
Earnings from Henkel-Ecolab	6	19	12	13
Income from Continuing Operations	$55	17%	$133	16%
Diluted Income from Continuing Operations Per Share	$0.41	17%	$0.99	15%
Diluted Average Shares Outstanding	134.4	--%	134.6	--%

ST. PAUL, Minn., October 21, 1999: Strong sales gains from its major domestic businesses, excellent profit improvement in its Asia Pacific operations and sustained growth from its European joint venture led Ecolab's third quarter as diluted income from continuing operations per share increased 14% for the quarter ended September 30, 1999 to a record $0.40, excluding a one-time gain.

During the third quarter, Ecolab recognized a non-taxable gain of $1.5 million, or $0.01 per diluted share, on the receipt of shares from an insurance company that demutualized and issued shares in a public offering. The shares resulted from life insurance policies Ecolab holds on certain employees. This gain was recorded in selling, general and administrative expenses during the quarter, and also had a favorable effect on the third quarter's effective income tax rate. Including the one-time gain, income from continuing operations increased 17% to $0.41 per share.

Ecolab's consolidated sales increased 11% to a record $555 million in 1999's third quarter. Income from continuing operations rose 17% to a record $55 million, reflecting aggressive sales programs, cost efficiencies, favorable sales mix and the one-time demutualization gain.

Commenting on the quarter, Allan L. Schuman, Ecolab's President and Chief Executive Officer said, "We enjoyed an exceptional performance in the third quarter. Our domestic results reflected strong performances in our core businesses as we achieved double-digit sales gains in our Institutional, Food & Beverage, Kay and Pest Elimination operations due to new product introductions, aggressive sales programs and excellent sales efforts by our sales and service associates. In addition, our wholly owned international operations achieved substantial profit improvement despite still-challenging economic environments. This strong international profit performance was the result of the hard work our associates have put in to address the currency devaluations and higher costs that resulted from the Asian and Latin American economic crises, and our third quarter results show the fruits of their efforts. The Henkel-Ecolab joint venture once again enjoyed a strong quarter of growth, reflecting the improvements they have made in their sales mix and sales organizations.

"We expect 1999 will be another record year for Ecolab and in line with our overall earnings expectations as we continue to successfully implement our 'Circle the Customer, Circle the Globe' strategy and build our product and service offerings for our customers. We have accomplished a great deal through this strategy and we see even more

opportunity ahead. We are dedicated to fully exploiting these opportunities and finding new ways in which we can deliver more high quality services to our customers and at the same time deliver improved value to our shareholders. We believe our results in 1999 and beyond will continue to represent the superior performance that is Ecolab's standard."

Third quarter sales for Ecolab's United States Cleaning and Sanitizing operations rose 12% over the third quarter of 1998 to $386 million, led by double-digit sales growth in Institutional, Kay and Food & Beverage operations. United States Cleaning and Sanitizing operating income rose 8% to $70 million with strong core operations growth partially offset by investments in the businesses and soft results from Professional Products.

United States Other Services sales increased 16% to $56 million in the third quarter. Operating income grew 19% to $8 million. Sales and profits benefited from a very strong performance by both Pest Elimination and GCS operations.

Sales of Ecolab's International Cleaning and Sanitizing operations rose 3% in the third quarter when measured at fixed currency exchange rates. In Asia Pacific, aggressive new account development and new product sales served to more than offset poor general economic conditions. Latin American sales growth improved in the third quarter, as strong results in Mexico and Central America more than offset modestly lower sales in Brazil. International fixed currency operating income rose 20% to $10 million. The income improvement came from Asia Pacific, as higher sales volumes and cost controls benefited margins.

Earnings of the Henkel-Ecolab joint venture are included in the financial statements using the equity method of accounting. Henkel-Ecolab sales growth in the third quarter reflected continued growth in new European products and systems, sales and service headcount investments, and improved sales programs. When measured in fixed currencies, Henkel-Ecolab sales increased 6%. When translated into U.S. dollars, joint venture sales increased 1% to $235 million compared with $233 million in the third quarter of last year. Ecolab's equity in the earnings of Henkel-Ecolab increased 19% to $5.6 million compared with $4.7 million in the third quarter of last year due to the sales gain, new products and close attention to costs.

The company's effective income tax rate for the third quarter was 40.4% and improved from prior periods principally due to the non-taxable one-time gain related to shares received from the demutualization of a life insurance company and lower anticipated overall effective rates on earnings of International operations for 1999. For the full year 1999, Ecolab's effective income tax rate is anticipated to be just over 41%.

Ecolab reacquired 177,500 shares of its common stock during the third quarter 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 September 30, 1999, approximately 3.3 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. For the year ended December 31, 1998, Ecolab reported sales of $1.9 billion; including European joint venture sales of $0.9 billion, Ecolab's global sales coverage was $2.8 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 future events, including anticipated financial performance and business prospects, are based on current expectations and involve a number of risks and uncertainties that could cause actual results to differ materially from those of such Forward-Looking Statements. Many factors, including those discussed more fully elsewhere in this release, and in Ecolab's filings with the Securities and Exchange Commission, particularly its latest quarterly report on Form 10-Q under the statement entitled "Forward-Looking Statements and Risk Factors," could cause results to differ materially from those stated. These factors include, but are not limited to, pricing flexibility, ability to carry out the company's acquisition strategies, loss of key customers, severe weather conditions affecting the food service and hospitality industry, market growth, economic conditions, the company's ability to continue product introductions and technological innovations and Year 2000 issues.

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ECOLAB INC.
CONSOLIDATED STATEMENT OF INCOME
THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 1999
(unaudited)

	Third Quarter		Nine Months	
(thousands, except per share)	1999	1998	1999	1998
Net Sales	$554,511	$500,037	$1,564,231	$1,404,859
Cost of Sales	247,619	224,365	702,769	630,390
Selling, General and Administrative Expenses	219,037	196,501	639,602	577,838
Operating Income	87,855	79,171	221,860	196,631
Interest Expense, Net	4,860	5,069	16,819	15,875
Income From Continuing Operations Before Income Taxes and				

Equity in Earnings of Henkel-Ecolab	82,995	74,102	205,041	180,756
Provision for Income Taxes	33,555	31,794	84,082	76,558
Equity in Earnings of Henkel-Ecolab Joint Venture	5,581	4,704	12,484	11,091
Income From Continuing Operations	55,021	47,012	133,443	115,289
Gain From Discontinued Operations		38,000		38,000
Net Income	$55,021	$85,012	$133,443	$153,289
Diluted Income Per Common Share				
Continuing Operations	$0.41	$0.35	$0.99	$0.86
Discontinued Operations		0.28		0.28
Net Income	$0.41	$0.63	$0.99	$1.14
Weighted-Average Common Share Outstanding				
Basic	129,546	129,573	129,560	129,066
Diluted	134,394	134,319	134,569	134,023

ECOLAB INC.

OPERATING SEGMENT INFORMATION

THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 1999

(unaudited)

	Third Quarter		Nine Months	
(thousands)	1999	1998	1999	1998
Net Sales				
United States				
Cleaning & Sanitizing	$385,508	$343,771	$1,080,602	$971,553
Other Services	56,467	48,536	157,108	112,622
Total	441,975	392,307	1,237,710	1,084,175
International				
Cleaning and Sanitizing	111,580	108,173	322,618	311,246
Effect of Foreign Currency Translation	956	(443)	3,903	9,438
Consolidated	$554,511	$500,037	$1,564,231	$1,404,859
Operating Income				
United States				
Cleaning & Sanitizing	$70,479	$65,128	$178,900	$162,378
Other Services	8,207	6,905	18,907	14,560
Tota	178,686	72,033	197,807	176,938
International				
Cleaning and Sanitizing	10,078	8,375	26,856	21,953
Corporate	(1,111)	(1,149)	(3,444)	(3,538)
Effect of Foreign Currency Translation	202	(88)	641	1,278
Consolidated	$87,855	$79,171	$221,860	$196,631

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