PRESS RELEASES

Sep 25, 2007

Ecolab Wage-Hour Arbitration Decision Received

ST. PAUL, Minn., Sep 25, 2007 (BUSINESS WIRE) -- Ecolab said that an arbitration award was rendered yesterday, September 24, which, if upheld, would result in a payment by Ecolab of approximately $27.6 million plus post-award interest. Ecolab considers the award to be flawed and is evaluating alternatives. The decision concerns two California class action lawsuits involving wage/hour claims affecting former and current employees of Ecolab's Pest Elimination Division.

If the arbitration award stands, the amount is expected to be fully offset by other one-time benefits for the full year 2007. These one-time benefits include the previously announced $0.02 per share discrete tax benefit in the second quarter; an expected third quarter discrete tax benefit totaling $0.03 per share due primarily to the impact on deferred taxes of legislated corporate tax rate reductions in the United Kingdom and Germany; and a fourth quarter $0.02 per share gain on the expected sale of Peter Cox Limited, a leading United Kingdom provider of damp proofing, to Mavinwood PLC (LSE:MVW.L), the sale of which is scheduled to close shortly. Ecolab believes that net of the known discrete tax benefits, the sale of Peter Cox Limited and the arbitration award, results from full year earnings are expected to be $1.64 - $1.66 per share, the same as earnings without these one-time items.

Third quarter 2007 EPS was previously expected to be in a range of $0.48-$0.49 compared with EPS of $0.43 in last year's third quarter. Ecolab continues to expect third quarter EPS, excluding the award and third quarter discrete tax benefit, to be in the $0.48-$0.49 range; however, the impact of the award, partially offset by the third quarter discrete tax benefit, will likely result in reported EPS of $0.44-$0.45.

With sales of $5 billion and more than 13,000 sales-and-service associates, Ecolab Inc. (NYSE:ECL) is the global leader in cleaning, sanitizing, food safety and infection prevention products and services. Ecolab delivers comprehensive programs and services to the foodservice, food and beverage processing, healthcare, and hospitality markets in more than 160 countries. More news and information is available at www.ecolab.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 2007 third quarter and full year financial and business prospects, including product launches; estimated sales; gross margins; selling, general and administrative expenses; interest expense; effective tax rates; currency translation; and diluted earnings per share. 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. We caution that undue reliance should not be placed on Forward-Looking Statements, which speak only as of the date made.

Risks and uncertainties that may affect operating results and business performance are set forth under Item 1A of our most recent Form 10-K and include the vitality of the foodservice, hospitality, travel, health care and food processing industries; our ability to develop competitive advantages through technological innovations; restraints on pricing flexibility due to contractual obligations; pressure on operations from consolidation of customers or vendors; changes in oil or raw material prices or unavailability of adequate and reasonably priced raw materials or substitutes therefore; the effect of future acquisitions or divestitures or other corporate transactions; the costs and effects of complying with: (i) laws and regulations relating to the environment and to the manufacture, storage, distribution, sale and use of our products, (ii) changes in tax, fiscal, governmental and other regulatory policies and (iii) changes in accounting standards, including the impact of FIN 48, which could increase the volatility of our quarterly tax rate; economic factors such as the worldwide economy, interest rates and currency movements including, in particular, our exposure to foreign currency risk; the occurrence of (a) litigation or claims, (b) the loss or insolvency of a major customer or distributor, (c) war (including acts of terrorism or hostilities which impact our markets), (d) natural or manmade disasters, or (e) severe weather conditions or public health epidemics affecting the foodservice, hospitality and travel industries; our ability to attract and retain high caliber management talent; and other uncertainties or risks reported from time to time in our reports to the Securities and Exchange Commission.

Except as may be required under applicable law, we undertake no duty to update our Forward-Looking Statements.

(ECL-C)

SOURCE: Ecolab Inc.

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