

ECOLAB INC
Form 10-Q
August 01, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 1-9328

ECOLAB INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

41-0231510
(I.R.S. Employer
Identification No.)

370 Wabasha Street N., St. Paul, Minnesota 55102

(Address of principal executive offices)(Zip Code)

1-800-232-6522

(Registrant's telephone number, including area code)

(Not Applicable)

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of June 30, 2013.

301,371,498 shares of common stock, par value \$1.00 per share.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

ECOLAB INC.

CONSOLIDATED STATEMENT OF INCOME

(millions, except per share amounts)	Second Quarter Ended June 30	
	2013	2012
	(unaudited)	
Net sales	\$ 3,337.8	\$ 2,958.7
Cost of sales (including special charges of \$15.2 in 2013 and \$3.1 in 2012)	1,828.6	1,608.9
Selling, general and administrative expenses	1,083.3	981.7
Special (gains) and charges	73.6	41.6
Operating income	352.3	326.5
Interest expense, net (including special charges of \$0.3 in 2013)	66.2	63.9
Income before income taxes	286.1	262.6
Provision for income taxes	70.3	79.2
Net income including noncontrolling interest	215.8	183.4
Less: Net income (loss) attributable to noncontrolling interest	2.7	(1.1)
Net income attributable to Ecolab	\$ 213.1	\$ 184.5
Earnings attributable to Ecolab per common share		
Basic	\$ 0.71	\$ 0.63
Diluted	\$ 0.69	\$ 0.62
Dividends declared per common share	\$ 0.2300	\$ 0.2000
Weighted-average common shares outstanding		
Basic	301.5	291.9
Diluted	307.4	298.2

The accompanying notes are an integral part of the consolidated financial information.

ECOLAB INC.

CONSOLIDATED STATEMENT OF INCOME

(millions, except per share amounts)	2013	Six Months Ended June 30 (unaudited)	2012
Net sales	\$	6,209.9	\$ 5,769.6
Cost of sales (including special charges of \$17.2 in 2013 and \$79.1 in 2012)		3,393.5	3,222.9
Selling, general and administrative expenses		2,079.1	1,971.4
Special (gains) and charges		123.3	83.0
Operating income		614.0	492.3
Interest expense, net (including special charges of \$2.5 in 2013 and \$18.2 in 2012)		127.7	150.0
Income before income taxes		486.3	342.3
Provision for income taxes		109.5	114.8
Net income including noncontrolling interest		376.8	227.5
Less: Net income (loss) attributable to noncontrolling interest (including special charges of \$0.5 in 2013 and \$4.5 in 2012)		4.1	(6.7)
Net income attributable to Ecolab	\$	372.7	\$ 234.2
Earnings attributable to Ecolab per common share			
Basic	\$	1.25	\$ 0.80
Diluted	\$	1.23	\$ 0.79
Dividends declared per common share	\$	0.4600	\$ 0.4000
Weighted-average common shares outstanding			
Basic		298.5	291.7
Diluted		304.2	298.1

The accompanying notes are an integral part of the consolidated financial information.

ECOLAB INC.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)