PRESS RELEASES

Jul 26, 2000

Ecolab Reports 13% Earnings Per Share Gain, Record Results For Second Quarter 2000

SECOND QUARTER 2000 HIGHLIGHTS:

- Record earnings per share +13% to $0.36

- Record earnings +12% to $48 million

- Record sales +10% to $571 million

- Twenty-second consecutive quarter of double-digit EPS growth

	2000			
(Millions, except per share)				
	Second Quarter	% Increase	Six Months	% Increase
Net Sales	$571	10%	$1,097	9%
Operating Income	$ 79	10%	$ 151	13%
Pretax Income	$ 73	12%	$ 141	15%
Taxes	30	12	58	14
Earnings from Henkel-Ecolab	5	7	8	16
Net Income	$ 48	12%	$ 91	16%
Diluted Net Income Per Share	$0.36	13%	$0.68	17%
Diluted Average Shares Outstanding	133.0	(1)%	133.3	(1)%

ST. PAUL, Minn., July 26, 2000: Continued growth from the major domestic businesses and sustained improvement in its Latin American operations led Ecolab's second quarter ended June 30, 2000, as diluted earnings per share increased 13% to a record $0.36.

Ecolab's consolidated sales increased 10% to a record $571 million in the second quarter. Net income rose 12% to a record $48 million, reflecting the sales improvement and cost efficiencies.

Commenting on the quarter, Allan L. Schuman, Ecolab's Chairman, President and Chief Executive Officer said, "Our second quarter results reflected the benefits of Ecolab's strong sales and service culture and successful new product and acquisition strategies for growth. We continued to enjoy growth in our core domestic businesses, led by Institutional, Kay and Pest Elimination. International also recorded strong results, benefiting from Latin America's excellent performance. Henkel-Ecolab recorded a very good gain in the quarter in local currencies, but our equity in those earnings was hurt by currency translation.

"We are on course to achieve yet another record year in 2000. Our domestic business continues to show steady growth, with favorable market trends bolstered by the rollout of new products, services and our expanded sales and service force. Our International operations have done well given the economic conditions they face, and we look for further progress in the second half of the year. We are excited by the growth opportunities we see ahead in all of our markets, and are continuing to make the required

investments -- including people, products and systems -- to further improve service to our customers and to maintain our above-average growth through the coming years. Ecolab's commitment to growth has never been stronger, and our dedication to achieving it never greater."

Second quarter sales for Ecolab's United States Cleaning & Sanitizing operations rose 8% over the second quarter of 1999 to $388 million. Excluding acquisitions, sales rose 7%. Results were led by double-digit gains in Ecolab's Kay operations, solid performances by Institutional and Food & Beverage, and improved performance by Professional Products. United States Cleaning & Sanitizing operating income rose 5% to $61 million, as margins primarily reflected the impact of acquisitions and higher fuel costs. United States Other Services sales increased 16% to $62 million in the second quarter. Excluding acquisitions, sales rose 12%. Operating income also grew 16% to $7 million. Sales and profits benefited from a solid performance by Pest Elimination and good progress by GCS.

Sales of Ecolab's International Cleaning & Sanitizing operations rose 10% in the second quarter when measured at fixed currency rates. Excluding acquisitions, International sales increased 5%. Latin America sales were very strong as excellent results from Mexico and Central America led the increase. Modest growth in Asia Pacific reflected aggressive new account development and new product sales which served to more than offset poor general economic trends. Fixed currency operating income rose 24% to $12 million due to higher sales volumes and cost controls.

Earnings of the Henkel-Ecolab joint venture are included in the financial statements using the equity method of accounting. Henkel-Ecolab sales improved in the second quarter, reflecting better economic conditions in Europe. When measured in deutsche marks, Henkel-Ecolab sales increased 9%. When translated into U.S. dollars, Henkel-Ecolab sales decreased 5% to $223 million compared with $235 million in the second quarter of last year. While Henkel-Ecolab earnings increased 17% in deutsche marks, the weaker Euro currency resulted in a gain of only 7% in Ecolab's equity income in dollars at $5.1 million compared with $4.8 million in the second quarter of last year.

Ecolab reacquired 2,037,600 shares of its common stock during the second quarter and 2,260,300 shares of its common stock during the first half of 2000.

Ecolab is the leading global developer and marketer of premium cleaning, sanitizing, pest elimination, maintenance and repair products and services for the hospitality, institutional and industrial markets. For the year ended December 31, 1999, Ecolab reported sales of $2.1 billion; including the Henkel-Ecolab European joint venture sales of $0.9 billion, Ecolab's global sales coverage was $3 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 include statements concerning our 2000 financial and business prospects. 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. These include: restraints on pricing flexibility due to competitive factors and customer consolidations; cost increases due to higher oil prices or the unavailability of adequate and reasonably-priced raw materials; the effect of acquisitions; the costs and effects of compliance with environmental and other laws and regulations; changes in tax, fiscal, governmental and other regulatory policies; economic factors such as the worldwide economy, interest rates, currency movements, and the development of markets; the occurrence of (i) litigation or claims, (ii) natural or man-made disasters and (iii) severe weather conditions affecting the food service and hospitality industry; and other uncertainties or risks reported from time-to-time in the Company's reports to the Securities and Exchange Commission.

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