

**The Clorox Company**  
**Reconciliation schedule of operating profit**  
**to earnings from continuing operations before income taxes**

In millions

	Three months ended,		Six months ended,	
	12/31/04	12/31/03	12/31/04	12/31/03
Net sales	\$1,000	\$920	\$2,048	\$1,926
Gross profit	431	393	888	822
<i>Gross margin (1)</i>	43.1%	42.7%	43.4%	42.7%
Total operating expenses (2)	247	234	503	476
Operating profit	184	159	385	346
<i>Operating margin (1)</i>	18.4%	17.3%	18.8%	17.9%
Restructuring and asset impairment costs	2	-	32	-
Interest expense	17	7	25	13
Other income, net	(29)	(2)	(33)	1
Earnings from continuing operations before income taxes	\$194	\$154	\$361	\$332

(1) Percentages based on unrounded numbers

(2) Operating expenses = selling and administrative expenses, advertising costs and research and development costs

In accordance with SEC's Regulation G, this schedule provides the definition of a non-GAAP measure and the reconciliation to the most closely related GAAP measure.

Operating margin is a measure of operating profit as a percentage of net sales, whereby operating profit (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding restructuring and asset impairment costs, interest expense and other income and expense, as reported in the Condensed Consolidated Statements of Earnings (Unaudited).

Management believes the presentation of operating profit and margin provides useful information to investors about current trends in the business. Operating profit is a component for the calculation of management incentive compensation and employee profit sharing plans.

## The Clorox Company

### Supplemental Balance Sheet Information – Preliminary\* (unaudited) For the quarter ended December 31, 2004

#### Working Capital (WC) Update

	Q2 '05 (\$ million)	Q2 '04 (\$ million)	Change (\$ million)	Days '05	Days '04 <sup>(3)</sup>	Change
Receivables, net	354	345	+9	33	34	-1 day
Inventories	342	305	+37	51	49	+2 days
Accounts payable	293	235	+58	43	41	+2 days
Accrued liabilities	629	522	+107			
Total WC <sup>(1)</sup>	-175	-77	-98			
Avg WC% Net sales <sup>(2,3)</sup>	-4.3%	-1.9%	-2.4 pts			

- Receivables were higher driven by sales growth, however days declined due to improved collections and shorter payment terms.
- Inventory was higher primarily due to normalization of charcoal inventory levels and increased bags and wraps inventory behind the launch of *Glad ForceFlex*.
- Accounts payable and accrued liabilities increased primarily due to higher commodity prices, costs associated with the Glad restructuring and tax-related accruals.

### Supplemental Cash Flow Information – Preliminary \* (unaudited) For the six-months ended December 31, 2004

**Capital expenditures were \$58 million**

**Depreciation and amortization was \$94 million**

**Cash provided by continuing operations**

- Cash provided by continuing operations was \$370 million, 18 percent of sales and 26 percent above the six-month period ended December 31, 2003, driven primarily by higher earnings in the current six-month period and a \$37 million pension contribution made in the year-ago period.

\*Preliminary estimates. Final numbers will be published in our Form 10-Q.

(1) Working capital is defined as current assets minus current liabilities excluding cash and short-term debt.

(2) Based on a two points average working capital divided by annualized net sales (*current quarter net sales x 4*).

(3) Q2 '04 working capital as percentage of net sales and days in receivables, net, inventories and accounts payable calculated on balances as reported in our Form 10-Q filed for the quarterly period ended December 31, 2003, and do not reflect reclassification of operating results of businesses transferred to Henkel as discontinued operations.

**The Clorox Company**  
**Supplemental Volume Growth Information**  
**Restated For Discontinued Operations Treatment**

Business Unit	% Change vs. Prior Year							
	FY04					FY05		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	
Laundry Care	2%	14%	9%	7%	8%	6%	0%	
Home Care *	-2%	-1%	-4%	5%	0%	8%	15%	
Water Filtration	-13%	-2%	21%	21%	6%	0%	7%	
Bags & Wraps	11%	9%	9%	7%	9%	14%	9%	
<b>Total Household Products - North America *</b>	<b>1%</b>	<b>5%</b>	<b>4%</b>	<b>6%</b>	<b>4%</b>	<b>8%</b>	<b>9%</b>	
Charcoal	9%	7%	7%	6%	7%	-6%	4%	
Cat Litter	6%	5%	4%	8%	6%	2%	5%	
<i>Cat Litter, excluding divestitures</i>	17%	13%	4%	8%	10%	2%	5%	
Auto Care	-11%	-5%	-2%	-11%	-7%	-12%	-4%	
Dressings & Sauces	15%	10%	14%	7%	11%	-2%	5%	
<b>Total Specialty Products *</b>	<b>4%</b>	<b>4%</b>	<b>5%</b>	<b>3%</b>	<b>4%</b>	<b>-3%</b>	<b>3%</b>	
<i>Specialty, excluding Cat Litter divestitures</i>	7%	7%	5%	3%	5%	-3%	3%	
<b>Total International *</b>	<b>8%</b>	<b>4%</b>	<b>2%</b>	<b>6%</b>	<b>5%</b>	<b>7%</b>	<b>12%</b>	
<b>Total Clorox *</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>5%</b>	<b>8%</b>	
<i>Total, excluding Cat Litter divestitures</i>	4%	5%	4%	5%	5%	5%	8%	
<i>Total North America, excluding Cat Litter divestitures</i>	3%	5%	4%	5%	4%	4%	7%	

**Major drivers of change**

Increased *Clorox2* shipments behind promotional and marketing activity, offset by comparisons against prior year launch of *Clorox Bleach Pen*.

Strong growth behind marketing and promotional activities supporting *Clorox* disinfecting wipes, and new toilet bowl cleaning products including *Clorox ToiletWand*.

Continued share gains in both pour-through and faucet-mount segments.

Strong growth behind launch of *Glad ForceFlex* and merchandising support for *GladWare* containers.

Charcoal shipments increased behind merchandising and distribution gains.

Increased shipments of both *Fresh Step* and *Scoop Away* brands behind new distribution and strong promotional events.

*Jonny Cat* divested in Q2 FY03.

Decline due to reduced merchandising and competitive activity.

Record Q2 shipments of *Hidden Valley Ranch* and *K C Masterpiece* brands behind distribution gains, increased advertising and incremental merchandising.

Strong growth across most of Latin America behind new products, and category and share growth across the division, and in Australia and New Zealand following introduction of *Clorox*-branded home-care products.

\* Volume for Soft Scrub and insecticides businesses transferred to Henkel has been excluded for all periods presented.