Second Quarter 2015 Discussion

Ecolab's webcast, including the quarterly earnings announcement, discussion and earnings guidance, and related presentation slides, is available to the public on Ecolab's website at **www.ecolab.com/investor**. Replays of this and prior webcasts and related materials are available at that site. Listening to a webcast requires Internet access, the Windows Media Player or other compatible streaming media player.

ECOLAB SECOND QUARTER 2015

2Q Overview

- **Earnings: Record adjusted EPS $1.08, +5%**
  - Reported EPS $1.00, -2%
- **Sales: Fixed currency growth +2%**
  - Reported sales -5%; acquisition adjusted fixed currency sales +2%
  - Global Institutional, Global Industrial and Other segments +5%, more than offsetting lower Global Energy sales
  - Strong new account growth and new product introductions offset lackluster economies
- **Operating Margin: Continued expansion**
  - Adjusted fixed currency operating margin +80 bp
  - Benefits from delivered product cost savings, cost efficiency programs, synergies, lower variable compensation and pricing more than offset pension headwinds
- **Integration: Both on plan**
- **Outlook: Solid adjusted EPS growth, despite expected $0.38 per share, or 9%, full year headwind from FX/pension**
  - 3Q: +2% to 8%
  - 2015: +6% to 10%

SUMMARY

Strong new account gains and new product introductions drove good mid-single digit fixed currency sales growth in our Global Institutional, Global Industrial and Other segments during the second quarter to more than offset lower Global Energy sales. We leveraged that growth, along with delivered product cost savings, decreased variable compensation and our ongoing synergy and cost efficiency work, as well as pricing, to more than offset substantial currency and pension headwinds and increase our adjusted operating margins. These, along with a lower tax rate and fewer shares outstanding, drove a solid adjusted earnings per share increase.

Looking ahead, we expect 2015 to be another year of superior growth despite mixed macro-economic and market trends, as well as substantially unfavorable currency exchange and pension costs. We are seeing good sales growth in our Global Institutional, Global Industrial and Other segments, primarily the result of internal work we have undertaken to further improve our effectiveness. Lower oil prices have yielded lower delivered product costs, while also negatively impacting our Global Energy segment. Net, we continue to look for very strong profit growth in the mid-teens area before currency and pension effects. We continue to expect currency and pension to represent a combined unfavorable impact of $0.38 cents per share in 2015, reducing 2015 earnings per share growth by 9 percentage points.

Our 2015 full year adjusted earnings per share forecast remains centered in a $4.45 to $4.60 per share range, representing 6% to 10% growth, as further fixed currency sales growth, appropriate pricing, lower variable compensation, innovation and synergies more than offset 2015's challenges.

QUARTER HIGHLIGHTS

- Reported second quarter earnings per share were $1.00.
- On an adjusted basis, excluding special gains and charges and discrete tax items from both years, second quarter 2015 adjusted earnings per share increased 5% to a record $1.08 despite a $0.09 headwind from currencies and pension.
- The adjusted earnings per share growth was driven by fixed currency

sales gains, delivered product and other cost savings, lower variable compensation, synergies, new products and a lower tax rate and share count.

- Our fixed currency acquisition-adjusted sales increased 2%. It was led by mid-single digit growth from our Global Institutional, Global Industrial and Other segments, which more than offset lower Global Energy sales. Latin America and Middle East & Africa led the regional increase, with good growth in Asia Pacific, while Europe showed continued modest gains.
- Adjusted fixed currency operating income grew 8%, and we expanded those margins 80 basis points. We also continue to make key investments in the drivers for our future growth.
- We remain on plan to achieve our Nalco and Champion synergy targets, and our Europe margins are on track for further strong expansion again this year.
- In addition, we continued to execute on our billion dollar share repurchase, and reacquired 3.3 million shares in the second quarter.
- Looking ahead, energy markets, and some regional economies, continue to present challenges, and the headwinds from currency exchange remains formidable. However, we are also realizing raw material cost savings that should significantly improve versus the first half, and along with synergies and cost efficiencies, lead to further margin expansion and yield improved earnings per share gains over the balance of 2015.
- In this mixed environment, we are driving new business gains and

lower costs as we maximize the benefits and minimize the challenges in 2015. We will once again use our product innovation and service strengths to help customers achieve better results and lower operating costs, and through these, drive new account gains across all of our segments.

- We expect third quarter 2015 results to show further solid fixed currency sales growth and margin improvement from our Global Institutional, Global Industrial and Other segments as they more than offset lower Global Energy segment results. Third quarter adjusted earnings per share are expected to increase 2% to 8% to the $1.24 to $1.31 range as the unfavorable currency and pension impact increases to approximately $0.11 per share in the quarter.
- Our full-year 2015 forecast remains centered in the $4.45 to $4.60 per share range, up 6% to 10%. In summary, we believe our second quarter performed very well despite very challenging conditions. We continue to expect 2015 to reflect Ecolab's balanced business portfolio and show a strong operating performance for the company, more than offsetting the challenges in Global Energy and the drag on earnings per share growth from currencies and pension. We remain confident in our business, our markets and our people, as well as our capacities to meet our aggressive growth objectives over the coming years, while also delivering attractive returns in 2015.

SEGMENT / SECTOR DISCUSSION

Consolidated sales	% Change
Volume & mix	2%
Pricing	<1%
Subtotal	2%
Acq./Div.	<1%
Fixed currency growth	2%
Currency impact	-7%
Total	-5%

Amounts in the table above may reflect rounding.

Ecolab's consolidated fixed currency sales for the second quarter increased 2%. Acquisition-adjusted fixed currency sales also rose 2%. Looking at the growth components, volume and mix increased 2%. Pricing and acquisitions and divestitures were each positive but rose less than 1%, and currency was a negative 7%.

GLOBAL INDUSTRIAL SEGMENT

Global Industrial	Fixed Rate % Change	Acq./Div. Adj. % Change
Food & Beverage	7%	6%
Water	4%	3%
Paper	1%	
Textile Care	1%	
Total Global Industrial	4%	3%

Note: During the second quarter of 2015, we concluded that it was appropriate to apply the free-floating Marginal Currency System (SIMADI) exchange rate to our Venezuelan Water and Paper operating units as we believe that this rate best represents the economics of our business within those operating units. This action resulted in a special charge of approximately $30 million during the second quarter to devalue the corresponding net assets, reflected within the Corporate segment. The year-on-year impact of the Bolivar currency exchange rate change was not material to second quarter global Water and Paper sales and income.

FOOD & BEVERAGE

Second quarter fixed currency Food & Beverage sales increased 7%. Adjusted for acquisitions, fixed currency sales growth improved, rising 6%. Food & Beverage growth was primarily driven by strong corporate account and share gains, as we used them to more than offset generally modest industry trends. We enjoyed good growth in beverage and agri, with moderate sales gains in dairy and food. Regionally, we saw strong growth in Latin America and Middle East & Africa, solid gains in Europe and Asia Pacific, and modest growth in North America.

Food & Beverage continues to drive sales growth using its Total Plant Assurance approach to customers, in which we combine our industry-leading cleaning and sanitizing, water treatment, and Pest Elimination capabilities to deliver improved food safety results, lower operating costs, and enhanced product quality assurance for customers. This has enabled us to win business with key global customers and offset market headwinds in North America and Europe, where lower volumes have continued to impact sales. Looking ahead, we expect to see continued improvement in organic sales growth for the third quarter and for the year. We look for further benefits from growth synergies, better customer penetration and new business capture, as well as leverage from our strong innovation pipeline, including 3D TRASAR for clean-in-place systems in food and beverage plants, to more than offset continued tough industry conditions.

ECOLAB

WATER

Fixed currency Water sales grew 4%. Adjusted for acquisitions, Water sales grew 3% as good gains in the light commercial and power industries were partially offset by weak steel industry demand and modest growth elsewhere. Regionally, we saw good growth in Latin America and Middle East & Africa, and modest gains in Europe, North America and Asia Pacific. We also continue to drive better penetration in our other water markets, using our innovative solutions to optimize water usage. The introduction of 3D TRASAR for hotel, commercial building, healthcare and university cooling systems, utilizing solid chemistry and advanced dispensing, is going well, and we are investing in additional new water technologies to improve customer performance and lower their operating costs. We remain focused on building our corporate account and enterprise sales teams, delivering our growth synergies and improving product innovation to drive revenues. We expect to show better growth in the second half, as market share gains drive our heavy and light businesses to outperform the soft steel and mining markets.

PAPER

Second quarter fixed currency Paper sales grew 1% as Latin America recorded strong growth and North America had a modest gain, more than offsetting slight declines in the remaining regions. We expect Paper to show modest growth in 2015, as we drive new business and technology penetration to augment stabilizing paper market conditions.

GLOBAL INSTITUTIONAL SEGMENT

Global Institutional	Fixed Rate % Change	Acq./Div. Adj. % Change
Institutional	5%	6%
Specialty	11%	
Healthcare	3%	
Total Global Institutional	6%	6%

INSTITUTIONAL

Fixed currency sales growth for the Institutional business rose 5%. When adjusted for a small divestiture in Europe, sales grew 6%. Global lodging demand continues to be positive while foot traffic data remains soft. Looking at our regional sales, we continued to outperform our markets. North America achieved another strong gain, Asia Pacific and Latin America posted solid growth, and Europe improved slightly. Sales initiatives targeting new customers, along with effective product and service programs, and appropriate pricing, drove our results. We continue to lead with innovation through our global programs as we roll out our next-generation laundry platform in Europe this year. Our work to standardize global competencies and initiatives is going well and helping to drive our sales improvements. We are also focused on strengthening our execution and delivering increased customer value, with solutions that reduce their water, energy and labor costs. With the work on our business fundamentals yielding good results, and with end markets holding steady, we look for further solid sales growth in the third quarter and the remainder of the year.

SPECIALTY

Second quarter sales for Specialty grew 11% in fixed currencies. Quick service sales were very strong as new accounts, increased service coverage, additional solutions and the timing of new customer programs leveraged generally modest industry trends to drive growth. Regionally, quick service sales were strong in nearly all regions, benefiting from new accounts and additional customer solutions. Our food retail business posted steady sales growth, benefiting from international customer additions and new product introductions in North America. New account wins have been solid in 2015, and we look for another good year for Specialty. However, the quarterly pattern for the year will reflect the timing of customer programs and new account startups. Reflecting this, the third quarter is expected to show a modest sales gain, with better growth expected in the fourth quarter to yield another very good performance in 2015.

HEALTHCARE

Fixed currency Healthcare sales increased 3%. New account growth, improved penetration and new products helped to offset slow conditions in the healthcare markets. We continue driving integrated and comprehensive environmental hygiene solutions for acute healthcare facilities, utilizing the Ecolab value proposition of premium products and on-site service support to improve the prevention of healthcare acquired infections. While this is still a relatively new solution approach for the industry, we believe we are making progress. We look for mid-single digit Healthcare sales growth through the balance of 2015, and remain confident in the prospects for further acceleration.

GLOBAL ENERGY SEGMENT

Global Energy	Fixed Rate % Change	Acq./Div. Adj. % Change
Energy	-5%	-5%

Second quarter fixed currency Global Energy segment sales declined 5%, in line with our forecast. Looking at the components in our upstream business, our well stimulation business, representing about 15% of Energy sales, declined double digits while our production business, which represents around 60% of the Energy sales, rose modestly, as a decline in North America production results was offset by a very strong international performance. The downstream business saw good growth, also led by strong international sales. We continue to expect Energy sales to show a low- to mid-single digit decline for the full year 2015, but expect a return to growth in 2016. We look for the second half to see good international growth, ongoing share gains and solid downstream sales that are more than offset by lower North American upstream activity, customer spending reductions and modest price decreases overall. We expect second half Energy sales to decline in the mid-single digit range, with a mid- to upper-single digit sales decline in the third quarter, and a low- to mid-single digit decline in the fourth quarter as sequential sales begin to improve across the regions and innovation drives new business. While we expect a challenging year, particularly in the North American well stimulation industry, we have a very experienced Energy team in place. They remain aggressive, using our industry-leading product innovation and our outstanding sales and service team to drive sales and share growth, and they will use this period to strengthen our position for future gains. We continue to believe our Energy business will return to growth in 2016.

OTHER SEGMENT

Other	Fixed Rate % Change	Acq./Div. Adj. % Change
Pest Elimination	6%	
Equipment Care	7%	
Total Other*	5%	6%

*Total Other reflects the divestiture of non-core cleaning service business which was not included in the segment's operating units.

PEST ELIMINATION

Fixed currency Pest Elimination sales increased 6% in the second quarter led by sales to hospitality and restaurant customers. Regionally, we enjoyed double-digit gains in Asia Pacific, which along with strong growth in Latin America and North America, more than offset flat Europe results. We continue to drive market penetration, with innovative service offerings and technologies, and make progress in globalizing our market-focused capabilities and field technologies. We expect Pest Elimination sales to show further good growth in the third quarter and second half, led by gains in all markets.

EQUIPMENT CARE

Equipment Care sales grew 7% in the second quarter. New customer additions continue at a solid rate, and productivity improvements from our technology investments and strengthened execution continue to pay off. With solid underlying performance trends expected to continue, we look for Equipment Care to show improved growth in the second half.

MARGIN PERFORMANCE

($ millions)	2015	% sales	2014	% sales	% change
Gross Profit	**$1,582.6**	46.7%	$1,658.8	46.5%	-4.6%

Second quarter gross margins were 46.7%. When adjusted for special charges, second quarter 2015 gross margins were 47.0% and rose 50 basis points above last year. The improvement resulted from lower delivered product costs and synergies.

($ millions)	2015	% sales	2014	% sales	% change
SG&A	**$1,079.2**	31.8%	$1,152.7	32.3%	-6.4%

SG&A expenses represented 31.8% of second quarter sales. The SG&A ratio decreased 50 basis points versus last year. The decrease primarily reflected synergies, cost savings and lower variable compensation which more than offset the impact of higher pension expense and investments in the business.

($ millions)	2015	% sales	2014	% sales	% change
Consolidated Op. Inc.	**$437.8**	**12.9%**	$512.2	14.4%	-14.5%
Consolidated Fixed Currency Op. Inc. (adj.)	**$522.0**	**15.1%**	$483.1	14.3%	8.1%

Consolidated operating income margins were 12.9%. Adjusted for special charges, fixed currency operating income margins were 15.1%, rising 80 basis points over last year's comparable margin. Delivered product cost savings, synergies, lower variable compensation and pricing more than offset higher pension costs and investments in the business.

($ millions)	2015	% sales	2014	% sales	% change
Global Industrial Op. Inc.	**$163.9**	**13.7%**	$150.8	13.1%	8.7%

Fixed currency operating income for the Global Industrial segment increased 9%. Acquisition-adjusted operating income also grew 9%, and margins rose 70 basis points. Appropriate pricing and synergies more than offset investments in the business and other costs.

($ millions)	2015	% sales	2014	% sales	% change
Global Institutional Op. Inc.	**$234.7**	**21.3%**	$194.0	18.7%	21.0%

Fixed currency operating income for the Global Institutional segment increased 21%, and margins expanded 260 basis points. Results benefited from good volume gains, pricing and cost efficiencies, which more than offset business investments and other costs.

($ millions)	2015	% sales	2014	% sales	% change
Global Energy Op. Inc.	**$134.6**	**14.0%**	$152.4	15.0%	-11.7%

Fixed currency Global Energy segment operating income decreased 12%. Volume declines, lower pricing and long-term infrastructure business investments more than offset lower delivered product costs, synergies, ongoing cost savings projects and the ramp-up of additional expense reduction actions related to the current environment.

($ millions)	2015	% sales	2014	% sales	% change
Other Op. Inc.	**$33.0**	**16.9%**	$29.7	16.0%	11.1%

Fixed currency operating income for the Other segment increased 11% and margins expanded 90 basis points. Improved service operating results more than offset business investments.

($ millions)	2015	2014
Corporate		
Special Gains/(Ch.)	**($76.6)**	$5.0
Corp. Expense	**(44.2)**	(43.8)
Total Corporate Exp.	**($120.8)**	($38.8)

The Corporate segment includes amortization expense of $44 million in the second quarter of both 2015 and 2014 related to the Nalco merger intangible assets. The Corporate segment also includes special gains and charges. Special gains and charges for the second quarter of 2015 were a net charge of $77 million ($61 million after-tax) and primarily consisted of a $30 million charge related to the devaluation of a portion of our Venezuelan net assets, a $14 million loss on the disposition of a business, restructuring costs, Champion integration costs and other charges. Special gains and charges for the second quarter of 2014 were a net gain of $5 million ($5 million after-tax).

The reported income tax rate for the second quarter 2015 was 18.0%, compared with the reported rate of 29.4% in the second quarter 2014, primarily reflecting a tax benefit related to the disposition of a business. Excluding the tax rate impact of special gains and charges and discrete tax items, the adjusted tax rate was 27.1% in the second quarter 2015, compared with 27.9% for the same period last year. The improved adjusted tax rate was the result of favorable geographic income mix and global tax planning strategies.

We repurchased approximately 3.3 million shares during the second quarter.

The net of this performance is that Ecolab reported second quarter diluted earnings per share of $1.00 compared with $1.02 reported a year ago. When adjusted for special gains and charges and discrete tax items in both years, adjusted earnings increased 5%, to $1.08, when compared with $1.03 earned a year ago.

BALANCE SHEET, CASH FLOW AND LEVERAGE

2Q 2015 Balance Sheet / Cash Flow

Summary Balance Sheet

($ millions)	June 30 2015	June 30 2014		June 30 2015	June 30 2014
Cash and cash eq.	**$310.6**	$187.0	Short-term debt	**$2,185.3**	$1,589.7
Accounts receivable, net	**2,494.8**	2,637.3	Accounts payable	**961.0**	1,004.5
Inventories	**1,462.7**	1,414.3	Other current liabilities	**1,299.8**	1,372.7
Other current assets	**703.0**	533.5	Long-term debt	**5,124.2**	5,539.1
PP&E, net	**3,123.4**	2,938.9	Pension/Postretirement	**1,139.6**	797.4
Goodwill and intangibles	**10,744.4**	11,498.8	Other liabilities	**1,627.9**	1,850.3
Other assets	**378.4**	404.0	Total equity	**6,879.5**	7,460.1
Total assets	**$19,217.3**	$19,613.8	**Total liab. and equity**	**$19,217.3**	$19,613.8

Selected Cash Flow items ($ millions)	Six Months Ended June 30 2015	Six Months Ended June 30 2014	**Selected Balance Sheet measures**	June 30 2015	June 30 2014
Cash from op. activities	**$636.6**	$531.9	Total Debt/Total Capital	**51.5%**	48.9%
Depreciation	**285.8**	276.1	Net Debt/Total Capital	**50.4%**	48.2%
Amortization	**149.9**	159.3	Net Debt/EBITDA*	**2.5**	2.6
Capital expenditures	**327.5**	321.7	Net Debt/adjusted EBITDA*	**2.4**	2.5

ECOLAB

Net debt to total capital was 50%, with net debt to adjusted EBITDA ratio at 2.4 times.

FORECAST

Sales

- Successfully manage low oil price environment
  - Exploit unsettled oil & gas markets to gain new business
- Build on recent corporate account wins and sales team investments
- Leverage product innovation
- Continue to drive market share gains in all businesses

Earnings

- Drive productivity, delivered product cost savings, synergies
- Realize raw material favorability
- Lower interest/tax/shares
- Deliver solid EPS growth while investing for the future
  - Expected FX and pension headwind $0.38

	3Q 2015	3Q 2014
Adjusted EPS	$1.24-$1.31	$1.21
	FY2015	FY2014
Adjusted EPS	$4.45-$4.60	$4.18

Looking ahead, we will take aggressive actions in the second half of 2015 to drive both our top and bottom lines. We will work to leverage the benefits and offset the challenges of lower oil prices as we capture the lower raw material costs and gain share in the energy markets. We will also continue to drive organic growth through further corporate account wins, stepped-up innovation work, and improved field productivity. We expect a very strong operating performance in 2015, reflecting our business balance and more than offsetting substantial headwinds from currency and pension.

We look for our third quarter to show good fixed currency sales growth, with currency negatively impacting reported sales by about six percentage points. We look for third quarter earnings to increase 2% to 8% to the $1.24 to $1.31 range as currency becomes increasingly unfavorable, with currency and pension combining for a negative impact of $0.11 per share, or approximately 9% of third quarter earnings growth. Further, the third quarter will also compare against a strong period last year, when adjusted earnings per share rose 16% to $1.21.

For the full year, we expect very strong earnings growth before currency and pension, and look for 6% to 10% adjusted earnings per share growth for the full year, in the $4.45 to $4.60 per share range, as continued good fixed currency sales growth, appropriate pricing, delivered product cost savings, lower variable compensation and synergies more than offset the headwinds from currencies, pension and reduced energy activity.

SUMMARY

In summary, we once again delivered on our forecast in the second quarter, while offsetting market and currency challenges and investing in our future. We have our work cut out for us in the second half of 2015, but we are well positioned and prepared to outperform once again and deliver another superior performance for shareholders this year, and for the years ahead.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This communication contains forward looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements regarding our future financial and business performance and prospects, including forecasted 2015 third quarter and full year business and financial results, the impact of oil prices, sales growth, innovation, pricing, cost savings, synergies, interest expense, income taxes, shares outstanding and unfavorable foreign currency and pension expense impact. 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. These risks and uncertainties are set forth under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014 and other public filings with the Securities and Exchange Commission (the "SEC") and include the vitality of the markets we serve, including the markets served by our Global Energy segment; the impact of worldwide economic factors such as the worldwide economy, credit markets, interest rates and foreign currency risk; exposure to economic, political and legal risks related to our international operations; the costs and effects of complying with laws and regulations relating to our operations; the occurrence of litigation or claims; and other uncertainties or risks reported from time to time in our reports to the SEC. In light of these risks, uncertainties 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 except as required by law.

Non-GAAP Financial Information

This communication includes Company information that does not conform to generally accepted accounting principles (GAAP). Management believes that a presentation of this information is meaningful to investors because it provides insight with respect to ongoing operating results of the Company and allows investors to better evaluate the financial results of the Company. These measures should not be viewed as an alternative to GAAP measures of performance. Furthermore, these measures may not be consistent with similar measures provided by other companies. 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" in this communication.

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 2014	Second Quarter Ended June 30 2014	Six Months Ended June 30 2014	Third Quarter Ended Sept. 30 2014	Nine Months Ended Sept. 30 2014	Fourth Quarter Ended Dec. 31 2014	Year Ended Dec. 31 2014
Diluted earnings per share, as reported (U.S. GAAP)	$ 0.62	$ 1.02	$ 1.64	$ 1.19	$ 2.83	$ 1.10	$ 3.93
Adjustments:							
Special (gains) and charges (1)	0.09	(0.02)	0.07	0.02	0.09	0.11	0.20
Tax expense (benefits) (2)	0.03	0.03	0.06	(0.01)	0.05	(0.01)	0.04
Adjusted diluted earnings per share (Non-GAAP)	$ 0.74	$ 1.03	$ 1.77	$ 1.21	$ 2.98	$ 1.20	$ 4.18

	First Quarter Ended Mar. 31 2015	Second Quarter Ended June 30 2015	Six Months Ended June 30 2015	Third Quarter Ended Sept. 30 2015	Nine Months Ended Sept. 30 2015	Fourth Quarter Ended Dec. 31 2015	Year Ended Dec. 31 2015
Diluted earnings per share, as reported (U.S. GAAP)	$ 0.77	$ 1.00	$ 1.77				
Adjustments:							
Special (gains) and charges (3)	0.02	0.20	0.22				
Tax expense (benefits) (4)	0.01	(0.13)	(0.12)				
Adjusted diluted earnings per share (Non-GAAP)	$ 0.80	$ 1.08	$ 1.87				

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

(1) Special (gains) and charges for 2014 include restructuring charges of $22.8 million, $6.1 million, $4.1 million and $32.0 million, net of tax, in the first, second, third and fourth quarters, respectively. Special (gains) and charges for 2014 also include $4.1 million, $3.4 million, $2.7 million and $2.6 million of costs, net of tax, in the first, second, third and fourth quarters, respectively, related to Champion integration costs. Special (gains) and charges for 2014 also include $0.9 million, $1.1 million, $2.0 million and $3.0 million of costs, net of tax, in the first, second, third and fourth quarters, respectively, related to Nalco integration costs. Special (gains) and charges for 2014 also include a gain of $0.5 million, net of tax, in the first quarter related to other items, a gain of $15.9 million, net of tax, in the second quarter related to a favorable licensing settlement and other settlement gains, a gain of $3.1 million, net of tax, in the third quarter related to the consolidation of a subsidiary and removal of the corresponding equity method investment and a gain of $3.8 million, net of tax, in the fourth quarter related to the sale of a business.

(2) The first quarter 2014 discrete tax net expense of $9.9 million is driven primarily by the rate differential on certain prior year shared costs, the remeasurement of certain deferred tax assets and liabilities resulting from a change in the state tax rate for certain entities following the merger of Champion operations and the change of a valuation allowance related to the realizability of foreign deferred tax assets, which collectively more than offset benefits from a foreign country audit settlement. The second quarter 2014 discrete tax net expense of $8.3 million is driven primarily by an update to non-current tax liabilities for global tax audits and an adjustment related to the re-characterization of intercompany payments between our U.S. and foreign affiliates which more than offset the change of valuation allowances based on the realizability of foreign deferred tax assets. The third quarter 2014 discrete tax net benefit of $1.9 million is driven primarily by recognizing adjustments from filing our 2013 federal tax return, offset partially by the net impact of foreign audits settlements and adjustments. The fourth quarter discrete tax net benefit of $3.1 million is driven primarily by the remeasurement of certain deferred tax assets and liabilities, resulting from changes in our deferred state tax rate and local country tax rates.

(3) Special (gains) and charges for 2015 include restructuring charges of $1.6 million and $14.6 million, net of tax, in the first and second quarters, respectively. Special (gains) and charges for 2015 also include $3.2 million and $2.8 million, net of tax, in the first and second quarters, respectively, related to Champion integration costs. Special (gains) and charges for 2015 also include $0.5 million and $0.1 million, net of tax, in the first and second quarters, respectively, related to Nalco integration costs. Special (gains) and charges for 2015 also include $30.2 million, net of tax, in the second quarter related to a Venezuelan currency devaluation charges. Special (gains) and charges for 2015 also include $13.4 million, net of tax, in the second quarter, related to a loss on the sale of a portion our Ecovation business and other litigation related charges.

(4) The first quarter 2015 discrete tax net expense of $2.6 million is driven primarily by a change to a deferred tax liability resulting from the Naperville facility transaction. The second quarter 2015 discrete tax net benefit of $39.4 million is driven primarily from our ability to recognize a worthless stock deduction for the tax basis in a wholly owned domestic subsidiary.