NEWS RELEASE

Clorox Reports 26% EPS Growth in Fourth Quarter; Earns $2.56 in Fiscal 2004 for 15% EPS Growth; and Confirms Fiscal 2005 Outlook

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Oakland, Calif., Aug. 5, 2004 - The Clorox Company (NYSE: CLX) (PSE: CLX) today announced that higher net sales and volume across all segments drove strong earnings results for its fiscal fourth quarter and year, which ended June 30, 2004.

"We're delighted with our performance for the quarter and full year," said President and Chief Executive Officer Jerry Johnston. "The continued hard work and focus of Clorox people around the world is evident in our income statement and balance sheet. We're especially pleased about delivering on the expectations we set for this year more than 15 months ago, as we continue to strive for consistency in achieving our annual results."

Clorox reported fourth-quarter net earnings of $185 million, or 86 cents per diluted share, compared with net earnings in the year-ago period of $149 million, or 68 cents per diluted share, for an increase of 18 cents per diluted share, or 26 percent. Net earnings reflected an $11 million pretax restructuring and asset-impairment charge ($7 million after taxes) related to transferring production of some Glad® products to third-party manufacturing. Net earnings also reflected $7 million from additional tax benefits and lower losses related to the company's discontinued Brazil operations.

For the fiscal year, Clorox reported net earnings of $549 million, or $2.56 per diluted share, compared with year-ago net earnings of $493 million, or $2.23 per diluted share, an increase of 33 cents, or 15 percent.

Commenting on the company's fiscal 2004 pretax earnings from continuing operations, Johnston said, "A number of strategic decisions impacted our results. For example, we chose to invest heavily in new products in our North America businesses, and although start-up costs reduced pretax earnings in these segments, the investment is

driving strong top-line growth. In addition, initiatives we put into place a couple of years ago to improve results in our Latin America businesses are continuing to pay off in significant year-over-year sales, volume and pretax earnings growth."

Fourth-Quarter Results

Fourth-quarter sales grew 8 percent to $1.24 billion, compared with $1.15 billion in the base period, the largest year-over-year increase in more than two years. Sales growth outpaced the 6 percent growth in volume primarily due to more efficient trade-promotion spending and the continued benefit of price increases. Volume growth was driven by new products, all-time-record shipments of charcoal and higher shipments of Clorox® disinfecting wipes, cat litter, food products and Brita® water-filtration products.

Gross margin in the fourth quarter grew 120 basis points versus the year-ago quarter to 46.5 percent, primarily due to strong cost savings, as well as more efficient trade-promotion spending and the continued benefit of price increases. These positive trends were partially offset by higher expenses for raw materials, transportation and warehousing.

The company's working capital position improved to an average of -2.6 percent of sales, compared to the year-ago period when working capital averaged -1.7 percent of sales. Clorox generated $368 million of cash from operations in the fourth quarter, compared to $317 million in the year-ago period, an increase of 16 percent.

Following is a summary of key fourth-quarter results by segment. All comparisons are with the fourth quarter of fiscal year 2003.

Household Products - North America

- 6% volume growth
- 9% sales growth
- 15% pretax earnings growth

Strong sales growth in the segment was driven by shipments of new products including Clorox® ToiletWand™ disposable toilet-cleaning system, Clorox® Bleach Pen® gel and Glad® Press 'n Seal™ sealable plastic wrap. Also contributing to sales growth were increased shipments of Clorox® disinfecting wipes and Brita® water-filtration products, and the eighth consecutive quarter of year-over-year volume growth for Glad® trash bags. Sales growth outpaced volume growth due to more efficient trade-promotion spending versus the year-ago quarter and the continued benefit of price increases. Pretax earnings growth primarily reflected strong cost savings and the benefit of increased volume and sales, slightly offset by the aforementioned restructuring charge on the Glad business.

Specialty Products

- 3% volume growth
- 6% sales growth
- 13% pretax earnings growth

The segment's strong sales growth was driven by increased shipments of charcoal, food products and cat litter. The Kingsford® charcoal business delivered its 13th consecutive quarter of year-over-year volume growth behind all-time record shipments of Kingsford® and Match Light® charcoal. The food products business turned in its 10th consecutive quarter of year-over-year volume growth, driven by all-time record shipments of Hidden Valley® bottled salad dressings and increased shipments of K C Masterpiece® barbecue products behind the continued success of new items. The cat litter business delivered its ninth consecutive quarter of year-over-year volume growth for Scoop Away® cat litters and seventh consecutive quarter of year-over-year volume growth for Fresh Step® scoopable cat litter. These positive trends were partially offset by decreased shipments of auto care products due to category softness. Sales growth outpaced volume growth due to price increases and lower coupon spending and more efficient trade-promotion spending versus the year-ago period. Pretax earnings growth primarily reflected cost savings, price increases and the benefit of higher volume, slightly offset by increased raw-material costs.

Household Products - Latin America/Other

- 10% volume growth
- 9% sales growth
- 14% pretax earnings growth

Strong sales growth in the segment was driven by increased shipments of insecticides in Korea and positive category trends in Argentina. Favorable foreign exchange rates also contributed to the segment's sales growth. These positive trends were partially offset by unfavorable mix. Pretax earnings growth primarily reflected strong cost savings, slightly offset by the impact of higher raw-material and manufacturing costs.

Fiscal 2004 Results

Fiscal-year sales increased 4 percent to $4.32 billion. Volume growth of 4 percent was driven by new products and increased shipments of established products. During the year, the company introduced several new products including Glad® Press 'n Seal™ sealable plastic wrap, Clorox® Bleach Pen® gel and Clorox® ToiletWand™ disposable toilet-cleaning system, as well as three new flavors of Hidden Valley® salad dressings and two new K C Masterpiece® barbecue items.

For the fiscal year, overall gross margin declined 150 basis points to 44.8 percent, primarily due to higher expenses for raw materials, transportation and warehousing; the third-party production of some Match Light® charcoal; and start-up costs for new products, partially offset by cost savings.

The company's working capital position improved to an average of -2.3 percent of net sales, compared to the year-ago period when working capital averaged -1.6 percent of sales. Clorox generated $899 million of cash from operations in fiscal 2004, compared to $803 million in fiscal 2003, an increase of 12 percent.

The company's return on invested capital (ROIC) in fiscal 2004 was 14.5 percent versus 14.7 percent in the prior year, a decrease of 20 basis points. The company defines ROIC as after-tax operating profit (excluding deferred taxes and restructuring charges included in cost of goods sold) divided by average total invested capital.

Fiscal 2005 Outlook

Clorox continues to expect that fiscal year 2005 results will be consistent with the company's previously communicated long-term expectations for sales and volume growth of 3 percent to 5 percent. The company still anticipates earnings per diluted share in the range of $2.58 to $2.66, with potential upside if the company resumes its board-authorized stock-repurchase programs. As previously communicated, Clorox's major shareholder, Henkel KgaA, has announced it might sell some or all of its stake in Clorox to fund its acquisition of The Dial Corporation. While Clorox remains authorized to purchase shares of its common stock under board-authorized repurchase programs, the company is temporarily holding off doing so pending further developments and further discussions with Henkel.

For the first quarter of fiscal 2005, Clorox continues to anticipate sales and volume growth of 3 percent to 5 percent, and earnings per diluted share in the range of 53 cents to 55 cents. First-quarter earnings-per-diluted-share expectations include a 9 cent estimate for restructuring charges related to the company's Glad U.S. manufacturing operations, part of a strategy to streamline manufacturing processes and improve margins. First-quarter earnings are also expected to be impacted by significant spending behind the launch of Glad® ForceFlex™ trash bags, which have a unique diamond texture that stretches to prevent punctures and rips, and continued support behind Clorox® ToiletWand™ disposable toilet-cleaning system.

For the second quarter, Clorox anticipates sales and volume growth of 3 percent to 5 percent. The company expects earnings per diluted share in the range of 48 cents to 52 cents. Second-quarter earnings-per-diluted share expectations include an estimate of 1 cent to 2 cents for the aforementioned restructuring charges related to the Glad business. Second-quarter earnings are also expected to be impacted by continued spending behind new products.

Note: Percentage and basis-point changes noted in this news release are calculated based on rounded numbers. For additional information about the company's results, including definitions of financial terms used in this earnings release and on today's conference call with the investment community (details below), visit the Financial Results area within the Investors section of the company's Web site at **www.thecloroxcompany.com**.

Today's Webcast

Today at 10:30 a.m. Pacific time (1:30 p.m. Eastern time), Clorox will host a live audio webcast of a discussion with the investment community regarding the company's fourth-quarter results. The webcast can be accessed at www.thecloroxcompany.com/investors/index.html. Following a live discussion, a replay of the webcast will be archived for one week on the company's Web site.

Clorox to Discuss Strategic Plan in September

Clorox will host a conference for the investment community in New York on Sept. 28, 2004. Jerry Johnston and members of the company's management team will present the company's long-term strategic plan and financial targets. The media and public will be able to listen to a live audio webcast of the presentation. Details will be posted at www.thecloroxcompany.com/investors/index.html closer to the event date.

The Clorox Company

The Clorox Company is a leading manufacturer and marketer of consumer products with fiscal year 2004 revenues of $4.3 billion. Clorox markets some of consumers' most trusted and recognized brand names, including its namesake bleach and cleaning products, Armor All® and STP® auto care products, Fresh Step® and Scoop Away® cat litters, Kingsford® charcoal briquets, Hidden Valley® and K C Masterpiece® dressings and sauces, Brita® water-filtration systems, and Glad® bags, wraps and containers. With 8,600 employees worldwide, the company manufactures products in 25 countries and markets them in more than 100 countries. Clorox is committed to making a positive difference in the communities where its employees work and live. Founded in 1980, The Clorox Company Foundation has awarded cash grants totaling more than $58.3 million to nonprofit organizations, schools and colleges; and in fiscal 2004 alone made product donations valued at $5 million. For more information about Clorox, visit **www.thecloroxcompany.com**.

Forward-Looking Statements

Except for historical information, matters discussed above, including statements about future volume, sales and earnings growth, profitability, costs, cost savings or expectations, are forward-looking statements based on management's estimates, assumptions and projections. Important factors that could cause results to differ

materially from management's expectations are described in "Forward-Looking Statements and Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" in the company's SEC Form 10-K for the year ended June 30, 2003, as updated from time to time in the company's SEC filings. Those factors include, but are not limited to, general economic and marketplace conditions and events, competitors' actions, the company's costs, the effects on cash flow of tax payments and share repurchases, the success of information systems design and implementation, the ability to manage and realize the benefits of joint ventures and other cooperative relationships, risks inherent in litigation and international operations, the success of new products, the integration of acquisitions, and environmental, regulatory and intellectual property matters.

Q4 Earnings Statements, Segment Information and Consolidated Balance Sheets

Q4 Supplementary Financial Information