PRESS RELEASES

Apr 19, 2001

Ecolab Reports Improved Earnings for First Quarter 2001; Expects full year 2001 earnings per share to rise 8%-10%

ST. PAUL, Minn.--(BUSINESS WIRE)--April 19, 2001--Ecolab, Inc. (NYSE:ECL): 2001 FIRST QUARTER HIGHLIGHTS:

- Record sales +10% to $581 million
- Record diluted earnings per share, +6% to $0.34
- Domestic and wholly-owned international operations lead gains, offset slower economies and weak currencies
- Excluding the net $0.01 per share gain from one-time events in first quarter 2000, first quarter 2001 earnings per share rose 10%

	First Quarter Ended March 31		
(Millions, except per share)			%
	2001	2000	Increase
Net Sales	$ 580.9	$ 526.3	10 %
Operating Income	$ 77.4	$ 72.7	6 %
Pretax Income	$ 70.7	$ 67.3	5 %
Taxes	28.6	27.6	4
Earnings from Henkel-Ecolab	2.3	2.9	(19)
Net Income	$ 44.4	$ 42.6	4 %
Diluted Net Income Per Share	$ 0.34	$ 0.32	6 %
Diluted Average Shares Outstanding	130.6	133.3	(2) %

Good results from nearly all of its domestic and wholly-owned international businesses led Ecolab's first quarter and more than offset slowing economic activity as diluted earnings per share increased 6% to $0.34 for the period ended March 31, 2001.

Ecolab's consolidated sales increased 10% to a record $581 million in 2001's first quarter. Net income rose 4% to a record $44 million, reflecting the higher sales volume. Results for last year's first quarter included $3.8 million of pretax income related to favorable settlements on environmental claims, which more than offset $1.7 million of bad debt expense related to a distributor's bankruptcy filing. First quarter 2001 net income rose 7% over last year excluding these unusual items. The impact of currency translation was a negative $0.01 per share.

Commenting on the quarter, Allan L. Schuman, Ecolab's Chairman and Chief Executive Officer said, "We are pleased with the first quarter's results. Despite the increasing effects of the economic slowdown on many of our markets and the impact of weakening foreign currencies, we posted good growth in nearly all of our businesses. This was accomplished through the very aggressive efforts of our people, who with the help of new product and services, effective sales promotions, and a focus on new solutions for customer problems, drove our results.

"While we expect 2001 to represent a challenging year, we have aggressive plans in place to address the issues and maintain superior growth. We expect earnings per share for the year to rise 8%-10% to the $1.62 to $1.65 range, which compares with the $1.50 we earned from ongoing operations in 2000. Though this will be a better performance than that expected for aggregate industrial profits, we will not relent in our efforts to improve on our performance as the year progresses. We continue to develop new opportunities to better serve our customers and expand Ecolab's range of premium service solutions, as well as enhance our growth prospects for 2001 and the future. We are a company that is focused on superior performance, both for our customers and our shareholders, and are working very aggressively to improve our results."

First quarter sales for Ecolab's United States Cleaning & Sanitizing operations rose 11% over the first quarter of 2000 to $399 million, led by gains in Institutional and Kay operations. Excluding acquisitions, sales rose 9%. Ecolab's United States Cleaning & Sanitizing operating income rose 13% to $61 million, reflecting the higher sales, new products, aggressive sales efforts and promotions, and close attention to costs. Operating income reflected $1.7 million of bad debt expense related to AmeriServe's January 31, 2000 bankruptcy filing. Excluding this unusual item from 2000 results, United States Cleaning & Sanitizing operating income rose 9%. Acquisitions did not have a material effect on United States Cleaning & Sanitizing operating income.

United States Other Services sales increased 14% to $62 million in the first quarter. Operating income in the first quarter of 2001 grew 3% to $6 million. Excluding business acquisitions and the Jackson business sold in the fourth quarter of last year, sales grew 9% and operating income was up 10%. Sales and profits reflected a good performance by Pest Elimination.

Sales of Ecolab's International Cleaning & Sanitizing operations rose 17% in the first quarter when measured at fixed currency rates. Excluding acquisitions, sales rose 8%.

Latin America sales showed good growth, as Mexico and Central America led the gains. Asia Pacific sales also showed a strong increase, as continued growth in East Asia was bolstered by gains in Japan and New Zealand. Fixed currency operating income rose 28% to $12 million. The income improvement was due to pricing, cost controls and the higher sales volumes. Acquisitions did not have a material effect on International operating income.

Earnings of the Henkel-Ecolab joint venture are included in the financial statements using the equity method of accounting. First quarter Henkel-Ecolab sales reflected continued growth in new European products and systems, sales and service headcount investments, and improved sales programs. When measured in deutsche marks, Henkel-Ecolab sales increased 4%, while net income fell 8%. Net income reflected the devaluation of the Turkish currency and the write-off of a distributor receivable. When translated into U.S. dollars, Henkel-Ecolab sales decreased 5% to $202 million. Ecolab's equity in the earnings of Henkel-Ecolab declined 19% to $2.3 million, as the weaker Euro currency hurt translated results.

Ecolab reacquired 252,200 shares of its common stock during the first quarter.

Business Outlook

The following statements are based on current expectations. These statements are forward-looking, and actual results may differ materially. These statements do not include the potential impact of business acquisitions or other material corporate transactions, which may be completed after the date of this release. This Business Outlook section should be read in conjunction with the information on "Forward Looking Statements" at the end of this release.

Ecolab expects sales for both domestic and international operations (in fixed currencies) to increase in the second quarter 2001 over the second quarter 2000. Gross margins are expected to decline from last year's second quarter to slightly under 54%, and selling, general and administrative expenses are expected to improve from last year's 40.8% of sales. Interest expense is likely to be in the $7 million area. The effective tax rate should be around 40.5%. Henkel-Ecolab equity income will likely be hurt by weak European economies and by the soft euro currency. Overall, currency translation is expected to reduce second quarter earnings by approximately $0.01 per share. Earnings per share are expected to be around $0.37-$0.39 in the second quarter. Full year earnings per share are expected to rise 8%-10% to the $1.62-$1.65 range.

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, 2000, Ecolab reported sales of $2.3 billion; including European joint venture sales, Ecolab's global sales coverage was $3.1 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.

Ecolab will host a live webcast to review the first quarter earnings announcement today at 1:00 p.m. Eastern Daylight Time. The webcast will be available to the public on Ecolab's website at http://www.ecolab.com/financial_investor/. A replay of the webcast will be available at that site through April 30, 2001.

Listening to the webcast requires Internet access, a soundcard and the RealPlayer or other compatible streaming media player. If you do not have the RealPlayer client installed on your PC, you may download a free version, RealPlayer 8 Basic, at http://www.real.com. 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 2001 second quarter and full year 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 risks and uncertainties include: restraints on pricing flexibility due to competitive factors and customer consolidations; cost increases due to higher oil prices or unavailability of adequate and reasonably priced raw materials; the occurrence of capacity constraints, or the loss of a key supplier, which in either case limit the production of certain products; the effect of future acquisitions or divestitures or other corporate transactions, as well as our ability to achieve plans for past acquisitions, including difficulties in rationalizing acquired businesses and in realizing related cost savings and other benefits; market or regulatory factors which could affect the Company's ability to reacquire shares; the costs and effects of complying with: (i) the significant environmental laws and regulations which apply to the Company's operations and facilities, (ii) government regulations relating to the manufacture, storage, distribution and labeling of the Company's products and (iii) changes in tax, fiscal, governmental and other regulatory policies; economic factors such as the worldwide economy, interest rates, currency movements, euro conversion and the development of markets; the occurrence of (i) litigation or claims, (ii) the loss or insolvency of a major customer or distributor, (iii) natural or manmade disasters and (iv) severe weather conditions affecting the food service and the hospitality industry; loss of, or changes in, executive management; the Company's ability to continue product introductions and technological innovations; and other uncertainties or risks reported from time to time in the Company's reports to the Securities and Exchange Commission. Ecolab undertakes no duty to update its Forward-Looking Statements.

ECOLAB INC.
CONSOLIDATED STATEMENT OF INCOME
FIRST QUARTER ENDED MARCH 31, 2001
(unaudited)

	First Quarter		Percent
(thousands, except per share)	2001	2000	Change
Net Sales	$580,907	$526,260	10.4%
Cost of Sales	265,230	236,484	12.2
Selling, General and Administrative Expenses	238,296	217,095	9.8
Operating Income	77,381	72,681	6.5
Interest Expense, Net	6,668	5,357	24.5
Income Before Income Taxes and Equity in Earnings of Henkel-Ecolab	70,713	67,324	5.0
Provision for Income Taxes	28,639	27,603	3.8
Equity in Earnings of Henkel-Ecolab	2,340	2,891	(19.1)

Net Income	$ 44,414	$ 42,612	4.2%
Net Income Per Common Share			
Basic	$ 0.35	$ 0.33	6.1%
Diluted	$ 0.34	$ 0.32	6.3%
Weighted-Average Common Shares Outstanding			
Basic	126,962	128,944	(1.5)%
Diluted	130,629	133,330	(2.0)%

ECOLAB INC.

OPERATING SEGMENT INFORMATION

FIRST QUARTER ENDED MARCH 31, 2001

(unaudited)

(thousands)	First Quarter 2001	First Quarter 2000	Percent Change
Net Sales			
United States			
Cleaning & Sanitizing	$ 398,535	$ 360,387	10.6%
Other Services	62,277	54,548	14.2
Total	460,812	414,935	11.1
International Cleaning & Sanitizing	121,067	103,413	17.1
Effect of Foreign Currency Translation	(972)	7,912	--
Consolidated	$ 580,907	$ 526,260	10.4%
Operating Income			
United States			
Cleaning & Sanitizing	$ 60,793	$ 53,858	12.9%
Other Services	5,602	5,434	3.1
Total	66,395	59,292	12.0
International Cleaning & Sanitizing	12,332	9,672	27.5
Corporate	(1,226)	2,584	--
Effect of Foreign Currency Translation	(120)	1,133	--
Consolidated	$ 77,381	$ 72,681	6.5%

ECOLAB INC.

CONSOLIDATED BALANCE SHEET

MARCH 31, 2001

(thousands)	March 31 2001	December 31 2000	March 31 2000
	(unaudited)		(unaudited)
Assets			
Current assets			
Cash and cash equivalents	$ 38,688	$ 43,965	$ 22,764
Accounts receivable, net	358,925	326,937	311,457
Inventories	172,221	168,220	184,175
Deferred income taxes	50,586	50,709	41,897
Other current assets	13,750	10,737	15,728
Total current assets	634,170	600,568	576,021
Property, plant and equipment, net	506,965	501,640	451,900
Investment in Henkel-Ecolab	212,004	199,642	211,818
Other assets	408,813	412,161	393,015
Total assets	$1,761,952	$1,714,011	$1,632,754
Liabilities and Shareholders' Equity			
Current liabilities			

Short-term debt	$ 138,937	$ 136,592	$ 139,990
Accounts payable	123,921	146,428	118,502
Compensation and benefits	77,658	88,330	75,447
Income taxes	6,885	--	13,394
Other current liabilities	184,455	160,684	148,466
Total current liabilities	531,856	532,034	495,799
Long-term debt	237,191	234,377	171,382
Postretirement health care and pension benefits	114,963	117,790	97,370
Other liabilities	83,572	72,803	79,915
Shareholders' equity	794,370	757,007	788,288
Total liabilities and shareholders' equity	$1,761,952	$1,714,011	$1,632,754

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