



News Release

Ecolab Inc.
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FOR IMMEDIATE RELEASE

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ECOLAB DELIVERS VERY STRONG THIRD QUARTER ADJUSTED EPS

Reported diluted EPS \$1.00; adjusted EPS +20% to \$1.04

2013 full-year adjusted EPS forecast range narrowed to \$3.51 to \$3.55, +18% to 19%

2013 THIRD QUARTER HIGHLIGHTS:

- Reported sales +15%; acquisition adjusted fixed currency sales +5% led by Global Specialty, Global Energy and the Latin America region
- Reported diluted EPS \$1.00
- Record adjusted EPS \$1.04, +20%, excluding special gains and charges and discrete tax items, driven by solid sales gains, cost efficiency programs and synergies, and continued improvement in Europe margins

	<u>Third Quarter Ended September 30</u>					
	(unaudited)					
	Reported Third Quarter		%	Adjusted* Third Quarter		%
(Millions, except per share)	<u>2013</u>	<u>2012</u>		<u>2013</u>	<u>2012</u>	<u>change</u>
Net Sales	\$3,484.0	\$3,023.3	15%	\$3,484.0	\$3,023.3	15%
Operating Income	476.0	401.2	19%	510.1	432.4	18%
Net Income Attributable to Ecolab	<u>308.0</u>	<u>238.0</u>	29%	<u>318.1</u>	<u>258.7</u>	23%
Diluted Net Income Per Share	\$ 1.00	\$ 0.80	25%	\$ 1.04	\$ 0.87	20%

* Operating income is adjusted for special gains and charges. Net income and diluted net income per share are adjusted for special gains and charges and discrete tax items.

ST. PAUL, Minn., October 29, 2013: Ecolab Inc. delivered very strong third quarter earnings as continued solid sales growth and operating margin gains led to a very strong 20% adjusted earnings per share increase over last year.

CEO comment

Commenting on the quarter, Douglas M. Baker, Jr., Ecolab's chairman and chief executive officer said, "We continued to see solid sales progress in the third quarter as our new products, customer service execution, and our focus on delivering total cost solutions for customers once again led to further account gains and continued organic growth progress in spite of sluggish economies. This solid top line performance, along with our pricing, cost efficiency actions, synergy realization and continued improvement in Europe margins, drove the outstanding third quarter earnings gain.

"We continue to feel great about our opportunity and our future. We serve a large market with robust potential in each of our core businesses, and believe we have the right strategies and tactics to capitalize on them. Our value proposition for customers remains compelling – delivering improved results at lower total costs – and we are using this strong value equation to win new and expanded business. We are working to improve our effectiveness and efficiency in all of our businesses to drive better growth and improve profitability. In short, we have terrific businesses with excellent prospects, and we have a strong team to realize them. We remain focused on capitalizing on these opportunities and delivering superior results for our customers and shareholders in 2013 and beyond."

Quarter overview

Third Quarter Ended September 30 (unaudited)

(Millions)	Reported		%	Adjusted Fixed Currency*		%
	2013	2012		2013	2012	
			Change			Change
Net Sales	\$3,484.0	\$3,023.3	15%	\$3,535.9	\$3,051.6	16%
Operating Income	476.0	401.2	19%	519.9	435.5	19%

* Operating income is adjusted for special gains and charges.

Ecolab's reported sales rose 15% to a record \$3.5 billion in the third quarter of 2013. Fixed currency sales rose 16%. Third quarter 2013 acquisition adjusted fixed currency sales rose 5%.

Acquisition adjusted growth rates generally exclude the results of any acquired business for the first twelve months post acquisition and exclude the results of any divested businesses for the previous twelve months prior to divestiture. Champion is an exception. Due to the rapid pace at which the business is being fully integrated within our Global Energy segment, including all customer selling activity, discrete financial data specific to the legacy Champion business is not necessarily available post acquisition. As such, to allow for the most meaningful period-over-period comparison, specific to the Champion transaction, Champion's results for the comparable period of the prior year have been included for purposes of providing acquisition adjusted growth rates.

Third quarter 2013 reported operating income increased 19% to \$476 million. Both reported third quarter 2013 and 2012 results include special gains and charges. Excluding special gains and charges, third quarter 2013 adjusted operating income of \$510 million increased 18% compared with third quarter 2012 adjusted operating income. Excluding special gains and charges and at fixed currency rates, third quarter 2013 adjusted fixed currency operating income of \$520 million increased 19% when compared with third quarter 2012 adjusted fixed currency operating income. Third quarter 2013 adjusted fixed currency operating income, adjusted for acquisitions, increased 15%.

Third quarter 2013 reported net income attributable to Ecolab increased 29% to \$308 million, representing \$1.00 per diluted share, and included special gains and charges and discrete tax items.

Third quarter 2013 adjusted net income attributable to Ecolab rose 23% to \$318 million, and adjusted diluted earnings per share increased 20% to \$1.04, when compared with third quarter 2012 adjusted diluted earnings per share of \$0.87. Currency translation had a negative impact of \$0.02 per share on reported and adjusted diluted earnings per share in the third quarter of 2013.

Segment review

During the third quarter of 2013, we made a change to the way we measure and report certain segments' operating income, with intangible asset amortization specific to the Champion transaction moving to the Global Energy reportable segment from the Corporate segment. To provide meaningful comparisons, this change was made retroactively, resulting in \$14 million of amortization expense moving to the Global Energy reportable segment from the Corporate segment for the second quarter of 2013. No other segments were impacted by this change.

Third quarter 2013 sales for the Global Industrial segment, when measured at fixed currency rates, rose 3% to \$1,261 million and fixed currency operating income increased 10% to \$181 million compared with the year ago period. Third quarter 2013 acquisition adjusted fixed currency sales rose 3%, led by Global Food & Beverage and Global Paper; acquisition adjusted fixed currency operating income increased 9%. Regionally, Asia Pacific and Latin America enjoyed good growth, with modest growth in North America and a slight decline in EMEA. When measured at public currency rates, Global Industrial segment sales were \$1,237 million and operating income was \$177 million.

Third quarter 2013 sales for the Global Institutional segment, when measured at fixed currency rates, rose 5% to \$1,099 million, led by strong Global Specialty and improved Global Healthcare sales growth. Fixed currency operating income increased to \$225 million, up 14% compared with last year. Sales for the segment showed strong growth in North and Latin America, and moderate growth in Asia Pacific, which more than offset lower sales in EMEA. When measured at public currency rates, Global Institutional segment sales were \$1,089 million and operating income was \$223 million.

Third quarter 2013 sales for the Global Energy segment sales, when measured at fixed currency rates, grew 68% to \$991 million in the third quarter 2013. Fixed currency operating income, including the segment measurement change previously discussed, increased 42% to \$136 million. Acquisition adjusted fixed currency sales grew 9% as good growth in the upstream and downstream markets was partially offset by comparison to a strong quarter last year which included significant non-annuity dispersant sales. Acquisition adjusted fixed currency operating income, including the

segment measurement change previously discussed, increased 20%. When measured at public currency rates, Global Energy segment sales were \$975 million and operating income was \$133 million.

Other segment sales, when measured at fixed currency rates, declined 3% to \$185 million in the third quarter. Fixed currency operating income decreased 10% to \$27 million. When adjusted for the sale of Vehicle Care in the fourth quarter 2012, third quarter 2013 fixed currency sales increased 6% with good results from both Global Pest Elimination and Equipment Care. When adjusted for the sale of Vehicle Care, fixed currency operating income was flat. When measured at public currency rates, Other segment reported sales were \$183 million and reported operating income was \$27 million.

Including the segment measurement change previously discussed, the Corporate segment includes amortization from the Nalco merger intangible assets and certain integration costs for both the Nalco and Champion transactions. The Corporate segment also includes special gains and charges. Special gains and charges for the third quarter 2013 were a net charge of \$34 million (\$23 million after-tax) and primarily consisted of restructuring charges and Champion integration costs. Special gains and charges for the third quarter 2012 of \$31 million (\$22 million after-tax) primarily consisted of charges for Nalco merger-related restructuring and integration costs as well as charges from the European restructuring plan previously announced in 2011.

The reported income tax rate for the third quarter 2013 was 24.9% and compared with the reported rate of 29.0% in the third quarter 2012. Excluding the tax rate impact of special gains and charges and discrete tax items, the adjusted effective income tax rate was 28.4% in the third quarter 2013 compared with 29.4% for the same period last year. The improved tax rate was primarily the result of global tax planning actions, extension of the R&D tax credit and the geographic mix of income.

Ecolab reacquired 0.6 million shares of its common stock during the third quarter.

Business Outlook

2013

Ecolab narrowed its 2013 full-year adjusted earnings per share forecast to the \$3.51 to \$3.55 range, representing a 18% to 19% increase over the prior year. Ecolab previously forecast 2013 earnings per share in a \$3.48 to \$3.56 range.

Special gains and charges for the full-year 2013 are expected to be approximately a \$0.35 per share net charge, primarily driven by restructuring charges, integration costs, the Venezuelan devaluation charge recorded in the first quarter and discrete tax items recorded to date. Future amounts related to discrete tax items for 2013, if any, are not currently quantifiable.

2013 – Fourth Quarter

Ecolab expects fourth quarter adjusted earnings per share in the \$1.01 to \$1.05 range, representing a 13% to 18% increase versus a very strong year-ago period, when adjusted earnings per share rose 27% to \$0.89.

Our detailed outlook for the fourth quarter 2013 is as follows:

Adjusted Gross Margin, excluding special gains and charges	approx. 46%
SG&A % of Sales	31% to 32%
Interest expense, net	\$65 million to \$70 million
Adjusted effective tax rate	28% - 29%
Adjusted EPS, excluding special gains and charges	\$1.01 - \$1.05
Diluted shares	approx. 307 million

We expect fourth quarter 2013 special gains and charges, including restructuring charges and integration costs, to be a net charge of approximately \$0.08 per share.

Reported fourth quarter 2012 diluted earnings per share of \$0.77 included special gains and charges and discrete tax items. Excluding these items, fourth quarter 2012 adjusted diluted earnings per share were \$0.89.

About Ecolab

A trusted partner at more than one million customer locations, Ecolab (ECL) is the

global leader in water, hygiene and energy technologies and services that protect people and vital resources. With 2012 sales of \$12 billion and 44,000 associates, Ecolab delivers comprehensive solutions and on-site service to promote safe food, maintain clean environments, optimize water and energy use and improve operational efficiencies for customers in the food, healthcare, energy, hospitality and industrial markets in more than 170 countries around the world. For more Ecolab news and information, visit www.ecolab.com.

Ecolab will host a live webcast to review the third quarter earnings announcement and earnings guidance today at 1:00 p.m. Eastern Time. The webcast, along with related presentation slides, will be available to the public on Ecolab's website at www.ecolab.com/investor. A replay of the webcast and related materials will be available at that site. Listening to the webcast requires Internet access, the Windows Media Player or other compatible streaming media player.

Cautionary Statements Regarding Forward-Looking Information

This communication contains certain statements relating to future events and our intentions, beliefs, expectations and predictions for the future which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Words or phrases such as “will likely result,” “are expected to,” “will continue,” “is anticipated,” “we believe,” “we expect,” “estimate,” “project,” “may,” “will,” “intend,” “plan,” “believe,” “target,” “forecast” (including the negative or variations thereof) or similar terminology used in connection with any discussion of future plans, actions or events generally identify forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding our financial and business performance and prospects, including forecasted 2013 fourth quarter and full-year business results, including adjusted gross margin, SG&A ratios to sales, interest expense, adjusted effective tax rate, adjusted earnings per share and diluted shares outstanding; and special gains and charges, including restructuring charges and integration costs. These statements are based on the current expectations of management of the company. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this communication. In particular, the ultimate results of any restructuring, integration and business

improvement actions, including cost synergies, depend on a number of factors, including the development of final plans, the impact of local regulatory requirements regarding employee terminations, the time necessary to develop and implement the restructuring and other business improvement initiatives and the level of success achieved through such actions in improving competitiveness, efficiency and effectiveness. In addition, as it relates to the Champion acquisition and Nalco merger, these risks and uncertainties include problems that may arise in successfully integrating the businesses of the company and Nalco Champion, which may result in the combined business not operating as effectively and efficiently as expected.

Additional risks and uncertainties that may affect operating results and business performance are set forth under Item 1A of our most recent Form 10-K for the year ended December 31, 2012, and the company's other public filings with the Securities and Exchange Commission (the "SEC") and include the vitality of the markets we serve; the impact of economic factors such as the worldwide economy, capital flows, interest rates and foreign currency risk; our ability to integrate the Nalco merger and the Champion acquisition and to realize the anticipated benefits of these transactions; our ability to attract and retain high caliber management talent to lead our business; our ability to execute key business initiatives; potential information technology infrastructure failures; exposure to global economic, political and legal risks related to our international operations; the costs and effects of complying with laws and regulations, including those relating to the environment and to the manufacture, storage, distribution, sale and use of our products; the occurrence of litigation or claims, including related to the Deepwater Horizon oil spill; our ability to develop competitive advantages through innovation; difficulty in procuring raw materials or fluctuations in raw material costs; our substantial indebtedness; our ability to acquire complementary businesses and to effectively integrate such businesses; restraints on pricing flexibility due to contractual obligations; pressure on operations from consolidation of customers, vendors or competitors; public health epidemics; potential losses arising from the impairment of goodwill or other assets; potential loss of deferred tax assets; potential class action lawsuits; the loss or insolvency of a major customer or distributor; acts of war or terrorism; natural or man-made disasters; water shortages; severe weather conditions; and other uncertainties or risks reported from time to time in our reports to the SEC. In light of these risks,

uncertainties, assumptions and factors, the forward-looking events discussed in this communication may not occur. We caution that undue reliance should not be placed on forward-looking statements, which speak only as of the date made. Ecolab does not undertake, and expressly disclaims, any duty to update any forward-looking statement whether as a result of new information, future events or changes in expectations, except as required by law.

Non-GAAP Financial Information

This news release and certain of the accompanying tables include financial measures that have not been calculated in accordance with accounting principles generally accepted in the U.S. (GAAP). These non-GAAP financial measures include fixed currency sales, acquisition adjusted fixed currency sales, adjusted gross margins, fixed currency operating income, adjusted operating income, adjusted fixed currency operating income, adjusted fixed currency operating income adjusted for acquisitions, adjusted effective tax rate, adjusted net income attributable to Ecolab and adjusted diluted earnings per share.

We provide these measures as additional information regarding our operating results. We use these non-GAAP measures internally to evaluate our performance and in making financial and operational decisions, including with respect to incentive compensation. We believe that our presentation of these measures provides investors with greater transparency with respect to our results of operations and that these measures are useful for period-to-period comparison of results.

We include in special gains and charges items that are unusual in nature, and significant in amount. In order to better allow investors to compare underlying business performance period-to-period, we provide adjusted gross margin, adjusted operating income, adjusted net income attributable to Ecolab and adjusted diluted earnings per share, which excludes special gains and charges and discrete tax items.

The adjusted effective tax rate measure promotes period-to-period comparability of the underlying effective tax rate because it excludes the tax rate impact of special gains and charges and discrete tax items which do not necessarily reflect costs associated with historical trends or expected future results.

We evaluate the performance of our international operations based on fixed currency rates of foreign exchange. Fixed currency sales, acquisition adjusted fixed currency sales, fixed currency operating income, adjusted fixed currency operating income and adjusted fixed currency operating income adjusted for acquisitions measures eliminate the impact of exchange rate fluctuations on our international sales, acquisition adjusted sales, operating income, adjusted operating income and acquisition adjusted operating income, respectively, and promote a better understanding of our sales and operating income trends from underlying business performance. Fixed currency amounts included in this release are based on translation into U.S. dollars at the fixed foreign currency exchange rates established by management at the beginning of 2013.

Acquisition adjusted growth rates generally exclude the results of any acquired business for the first twelve months post acquisition and exclude the results of any divested businesses for the previous twelve months prior to divestiture. Champion is an exception. Due to the rapid pace at which the business is being fully integrated within our Global Energy segment, including all customer selling activity, discrete financial data specific to the legacy Champion business is not necessarily available post acquisition. As such, to allow for the most meaningful period-over-period comparison, specific to the Champion transaction, Champion's results for the comparable period of the prior year have been included for purposes of providing acquisition adjusted growth rates.

These non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and may be different from non-GAAP measures used by other companies. Investors should not rely on any single financial measure when evaluating our business. We recommend that investors view these measures in conjunction with the GAAP measures included in this news release. A reconciliation of reported diluted earnings per share to adjusted diluted earnings per share is provided in the table "Supplemental Diluted Earnings per Share Information" included in this news release.

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(ECL-E)

ECOLAB INC.
CONSOLIDATED STATEMENT OF INCOME
THIRD QUARTER & NINE MONTHS ENDED SEPTEMBER 30
(unaudited)

(millions, except per share)	Third Quarter Ended September 30		% Change	Nine Months Ended September 30		% Change
	2013	2012		2013	2012	
Net sales	\$ 3,484.0	\$ 3,023.3	15%	\$ 9,693.9	\$ 8,792.9	10%
Cost of sales (1)	1,882.8	1,616.4	16%	5,276.3	4,839.3	9%
Selling, general and administrative expenses	1,097.4	977.7	12%	3,176.5	2,949.1	8%
Special (gains) and charges (1)	27.8	28.0		151.1	111.0	
Operating income	476.0	401.2	19%	1,090.0	893.5	22%
Interest expense, net (1)	67.0	64.2	4%	194.7	214.2	-9%
Income before income taxes	409.0	337.0	21%	895.3	679.3	32%
Provision for income taxes	101.8	97.7	4%	211.3	212.5	-1%
Net income including noncontrolling interest	307.2	239.3	28%	684.0	466.8	47%
Less: Net income (loss) attributable to noncontrolling interest (1)	(0.8)	1.3		3.3	(5.4)	
Net income attributable to Ecolab	\$ 308.0	\$ 238.0	29%	\$ 680.7	\$ 472.2	44%
Earnings attributable to Ecolab per common share						
Basic	\$ 1.02	\$ 0.81	26%	\$ 2.27	\$ 1.62	40%
Diluted	\$ 1.00	\$ 0.80	25%	\$ 2.23	\$ 1.58	41%
Weighted-average common shares outstanding						
Basic	301.3	292.7	3%	299.4	292.0	3%
Diluted	307.2	298.6	3%	305.3	298.3	2%

(1) Special (gains) and charges in the Consolidated Statement of Income above include the following:

(millions)	2013	2012	2013	2012
Cost of sales				
Restructuring	\$ 1.9	\$ 1.7	\$ 5.5	\$ 9.6
Recognition of inventory fair value step-up	4.4	1.5	18.0	72.7
Subtotal	6.3	3.2	23.5	82.3
Special (gains) and charges				
Restructuring charges	11.9	20.8	75.4	73.2
Champion acquisition and integration costs	10.7	3.8	42.5	3.8
Nalco merger and integration costs	5.3	16.4	13.5	47.0
Venezuela currency devaluation	(0.1)	-	23.3	-
Gain on sale of business	-	(13.0)	-	(13.0)
Litigation related charges and other	-	-	(3.6)	-
Subtotal	27.8	28.0	151.1	111.0
Operating income subtotal	34.1	31.2	174.6	193.3
Interest expense, net				
Acquisition debt costs	-	-	2.5	-
Debt extinguishment costs	-	-	-	18.2
Subtotal	-	-	2.5	18.2
Net income attributable to noncontrolling interest				
Venezuela currency devaluation	-	-	(0.5)	-
Recognition of Nalco inventory fair value step-up	-	-	-	(4.5)
Subtotal	-	-	(0.5)	(4.5)
Total	\$ 34.1	\$ 31.2	\$ 176.6	\$ 207.0

ECOLAB INC.
REPORTABLE SEGMENT INFORMATION
THIRD QUARTER & NINE MONTHS ENDED SEPTEMBER 30
(unaudited)

(millions)	Third Quarter Ended September 30			Nine Months Ended September 30		
	2013	2012	% Change	2013	2012	% Change
Net Sales						
Global Industrial	\$ 1,261.1	\$ 1,225.3	3%	\$ 3,622.0	\$ 3,533.9	2%
Global Institutional	1,099.2	1,047.7	5%	3,128.8	3,027.5	3%
Global Energy	990.6	588.2	68%	2,470.7	1,677.2	47%
Other	185.0	190.4	-3%	532.5	554.8	-4%
Subtotal at fixed currency rates	3,535.9	3,051.6	16%	9,754.0	8,793.4	11%
Currency impact	(51.9)	(28.3)		(60.1)	(0.5)	
Consolidated	\$ 3,484.0	\$ 3,023.3	15%	\$ 9,693.9	\$ 8,792.9	10%
Operating Income						
Global Industrial	\$ 181.3	\$ 164.1	10%	\$ 455.7	\$ 396.3	15%
Global Institutional	224.9	197.1	14%	563.8	510.6	10%
Global Energy	135.5	95.4	42%	331.4	256.6	29%
Other	26.9	30.0	-10%	73.7	77.3	-5%
Corporate	(82.8)	(82.3)		(322.3)	(344.8)	
Subtotal at fixed currency rates	485.8	404.3	20%	1,102.3	896.0	23%
Currency impact	(9.8)	(3.1)		(12.3)	(2.5)	
Consolidated	\$ 476.0	\$ 401.2	19%	\$ 1,090.0	\$ 893.5	22%

Note:

During the third quarter of 2013, the company's management made a change to the way it measures and reports certain segments' operating income, with intangible asset amortization specific to the Champion transaction moving to the Global Energy reportable segment from the Corporate segment. To provide meaningful comparisons, this change was made retroactively, resulting in \$14.0 million of amortization expense moving to the Global Energy reportable segment from the Corporate segment for the second quarter of 2013. No other segments were impacted by this change.

Including the change discussed above, the Corporate segment includes amortization from the Nalco merger intangible assets and certain integration costs for both the Nalco and Champion transactions. The Corporate segment also includes special (gains) and charges reported on the Consolidated Statement of Income.

Effective in the first quarter of 2013, the company changed its reportable segments due to a change in its underlying organizational model designed to support the business following the Nalco merger and to facilitate global growth.

ECOLAB INC.
CONSOLIDATED BALANCE SHEET
(unaudited)

(millions)	<u>September 30 2013</u>	<u>December 31 2012</u>	<u>September 30 2012</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 394.4	\$ 1,157.8	\$ 324.0
Accounts receivable, net	2,488.9	2,225.1	2,199.0
Inventories	1,378.1	1,088.1	1,103.8
Deferred income taxes	196.6	205.2	186.3
Other current assets	338.0	215.8	259.8
Total current assets	<u>4,796.0</u>	<u>4,892.0</u>	<u>4,072.9</u>
Property, plant and equipment, net	2,786.1	2,409.1	2,334.2
Goodwill	6,812.8	5,920.5	5,893.7
Other intangible assets, net	4,851.1	4,044.1	4,103.3
Other assets	367.6	306.6	318.7
Total assets	<u>\$ 19,613.6</u>	<u>\$ 17,572.3</u>	<u>\$ 16,722.8</u>
Liabilities and Equity			
Current liabilities			
Short-term debt	\$ 713.2	\$ 805.8	\$ 631.0
Accounts payable	926.6	879.7	858.6
Compensation and benefits	506.3	518.8	459.6
Income taxes	68.6	77.4	73.0
Other current liabilities	985.9	771.0	796.5
Total current liabilities	<u>3,200.6</u>	<u>3,052.7</u>	<u>2,818.7</u>
Long-term debt	6,537.3	5,736.1	5,386.7
Postretirement health care and pension benefits	1,242.4	1,220.5	997.0
Other liabilities	1,787.4	1,402.9	1,494.2
Total liabilities	<u>12,767.7</u>	<u>11,412.2</u>	<u>10,696.6</u>
Equity			
Common stock	344.6	342.1	340.1
Additional paid-in capital	4,647.2	4,249.1	4,162.5
Retained earnings	4,494.7	4,020.6	3,856.9
Accumulated other comprehensive loss	(700.4)	(459.7)	(353.6)
Treasury stock	(2,009.7)	(2,075.1)	(2,060.5)
Total Ecolab shareholders' equity	<u>6,776.4</u>	<u>6,077.0</u>	<u>5,945.4</u>
Noncontrolling interest	69.5	83.1	80.8
Total equity	<u>6,845.9</u>	<u>6,160.1</u>	<u>6,026.2</u>
Total liabilities and equity	<u>\$ 19,613.6</u>	<u>\$ 17,572.3</u>	<u>\$ 16,722.8</u>

ECOLAB INC.
SUPPLEMENTAL DILUTED EARNINGS PER SHARE INFORMATION
(unaudited)

The table below provides a reconciliation of diluted earnings per share, as reported, to the non-GAAP measure of adjusted diluted earnings per share.

	First Quarter Ended Mar. 31 2012	Second Quarter Ended June 30 2012	Six Months Ended June 30 2012	Third Quarter Ended Sept. 30 2012	Nine Months Ended Sept. 30 2012	Fourth Quarter Ended Dec. 31 2012	Year Ended Dec. 31 2012
Diluted earnings per share, as reported (U.S. GAAP)	\$ 0.17	\$ 0.62	\$ 0.79	\$ 0.80	\$ 1.58	\$ 0.77	\$ 2.35
Adjustments:							
Special (gains) and charges (1)	0.33	0.11	0.44	0.07	0.51	0.14	0.65
Tax expense (benefits) (2)	0.00	(0.01)	(0.00)	(0.00)	(0.01)	(0.02)	(0.03)
Adjusted diluted earnings per share (Non-GAAP)	<u>\$ 0.50</u>	<u>\$ 0.72</u>	<u>\$ 1.22</u>	<u>\$ 0.87</u>	<u>\$ 2.09</u>	<u>\$ 0.89</u>	<u>\$ 2.98</u>

	First Quarter Ended Mar. 31 2013	Second Quarter Ended June 30 2013	Six Months Ended June 30 2013	Third Quarter Ended Sept. 30 2013	Nine Months Ended Sept. 30 2013	Fourth Quarter Ended Dec. 31 2013	Year Ended Dec. 31 2013
Diluted earnings per share, as reported (U.S. GAAP)	\$ 0.53	\$ 0.69	\$ 1.23	\$ 1.00	\$ 2.23		
Adjustments:							
Special (gains) and charges (3)	0.12	0.21	0.33	0.07	0.40		
Tax expense (benefits) (4)	(0.05)	(0.04)	(0.09)	(0.04)	(0.13)		
Adjusted diluted earnings per share (Non-GAAP)	<u>\$ 0.60</u>	<u>\$ 0.86</u>	<u>\$ 1.47</u>	<u>\$ 1.04</u>	<u>\$ 2.50</u>		

Per share amounts do not necessarily sum due to changes in shares outstanding and rounding.

(1) Special (gains) and charges for 2012 include restructuring charges of \$21.4 million, \$23.8 million, \$14.7 million and \$40.4 million, net of tax in the first, second, third and fourth quarters, respectively. Special (gains) and charges for 2012 also include \$10.0 million, \$8.8 million, \$11.7 million and \$15.5 million, net of tax, in the first, second, third and fourth quarters, respectively related to Nalco merger and integration costs. Special (gains) and charges for 2012 also include \$56.3 million, net of tax, in first quarter, for the recognition of Nalco inventory fair value step-up. Special (gains) and charges for 2012 also include debt extinguishment costs of \$11.4 million, net of tax, in the first quarter. Special (gains) and charges for 2012 also include \$3.3 million and \$12.7 million, net of tax in the third and fourth quarters, respectively, related to Champion acquisition costs. Special (gains) and charges for 2012, also include a net of tax gain of \$8.1 million in the third quarter related to the sale of an investment in a U.S. business, originally sold prior to 2012. Special (gains) and charges for 2012 also include a net gain of \$27.6 million, net of tax in the fourth quarter related to the sale of our Vehicle Care division offset partially by litigation related charges.

(2) First quarter 2012 tax expense includes various individually insignificant items, which net to total discrete tax expense of \$1.4 million. Second quarter 2012 discrete tax net benefits of \$2.6 million primarily include the impact of remeasurement of foreign deferred tax assets and liabilities due to the impact of tax rate changes resulting from a change in tax jurisdiction, offset partially by foreign audit settlements and adjustments. Third quarter 2012 discrete tax net benefits of \$0.9 million primarily include net benefits from filing our 2011 U.S. federal tax return and a release of a valuation allowance related to a capital loss carryforward, partially offset by the remeasurement of certain deferred tax assets and liabilities resulting from changes in local country tax rates. Fourth quarter 2012 discrete tax net benefits of \$7.1 million primarily include the remeasurement of deferred tax assets and liabilities due to the impact of tax rate changes resulting from a change in tax jurisdiction, as well as other various individually insignificant items.

(3) Special (gains) and charges for 2013 include restructuring charges of \$14.1 million, \$33.7 million and \$8.9 million, net of tax in the first, second and third quarters, respectively. Special (gains) and charges for 2013 also include \$7.1 million, \$17.1 million and \$6.7 million of costs in the first, second and third quarters of 2013, respectively, related to Champion acquisition and integration costs. Special (gains) and charges for 2013 also include \$10.5 million and \$3.5 million, net of tax in the second and third quarters, respectively, for the recognition of Champion inventory fair value step-up. Special (gains) and charges for 2013 also include \$2.7 million, \$3.0 million and \$3.5 million of costs in the first, second, and third quarters of 2013, respectively, related to Nalco integration costs. Special (gains) and charges for the first quarter of 2013 also include \$15.0 million, net of tax for the devaluation of Venezuelan currency. Special (gains) and charges for the first quarter of 2013 also includes a net gain of \$2.5 million, net of tax related to other items.

(4) The first quarter 2013 discrete tax net benefit of \$15.5 million is driven primarily by net benefits related to the remeasurement of certain deferred tax assets and liabilities and the retroactive extension during first quarter 2013 of the U.S. R&D credit. The second quarter 2013 discrete tax net benefit of \$12.1 million are driven primarily by the release of a valuation allowance related to the realizability of foreign deferred tax assets, law changes within a foreign jurisdiction and recognition of settlements related to our 2009 through 2010 U.S. income tax returns, offset partially by foreign audit adjustments. The third quarter 2013 discrete tax net benefit of \$12.5 million primarily includes net benefits from filing our 2012 U.S. federal tax return and the recognition of settlements related to prior year income tax audits, partially offset by the remeasurement of certain deferred tax assets.