PRESS RELEASES

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Ecolab to Acquire Provider of Energy, Water and Effluent Management Systems

ST. PAUL, Minn., Feb 04, 2008 (BUSINESS WIRE) -- Ecolab Inc. announced it has agreed to purchase Ecovation, Inc., a Rochester, NY area-based provider of renewable energy solutions and effluent management systems primarily for the food and beverage manufacturing industry in the U.S., including dairy, beverage, and meat and poultry producers. Ecovation is growing rapidly: 2007 sales were approximately $50 million, having grown tenfold since 2005; 2008 sales are expected to exceed $100 million. Ecolab will pay $210 million but intends to sell approximately $40 million of long-term lease receivables, resulting in an effective net purchase price of $170 million. No other terms were announced.

Douglas M. Baker, Jr., Ecolab's Chairman, President and Chief Executive Officer commented on the announcement, saying, "This acquisition greatly expands the range of solutions Ecolab can provide to its food and beverage processing customers to help them manage food safety, water, energy and environmental stewardship. Ecovation's technologies allow food processing plants to be more environmentally responsible while simultaneously reducing operating costs. For Ecolab, it opens exciting new growth prospects in our second largest global business and in an area where we have achieved consistent strong growth and global market leadership."

Through the design, construction and operation of on-premise treatment facilities, Ecovation applies its proprietary processes in the areas of anaerobic wastewater treatment, solids management and air pollution control to the plant wastewater streams. These streams are then converted to cleaner water that can be recycled or released into the environment while extracting energy that can be utilized in the plant. Ecovation helps customers reduce operating costs by treating waste on their premises instead of hauling it away or operating large aerobic treatment fields that require acreage and can potentially create other environmental issues. Ecovation systems reduce plant operating costs by capturing energy from the waste and returning it to the plant, thereby increasing environmental compliance and sustainability. Ecovation's proprietary technologies will also help food and beverage processors comply with an increasingly more difficult regulatory environment with respect to wastewater management and plant effluent discharge.

"While an emerging market, the potential for such complete plant solutions is substantial, with the U.S. food and beverage market opportunity alone exceeding $4 billion," Baker continued. "We believe Ecolab can help further develop Ecovation's potential by leveraging our strong and established global customer base, and delivering additional water and energy solutions for customers.

"We expect the transaction to be up to $0.01 dilutive to earnings per share in 2008, and show accretion building in 2009 and thereafter."

Baker concluded by saying, "We are excited by the terrific potential Ecovation brings both Ecolab and its customers. We have high expectations for the business, and believe this acquisition will give us a leadership position in this critical and emerging market as well as provide solid long term growth opportunities."

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 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 the transaction's potential impact on our earnings per share in 2008 and in future years. 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, such as antitrust, patent infringement and wage/hour 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-A)

SOURCE: Ecolab Inc.

Ecolab Inc.

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