



NEWS RELEASE

Clorox Updates Impact of Henkel Transaction and Earnings Outlook

12/16/2004

OAKLAND, Calif., Dec. 16, 2004 - The Clorox Company (CLX: NYSE/PCX) today updated the impact of its previously announced share exchange with Henkel KGaA and related financing, and revised its earnings outlook for its fiscal second quarter ending Dec. 31, 2004, and its fiscal year ending June 30, 2005.

Henkel Transaction

As previously communicated, Clorox's share exchange with Henkel KGaA and related financing have been completed. For fiscal year 2005, Clorox now anticipates the full-year impact of the transaction to increase earnings per diluted share in the range of \$3.27 to \$3.38. Excluding a book gain in the range of \$3.15 to \$3.25 per diluted share on the transfer of the businesses and the company's prior investment in Henkel Iberica, the company now anticipates the full-year incremental impact of this transaction to increase earnings per diluted share in the range of 12 cents to 13 cents.

Second-Quarter Outlook

For the second quarter, including the impact of the businesses transferred to Henkel, Clorox continues to expect sales growth in the range of 3 percent to 5 percent. On a GAAP basis, which includes the impact of the earnings-per-diluted-share accretion estimate and the second-quarter portion of the book gain on the transferred businesses and investment in Henkel Iberica, Clorox now expects earnings per diluted share in the range of \$3.11 to \$3.25. Excluding the second-quarter impact of the estimated gain on the transfer of businesses to Henkel but including the impact of the earnings-per-share accretion estimate related to the Henkel transaction, the company now expects second-quarter earnings per diluted share in the range of 51 cents to 55 cents. The company's increased

second-quarter earnings-per-diluted-share estimates are largely driven by the benefits of lower trade-promotion spending.

Second Quarter Earnings-Per-Diluted-Share (EPS) Outlook Reconciliation (1)

(In dollars per share)	Outlook at Low End of Range	Outlook at High End of Range
Total estimated diluted EPS (GAAP)	\$3.11	\$3.25
Estimated gain on transfer of businesses and investment in Henkel Iberica to Henkel KGaA	2.60	2.70
Total estimated diluted EPS (non-GAAP)	0.51	0.55

Fiscal Year 2005 Outlook

For the full fiscal year, including the impact of the businesses transferred to Henkel, Clorox continues to expect sales growth in the range of 1 percent to 3 percent. On a GAAP basis, which includes the impact of the earnings-per-share accretion estimate and the gain on the transferred businesses and investment in Henkel Iberica, Clorox now expects earnings per diluted share in the range of \$5.80 to \$6.01. Excluding the full-year estimated gain on the transfer of businesses to Henkel but including the impact of the earnings-per-share accretion estimate of 12 cents to 13 cents, the company now expects full-year earnings per diluted share in the range of \$2.65 to \$2.76.

Effective Feb. 1, 2005, the company is increasing prices for Glad® trash bags and GladWare® containers by 12 percent to 13 percent. Offsetting the benefit of these price increases and the earnings-per-share accretion estimate related to the Henkel transaction are significantly higher commodity costs.

As announced separately today, P&G is increasing its investment in the Glad products joint venture to 20 percent. Procter & Gamble's earnings from its investment in the Glad products joint venture are reflected in cost of sales on the Clorox income statement, thereby lowering gross margin.

Fiscal Year 2005 Earnings-Per-Diluted Share (EPS) Outlook Reconciliation (1)

(In dollars per share)	Outlook at Low End of	Outlook at High End of
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	Range	Range
Total estimated diluted EPS (GAAP)	\$5.80	\$6.01
Estimated gain on transfer of businesses and investment in Henkel Iberica to Henkel KGaA	3.15	3.25
Total estimated diluted EPS (non-GAAP)	2.65	2.76

(1) These tables provide quantitative reconciliations of the differences between financial measures that are not presented in accordance with Generally Accepted Accounting Principles in the United States (GAAP) and those calculated in accordance with GAAP. Management believes that the presentation of a comparison of estimated diluted earnings per share excluding the gain on the transfer to Henkel (a non-GAAP financial measure) with estimated diluted earnings per share (a GAAP measure) provides useful information to investors about current trends in the ongoing business. Management does not use this non-GAAP measure for any other purpose.

Second-Quarter Conference Call and Webcast

On Monday, Feb. 7, 2005, Clorox will host a live audio webcast of a discussion with the investment community regarding the company's second-quarter results. The webcast will begin at 10:30 a.m. Pacific time (1:30 p.m. Eastern time), and can be accessed at www.TheCloroxCompany.com/investors/index.html. A replay of the webcast will be available for one week on the company's Web site.

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 & Analysis" in the company's SEC Form 10-K for the year ended June 30, 2004, 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, including changes in the company's exposure to commodity cost increases; the effects on cash flow of tax payments and share repurchases, including interest costs and repayment of debt incurred to finance repurchases; 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.

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