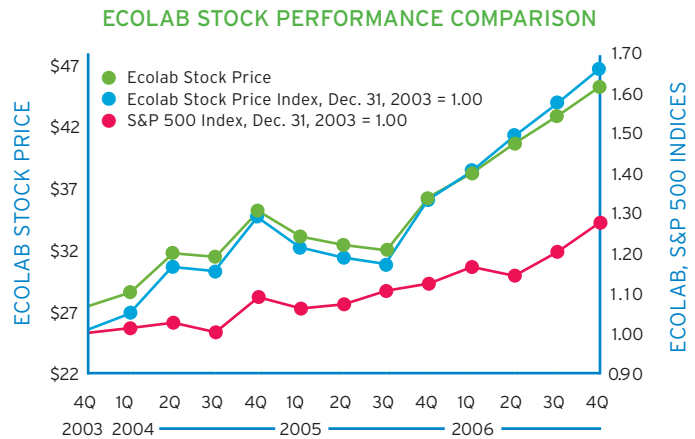
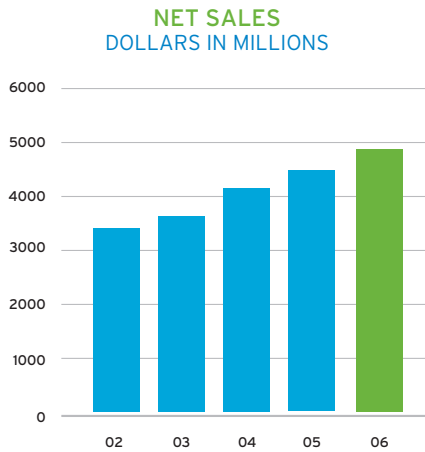


ECONOMIC PROGRESS

Contributing to a More Sustainable World

Our commitment to doing what's right for the long term has helped Ecolab achieve sustainable, profitable growth in the past, and will continue to guide us in the future.



FINANCIAL HIGHLIGHTS

THOUSANDS, EXCEPT PER SHARE

	2006	2005	2004	PERCENT CHANGE 2006	2005
Net Sales	\$4,895,814	\$4,534,832	\$4,184,933	8%	8%
Net Income	368,615	319,481	282,693	15	13
Percent of Sales	7.5%	7.0%	6.8%		
Diluted Net Income Per Common Share	1.43	1.23	1.09	16	13
Diluted Weighted-Average Common Shares Outstanding	257,144	260,098	260,407	(1)	—
Dividends Declared Per Common Share	0.4150	0.3625	0.3275	14	11
Cash Provided by Operating Activities	627,564	590,136	570,908	6	3
Capital Expenditures	287,885	268,783	275,871	7	(3)
Shareholders' Equity	1,680,230	1,649,210	1,598,141	2	3
Return on Beginning Equity	22.4%	20.0%	21.4%		
Total Debt	1,066,036	746,301	701,577	43	6
Total Debt to Capitalization	38.8%	31.2%	30.5%		
Total Assets	\$4,419,365	\$3,796,628	\$3,716,174	16%	2%

All financial information for all periods reflects the company's adoption of Statement of Financial Accounting Standards No. 123 (Revised 2004), "Share-Based Payment" in the fourth quarter of 2005. All prior periods have been restated.

Advancing Progress Through Innovation

Innovation is the cornerstone of success at Ecolab. Our research, development and engineering (RD&E) associates develop new solutions by first understanding customers' needs, taking an innovative systems approach to solving problems, leveraging our technology and competencies on a global basis, and following through with superior technical support and training. All of these attributes provide customer solutions that differentiate Ecolab from the competition in every market we serve - and allow us to have nearly 4,000 patents issued and pending worldwide.

Because of our extensive sales-and-service organization, our associates have an extraordinary knowledge of what is most important to our customers. Customer input is critical to our

Phase Gate innovation process, designed to capture and analyze new ideas for potential development. Throughout the Phase Gate process, researchers use a series of checklists to assure the systems being developed follow corporate sustainability standards.

Innovation and the Environment

Ecolab measures the impact of our RD&E activities using a vitality index that gives the percentage of revenues from products and services developed in the last five years. Currently, that index is greater than 30 percent. We conservatively estimate that 75 percent of these new products will improve environmental or product life cycle performance.

CIRCLE THE CUSTOMER - CIRCLE THE GLOBE

Our Circle the Customer - Circle the Globe strategy is designed to continually expand the range of related products and services we offer to customers, no matter where they do business around the world. This strategy enables Ecolab to fulfill our mission of providing premium results for a cleaner world. And just as the strategy benefits customers with multiple solutions to not only meet - but also exceed - their requirements, it provides outstanding long-term opportunities for Ecolab to continue our legacy of growth.



» Ecolab scientists work to develop new solutions that maximize effectiveness and minimize total impact environmentally and economically. Our global product and system development process places high value on concepts that contribute to Ecolab's sustainability philosophy.

SALES-AND-SERVICE ASSOCIATES

DECEMBER 31	2004	2005	2006
Institutional	3,150	3,245	3,490
Key	325	350	355
Pest Elimination	1,725	1,830	1,900
Healthcare	70	80	80
GCS Service	470	470	465
Textile Care	75	75	80
Food & Beverage	450	425	435
Water Care Services	95	125	115
Vehicle Care	100	100	105
Europe/Middle East/Africa	3,915	4,150	4,225
Asia Pacific	960	995	1,070
Canada	355	375	395
Latin America	590	690	715
TOTAL	12,280	12,910	13,430

Meeting Global Demand for Our Products

With worldwide headquarters located in St. Paul, Minn., Ecolab operates directly in more than 60 countries around the world. In addition, Ecolab reaches customers in more than 100 other countries through distributors, licensees and export operations. To meet the global demand for our products, Ecolab also operates more than 50 manufacturing and distribution facilities worldwide. Ecolab's business operations in the United States employ 50 percent of our total associates and account for approximately 51 percent of our sales revenues. Globally, approximately 58 percent of our associates are sales-and-service associates.

Ecolab Global Plant Locations

