

FY19 Q1 Investor Presentation



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Safe Harbor



Except for historical information, matters discussed in this presentation, including statements about the success of the Company's future volume, sales, costs, cost savings, earnings, earnings per share, including as a result of the Nutranext acquisition, diluted earnings per share, margins, foreign currencies, foreign currency exchange rates, tax rates, cash flows, plans, objectives, expectations, growth or profitability, are forward-looking statements based on management's estimates, beliefs, assumptions and projections. Important factors that could affect performance and cause results to differ materially from management's expectations are described in the Company's most recent Form 10-K filed with the SEC, as updated from time to time in the Company's SEC filings. Those factors include, but are not limited to, risks related to competition in the Company's markets; impact of the changing retail environment, including the growth of e-commerce retailers, hard discounters and other alternative channels; volatility and increases in commodity, energy, transportation and other costs; the Company's ability to drive sales growth and increase market share; dependence on key customers; information technology security breaches or cyber attacks; the Company's business reputation; risks relating to acquisitions, including as a result of the Nutanext acquisition, new ventures and divestitures; government regulations; political, legal and tax risks; changes in U.S. tax, immigration or trade policies, including tariffs, and financial market conditions; international operations and international trade, including price controls, foreign currency fluctuations and devaluations and foreign currency exchange rate controls, labor claims and labor unrest, and potential harm and liabilities from use, storage and transportation of chlorine in certain markets; the ability of the Company to innovate, to develop commercially successful products and to implement cost savings; product liability claims, labor claims and other legal proceedings; the success of the Company's business strategies; the venture agreement with P&G related to the Company's Glad® business; the Company's ability to attract and retain key personnel; supply disruptions; environmental matters; the Company's ability to assert and defend its intellectual property rights; the effects of the Tax Cuts and Jobs Act and the impacts of potential stockholder activism.



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Contents

Key Sections

- Who We Are
- Financial Performance
- 2020 Strategy
- Appendix

Slide

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WHO WE ARE



1913



2018

Our Story

1957 – 1969

Purchased by P&G, divested and once again independent
Developed world-class brand-building capabilities

1999

Sales grew by ~40% through First Brands acquisition



2006 – current

Expanded Health & Wellness portfolio through the acquisitions of Burt's Bees, Renew Life, and Nutranext brand



Recognized for corporate citizenship



1913

Developed household bleach in Oakland, CA



1970s & 1980s

Growth through diversification and international expansion



2004

Acquired ~29% of Clorox outstanding common stock from a major shareholder, Henkel, KGaA



How We Create Value



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Leading Brands

Over 80% of Global Sales from #1 or #2 Share Brands

Selected Countries/Categories:

	United States	Share Position
	Disinfecting Wipes Bleach Toilet Bowl Cleaner	#1 #1 #1
	Dilutable Cleaners	#1
	Drain Care	#2
	Charcoal	#1
	Salad Dressing	#1
	Cat Litter	#2
	Premium Trash Bags Food Wraps	#1 #1
	Natural Lip Care	#1
	Water Filtration	#1
	Probiotics – Natural Channel	#2

	International	Share Position
	Argentina Bleach Saudi Arabia Bleach Malaysia Bleach Peru Bleach Hong Kong Wipes	#1 #1 #1 #1 #1
	Chile	#1
	Canada	#1
	Canada	#1
	Australia	#1
	Argentina Chile	#2 #1
	Canada Trash Bags Canada Food Wraps China* Food Protection Hong Kong Food Protection	#2 #1 #1 #1
	Canada Natural Lip Care	#1

-US share position: dollar market share, IRI MULOP 52 weeks ending 6/17/18
 -International share : dollar market share 52 weeks endings Mar 2018, Nielsen Retail Measurement for International geographies except; IRI for Australia.
 *Guanzhou market

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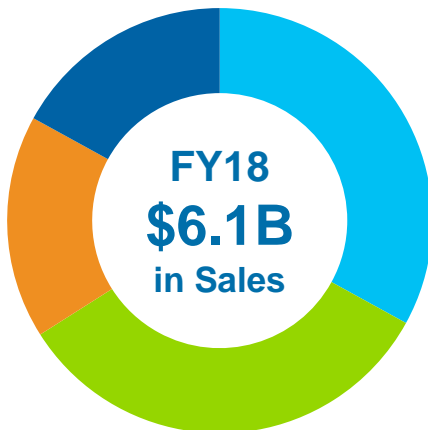
Mid-Sized Categories

International: 17%

Latin America	8%
Canada	4%
Australia / NZ	2%
Rest of World	3%

Lifestyle: 17%

Hidden Valley	9%
BURT'S BEES	4%
BRITA	3%
Nutranext	1%*



Cleaning: 34%

Pine Sol	Home Care	19%
CLOROX	Laundry	9%
CLOROX HEALTHCARE*	Professional	6%

Household: 32%

GLAD	14%
KINGSFORD	9%
Fresh Step	7%
Renew Life	2%

THE CLOROX COMPANY

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* Note: Reflects results following April 2018 acquisition. Expect Nutranext to contribute ~3pts of sales in FY19.

Operational Excellence



*As of June 30th, 2018, Clorox's S&A/Sales was ~13.7% vs. peer average of 18%. This number does not include R&D or marketing expenses and excludes peers that do not disclose S&A separately from SG&A in their reported financial statements (Coca-Cola, Reckitt-Benckiser). Peer group consists of CHD, CL, PG, NWL, CPB, GIS, HSY, K, KHC, DPS, KO, PEP, COTY, EL, KMB, RB-GS.

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Good Growth: Profitable, Sustainable, Responsible



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Our Efforts Are Broadly Recognized



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2020 Strategy

Mission

- We make everyday life better, every day

Objectives

- Maximize economic profit
- Big-share brands in mid-sized categories and countries

Strategy

- Drive superior consumer value behind strong brand investment, innovation and technology transformation
- Accelerate portfolio momentum in and around the core
- Fund growth by reducing waste in our work, products and supply chain
- Engage our people as business owners



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Long-Term Growth Algorithm

U.S. Domestic

~80% of Clorox Sales
+2-4% annual growth

1.5 - 3.0 pts
company growth

International

~20% of Clorox Sales
+5-7% annual growth

1.0 - 1.5 pts
company growth

Total Company

annual growth

= +3 to 5pts

Annual EBIT Margin Improvement:

Annual Free Cash Flow:

+25 to +50 bps

11% to 13% of Sales

EBIT (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding interest income & interest expense.

EBIT margin is a measure of EBIT as a percentage of sales.

Free Cash Flow (a non-GAAP measure) represents Operating Cash Flow from Continuing Operations less Capital Expenditures.

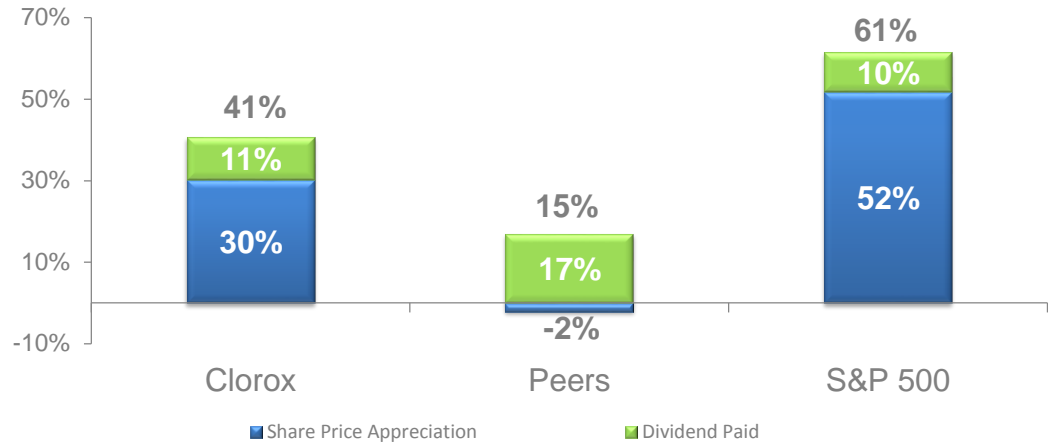
See reconciliation in the supplemental financial schedules located at: <https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx>



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Strong Shareholder Return

Total Shareholder Return - 3 Years Ending 9/30/2018



15 Peers consist of 16 companies: CHD, CL, COTY, CPB, DPS, EL, GIS, HSY, K, KHC, KMB, KO, RB-GB, NWL, PEP, and PG



Financial Performance



Q1FY19 Performance & FY19 Outlook

Sales
(vs Year Ago)

Q1 FY19
(3 months)

\$1.6B
(+4%)

FY19 FY Outlook
(Oct 31 earnings call)

~ 2% to 4%

Innovation: ~ +3pts
Nutranext Acq. & Aplicare Div. ~ +2.5pts
F/X: ~ -2pts

Diluted EPS from cont. ops
(vs Year Ago)

\$1.62
(+11%)

\$6.20 to \$6.40
(-1 to +2%)

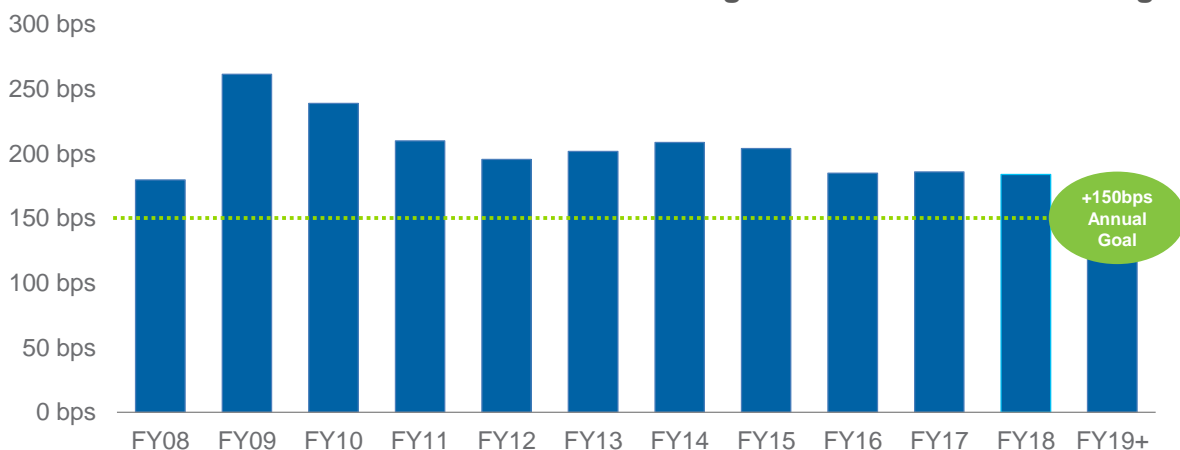
Gross Margin: about flat
Selling and Admin: ~14% of Sales
Adv & Promo: ~10% of Sales
Provisional Effective Tax Rate: ~23%-24%



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Strong Track Record of Cost Savings

EBIT Margin Benefit from Cost Savings

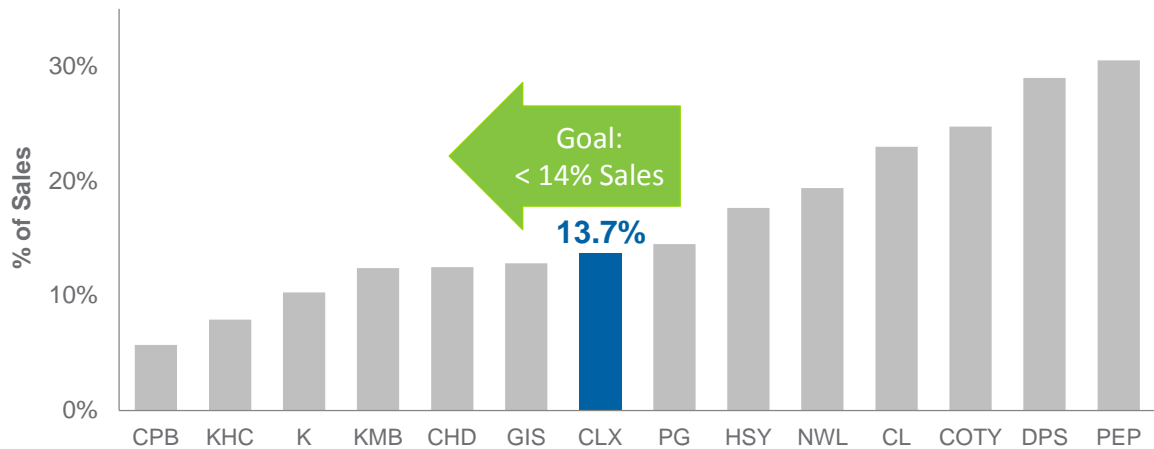


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EBIT (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding interest income & interest expense. EBIT margin is a measure of EBIT as a percentage of sales. See reconciliation in the supplemental financial schedules located at: <https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx>

Continued Discipline on SG&A

As of Fiscal Year Ending June 30, 2018



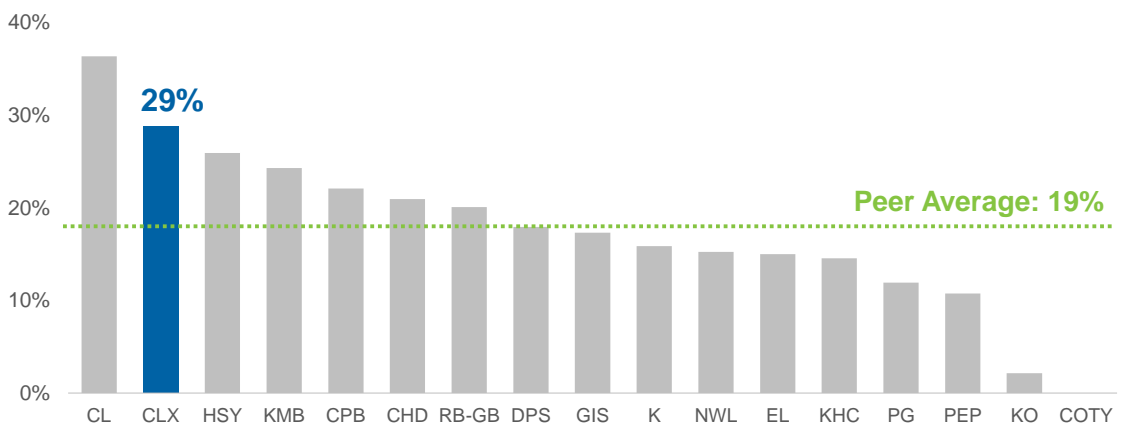
SG&A % of Sales as of Latest Fiscal Year End, CLX as of June 30, 2018



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Delivering Top-Tier ROIC

As of Fiscal Year Ending June 30, 2018



Return on invested capital (ROIC), a non-GAAP measure, is calculated as earnings from continuing operations before income taxes and interest expense, computed on an after-tax basis as a percentage of average invested capital. Average invested capital represents a five quarter average of total assets less non-interest bearing liabilities. ROIC is a measure of how effectively the company allocates capital. Information on the Peer ROIC is based on latest publicly available fiscal-end data from FactSet. Data pulled on 8/1/18. See reconciliation on 66 and 67.



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Strong Free Cash Flow

Annual Free Cash Flow Goal raised to 11%-13% of Sales

Free Cash Flow % of Sales:

11%

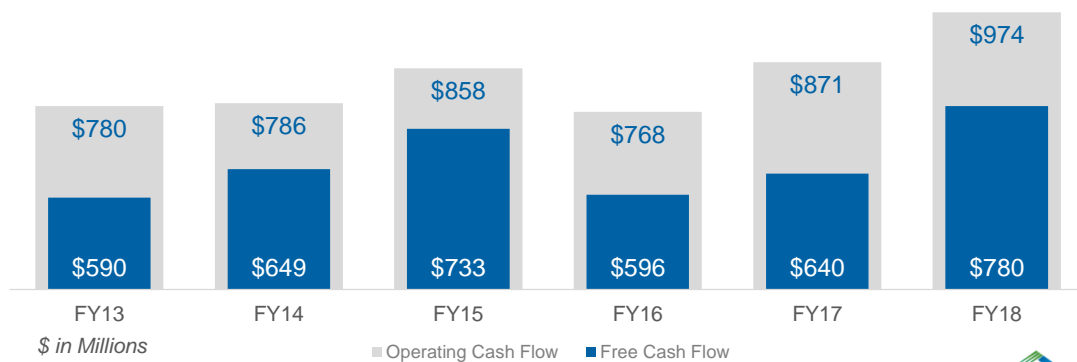
12%

13%

10%

11%

13%



Free Cash Flow (a non-GAAP measure) represents Operating Cash Flow from Continuing Operations less Capital Expenditures.

See reconciliation in the supplemental financial schedules located at: <https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx>



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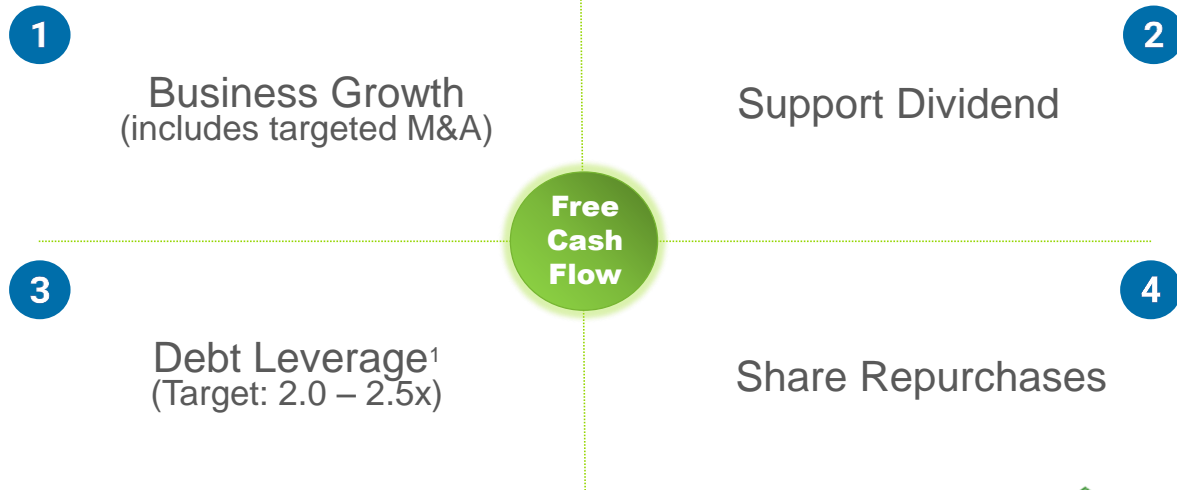
Impact of Recent Tax Reform

- The passage of The Tax Cuts and Jobs Act in December 2017, is expected to meaningfully lower Clorox's long-term effective tax rate
- **FY18:** Full year effective tax rate was **21.8%**
- **FY19:** Full year effective tax rate expected to be **23% to 24%**
- **Long term:** effective tax rate expected to be mid twenties range (vs previous range of low to mid thirties pre-tax reform)



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Use of Cash Priorities



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¹ Debt Leverage = Gross Debt / EBITDA. EBITDA is a non-GAAP measure. See reconciliation in the supplemental financial schedules located at: <https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx>



M&A Focus Unchanged



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Please note that this slide refers to general goals for Clorox's M&A focus – each element may not be relevant or applicable to each potential M&A transaction.



Evolving our Portfolio with Nutranext Acquisition




#2 in Natural



#1 in Natural



#1 in All Channels



Leading DTC Brand

- Fast growing sub-segments within vitamins, minerals and supplement category
- Leading brands
- Attractive margins
- Leverages Clorox capabilities

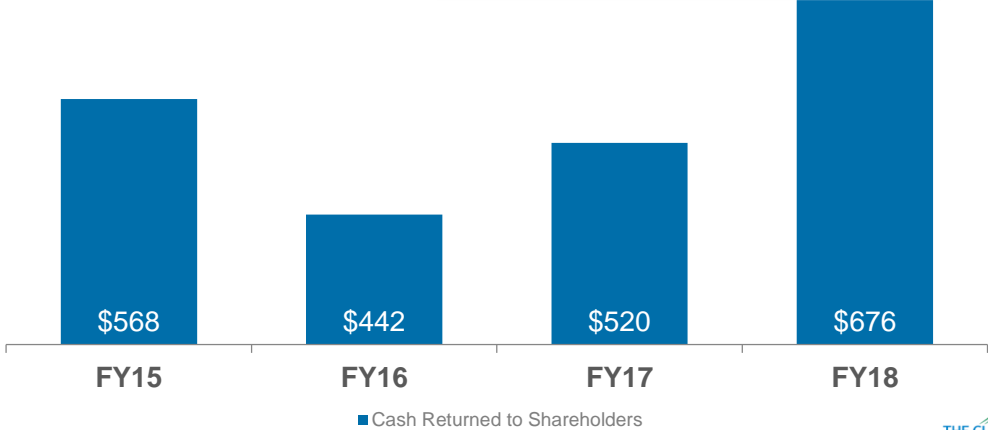
Notes:
 Share Source: SPINS Natural Latest 52 w/e 8 12 18; IRI MULO Latest 52 w/e 8 12 18.
 NeoCell #1 position in Collagen is MULO + Natural Channel combined.
 DTC: Direct to Consumer



Over \$2B Returned to Shareholders in the Last 4 Years

\$ in Millions

Initiated up to \$2B share repurchase program in May 2018

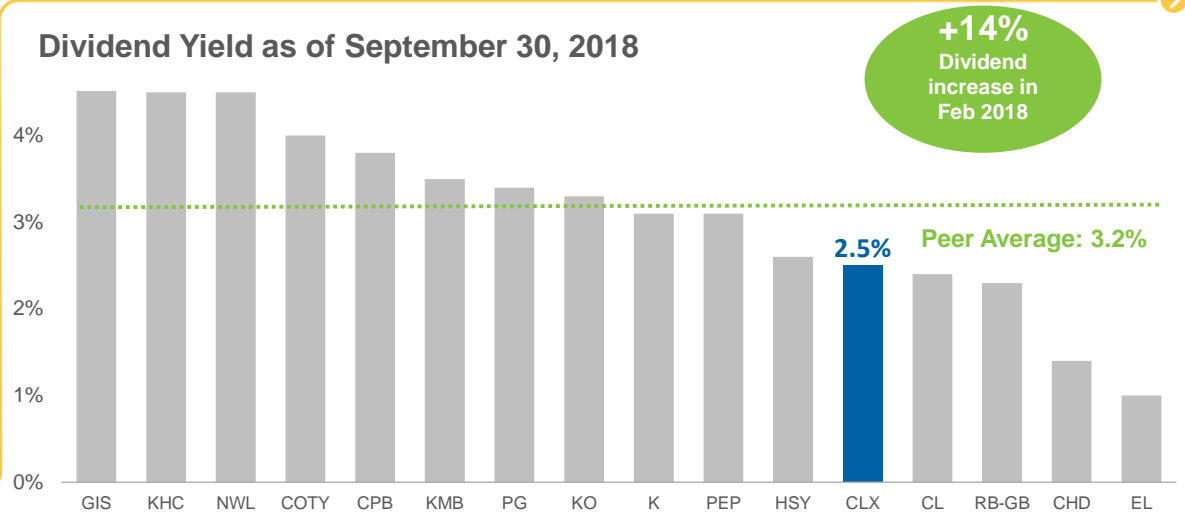


Cash Returned to Shareholders is defined as Dividends Paid plus Share Repurchased less Options Exercised and other



Healthy Dividend Growth... Dividends Have Increased Each Year Since 1977

Dividend Yield as of September 30, 2018



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Source: FactSet, Trailing Dividend Yield as of September 30, 2018



Long-Term Investment Case Remains Solid

- **Investing behind leading brands to grow categories and share**
 - 3%+ annual growth from innovation
 - Healthy brand building investments, including digital/eCommerce
- **Margin improvement opportunities continue to exist**
 - Leverage pricing power to mitigate input cost
 - Strong cost savings track record
 - SG&A below 14% of sales
- **Strong cash flow generation**
 - Goal to generate Free Cash Flow of 11% to 13% of sales
 - Announced +14% dividend increase (Feb 2018) and initiated up to \$2B share repurchase program (May 2018)

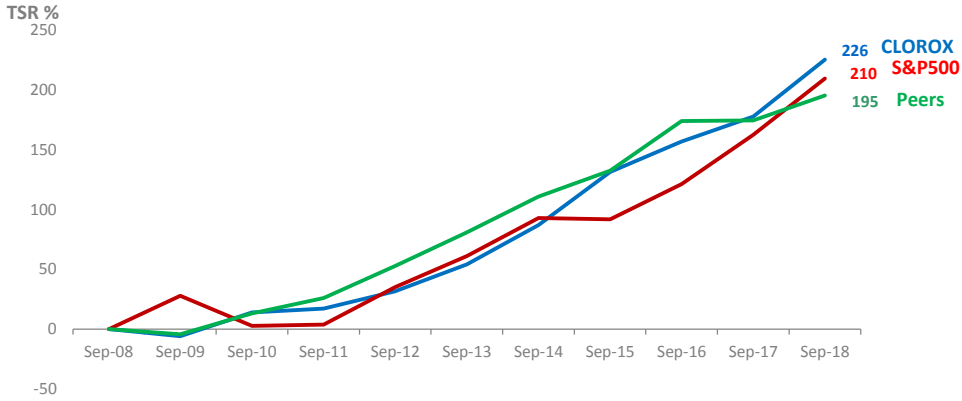
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Free Cash Flow (a non-GAAP measure) represents Operating Cash Flow from Continuing Operations less Capital Expenditures. See reconciliation in the supplemental financial schedules located at: <https://investors.thecoroxcompany.com/investors/financial-information/quarterly-results/default.aspx>



Strong Shareholder Return

Total Shareholder Return 10 Year ending 9/30/2018



29 Peer includes 14 companies: CPB, KMB, K, RB-GB, KO, GIS, NWL, EL, PEP, CHD, CL, PG KDP and HSY



2020 Strategy



2020 Strategy: Drive Superior Consumer Value

Mission

- We make everyday life better, every day

Objectives

- Maximize economic profit
- Big-share brands in mid-sized categories and countries

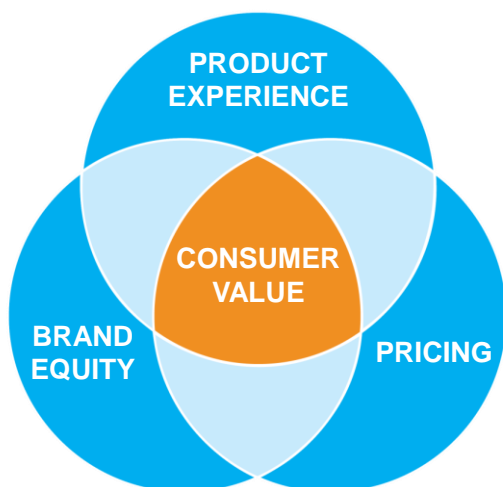
Strategy

- Drive superior consumer value behind strong brand investment, innovation and technology transformation
- Accelerate portfolio momentum in and around the core
- Fund growth by reducing waste in our work, products and supply chain
- Engage our people as business owners



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Driving Superior Consumer Value



- Value is an outcome of:
 - Great brand equity
 - Differentiated products
 - The right pricing
- Executing with excellence by delivering seamless consumer experience in-store and online



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Building Brand Equity

Evolving how we build Brands



Brand Studios

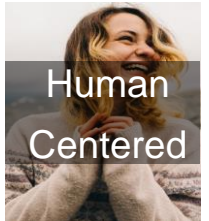


New Agency Partners
mcgarrybowen
ALMA



Marketing Technology

Building Brands with Purpose



Human Centered



Technology Enabled



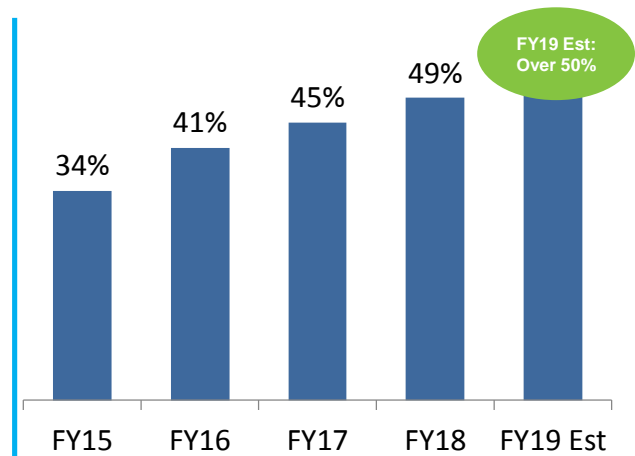
Purpose Driven



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We Continue to Lean Into Digital Engagement

Clorox expects to invest **over 50%** of our media in digital



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Our Partners Help Build World-Class Digital

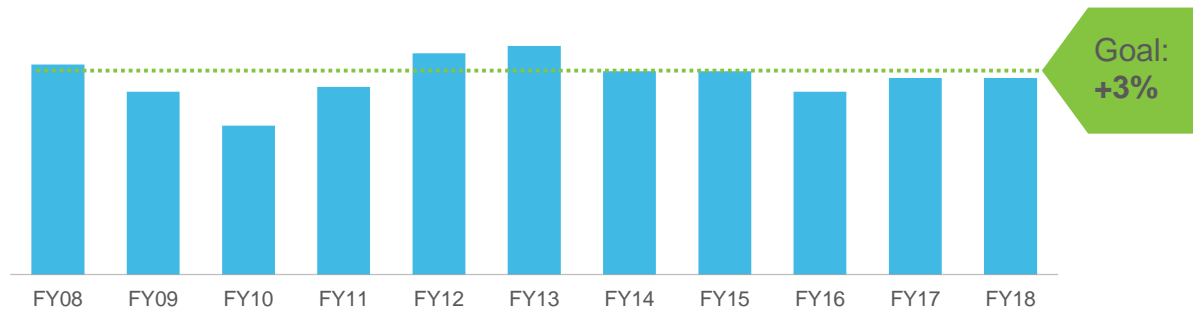
Select Partners:



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Innovation: Strong Track Record

Incremental Sales Growth from Product Innovation
(Last 12 months)



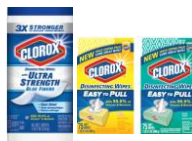
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Source: Clorox Internal

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Solid Pipeline to Continue the Momentum

FY18



Clorox Disinfecting Wipes: Ultra Strength & Easy to Pull



Burt's Bees Cosmetics



Glad ForceFlex Plus Advanced Protection



Clorox Performance Bleach with Cloromax



Clean Paws Low Tracking Litter



Scentiva New Scents & Bathroom Cleaners

FY19 FH



Burt's Bees Charcoal Face Mask



Burt's Bees Liquid Lipstick



Burt's Bees Body Wash



Scentiva™: Fresh Brazilian Blossom

FY19 BH

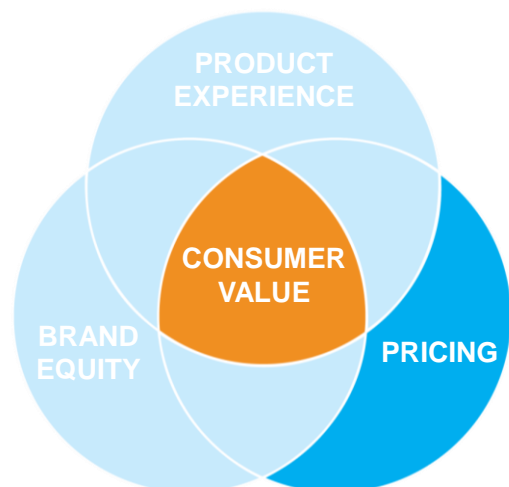
More to come...



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Strategic Approach to Pricing Guided by Consumer Value

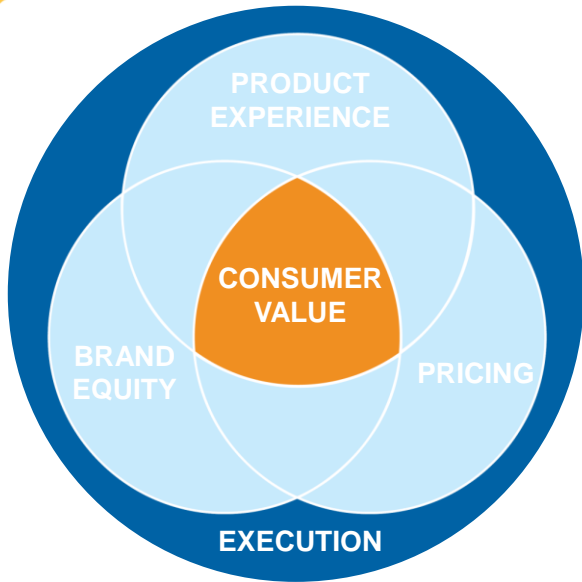
- Price for value, considering all elements of consumer value
- Leverage value-added innovation as a pricing opportunity
- Strong track record of price increases over past 5 years



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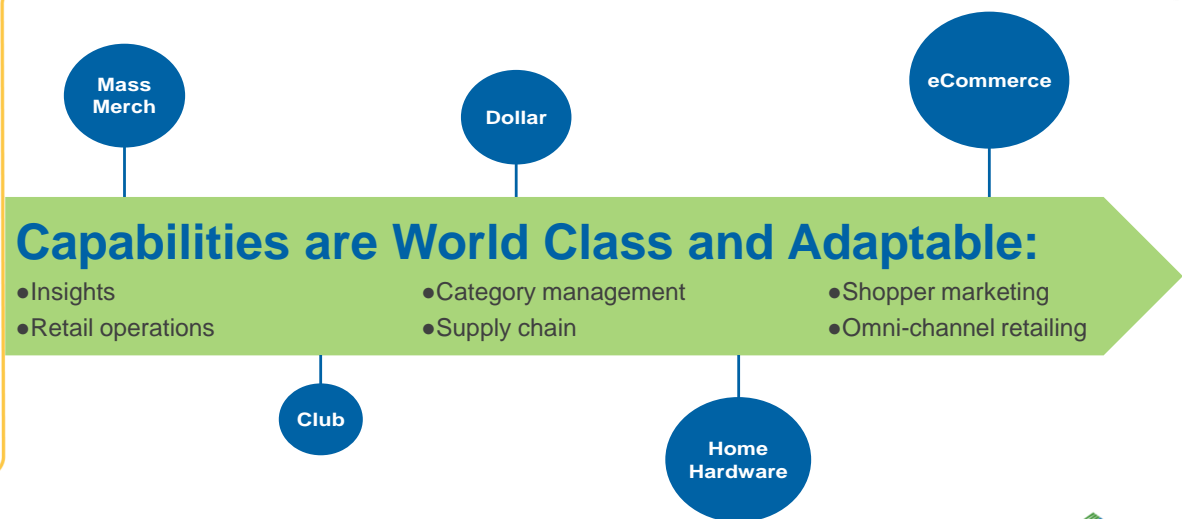
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Driving Superior Consumer Value



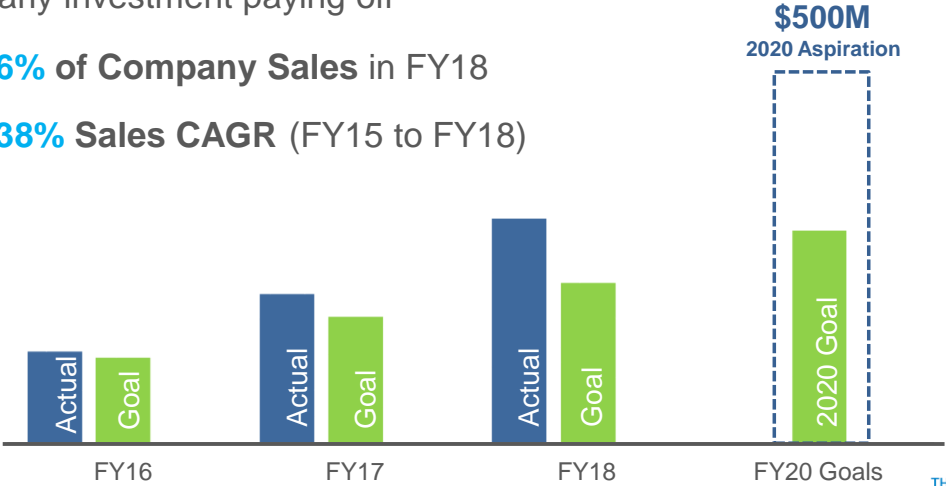
- Value is an outcome of:
 - Great brand equity
 - Differentiated products
 - The right pricing
- **Executing with excellence by delivering seamless consumer experience in-store and online**

Strong Capabilities and Long History of Retail Success



eCommerce Sales Well Ahead of Goals

- Early investment paying off
- ~6% of Company Sales in FY18
- +38% Sales CAGR (FY15 to FY18)

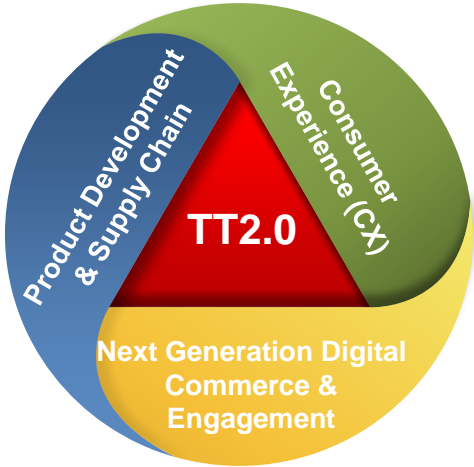


41 FY18 includes eCommerce sales from Nutranext



Tech Transformation 1.0 to 2.0

eCommerce
Digital Marketing



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2020 Strategy: Accelerate Portfolio Momentum

Mission

- We make everyday life better, every day

Objectives

- Maximize economic profit
- Big-share brands in mid-sized categories and countries

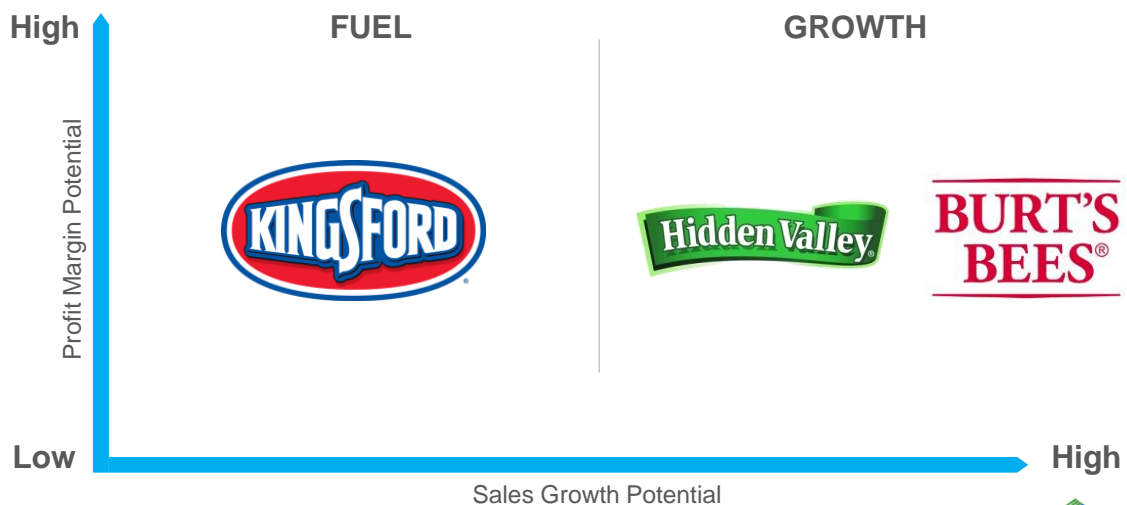
Strategy

- Drive superior consumer value behind strong brand investment, innovation and technology transformation
- Accelerate portfolio momentum in and around the core
- Fund growth by reducing waste in our work, products and supply chain
- Engage our people as business owners



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Portfolio Segmentation



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Fuel Brands Create Investment Dollars

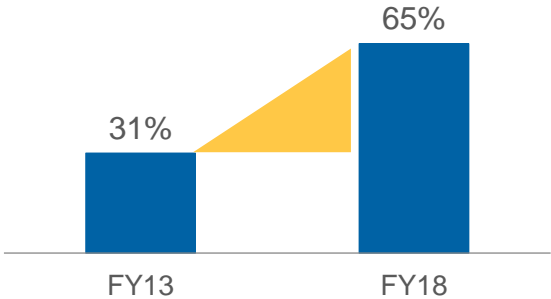
Increasing demand spend



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Investments Drive Household Penetration

% Sales with Growing/Stable HH Pen



65%
of portfolio has growing or stable household penetration



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Source: IRI Panel Data, Total U.S. All Outlets, NBD Weighted

2020 Strategy: Fuel Growth by Reducing Waste

Mission

- We make everyday life better, every day

Objectives

- Maximize economic profit
- Big-share brands in mid-sized categories and countries

Strategy

- Drive superior consumer value behind strong brand investment, innovation and technology transformation
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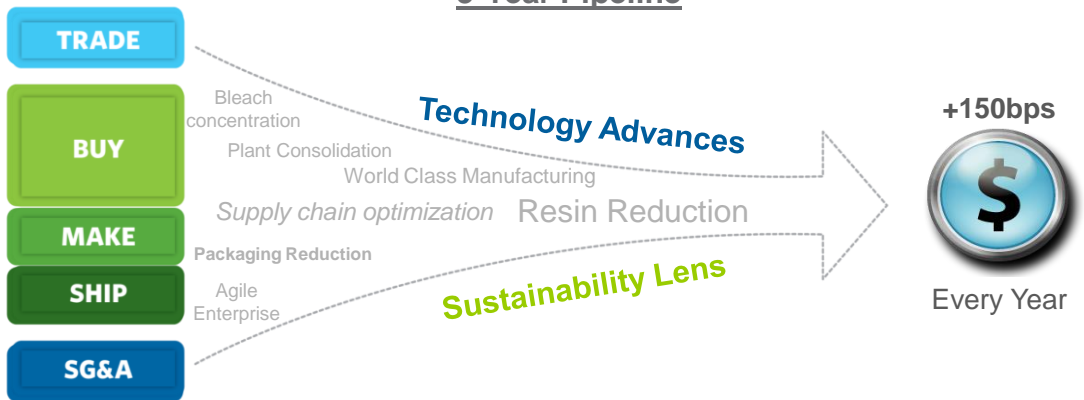


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Cost Savings is in our DNA

Over 10 years of +150bps EBIT Margin Benefit from Cost Savings (see slide 18)

3-Year Pipeline



Discovery Charter Commercialize



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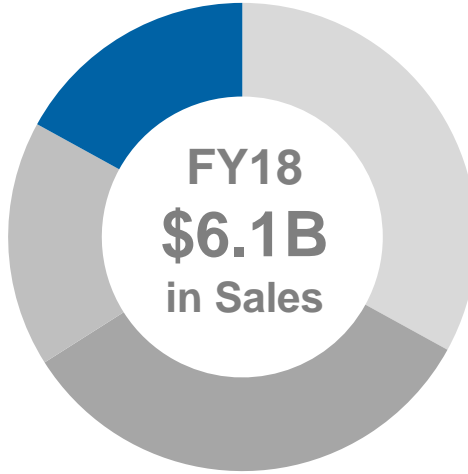
Fueling Growth in International

International : 17%

- Latin America 8%
- Canada 4%
- Australia / NZ 2%
- Rest of World 3%

Lifestyle : 17%

-  9%
-  4%
-  3%
-  1%*



Cleaning : 34%

-  Home Care 19%
-  Laundry 9%
-  Professional 6%

Household : 32%

-  14%
-  9%
-  7%
-  2%

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* Note: Reflects results following April 2018 acquisition. Expect Nutranext to contribute ~3pts of sales in FY19.

Leading Brands in International

>80% of our brands in International are #1 or #2 in their market

Selected Countries/Categories:

	Country	Share Position
	Argentina Bleach	#1
	Argentina Laundry Additives	#1
	Hong Kong Bleach	#2
	Costa Rica Bleach	#1
	Malaysia Bleach	#1
	Saudi Arabia Bleach	#1
	Mexico Bleach	#2
	Peru Bleach	#1
	Colombia Bleach	#2
	Chile	#1

	Country	Share Position
	Argentina	#2
	Chile	#1
	Canada Trash Bags	#2
	Canada Food Wraps	#1
	New Zealand Food Protection	#1
	China* Food Protection	#1
	Hong Kong Food Protection	#1
  	Canada	#1
	Canada	#1
	Australia	#1
	Canada Natural Lip Care	#1

Source: Dollar Market share, 52 weeks ending March 2018. Nielsen Retail Measurement for International geographies except; IRI for Australia, IDRetail for Uruguay
*Guangzhou markets

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International “Go Lean” Strategy is Working



**Pricing
Maximization**



**Focus on
Cost Savings**



**Right-Size
Infrastructure**



**Optimize Demand
Creation**



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2020 Strategy: Engage our People as Business Owners

Mission

- We make everyday life better, every day

Objectives

- Maximize economic profit
- Big-share brands in mid-sized categories and countries

Strategy

- Drive superior consumer value behind strong brand investment, innovation and technology transformation
- Accelerate portfolio momentum in and around the core
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Clorox Growth Culture Enables our 2020 Strategy



- **Decisive**
- **Empowered**
- **Accountable**

2018 Growth Culture index:

79

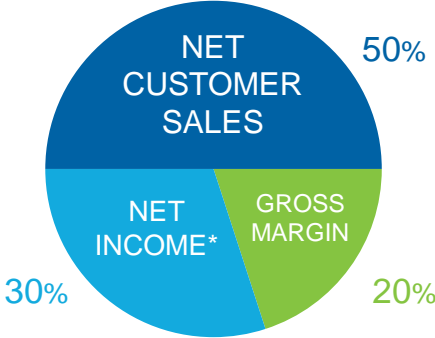
- **Consistent** with Global High Performance Companies
- **Well above** Global Fast Moving Consumer Goods Companies

Source: Willis Towers Watson
 Global High Performing Companies (Growth Culture Index 80): Companies meeting two criteria: (a) superior financial performance, defined by a net profit margin and/or return on invested capital that exceeds industry averages; and (b) superior human resource practices, defined by employee opinion scores near the top among the most financially successful companies surveyed by Willis Towers Watson. Includes responses from over 140,000 employees at dozens of global organizations.
 FMCG Norm (Growth Culture Index 73): Based on responses from more than 160,000 employees globally.



Employees Share in Rewards for Delivering Results

Short-term Incentives



Long-term Incentives



*Continuing operations

*Metric for Performance Share Units



People Strategy Building a Competitive Advantage

Strong sustainable **engagement** results are generally associated with:

- **3x** higher operating margin¹
- **6.5** fewer days lost¹
- **41%** lower retention risk¹

Inclusion and diversity lead to **better outcomes**:

- **+6%** greater revenue, **+15%** more customer wins, significantly higher market share²
- **Gender-diverse** companies are **+15%** more likely to **outperform peers**³
- **Ethnically-diverse** companies are **35%** more likely to **outperform peers**³
- Diverse and **inclusive company cultures** are **45%** more likely to **improve market share**, and have greater discretionary effort from employees and **lower turnover**⁴

Sources:

1 Willis Towers Watson

2 Why Diversity and Inclusion Has Become a Business Priority, Josh Bersin, December 7, 2015

3 Diversity Matters, Vivian Hunt, Dennis Layton and Sara Prince, February 2, 2015

4 Why Diversity Can Be Bad For Business (And Inclusion Is The Answer), Sebastian Bailey, May 20, 2014



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Superior Employee Engagement

SUSTAINABLE ENGAGEMENT



88%
(favorable score)

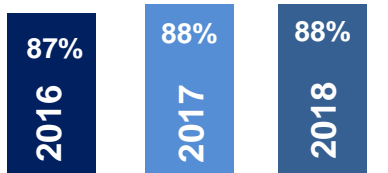
World Class Levels

vs. Fast Moving Consumer Goods vs. Global High Performing Companies

+7*

+2*

Higher than Peers



Growing over time

Source: Willis Towers Watson

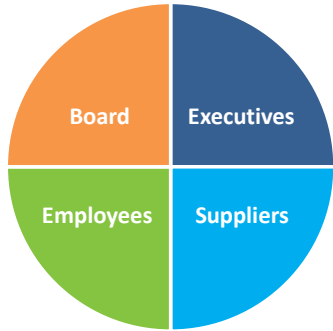
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*Statistically Significant

We Cultivate Diversity Broadly to Generate Value



33%

Female Clorox Executive Committee Members

33%

Female Board Members

33%

Minority Board Members

Clorox Employee Resource Groups



AFRICAN-AMERICAN
EMPLOYEE RESOURCE GROUP



ELeBRASIA
UNITY IN DIVERSITY



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Good Growth: Profitable, Sustainable, Responsible



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Making Our Products More Sustainable

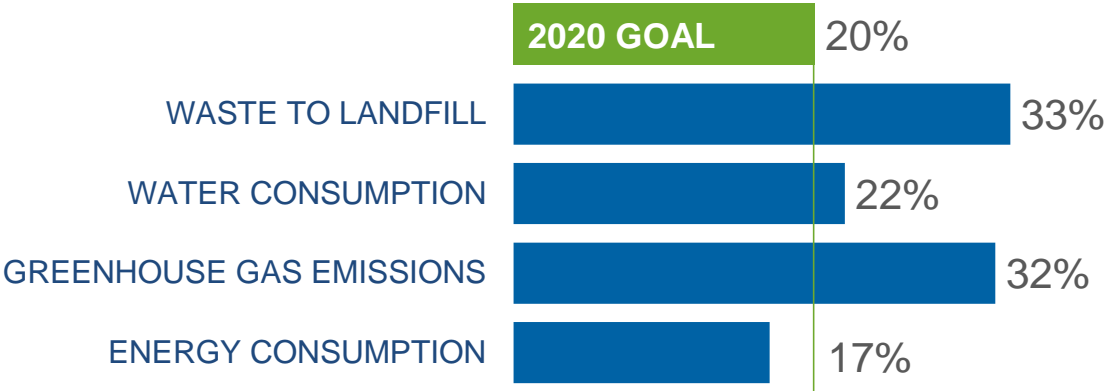
Sustainability improvements to **49% of the portfolio***



On track to meet our goal of 50% product portfolio by 2020

Source: 2018 Clorox Integrated Annual Report
Cumulative progress to date since 2011 base year to 2018

Reducing Our Environmental Footprint



On track to meet or beat our goal of 20% reduction by 2020

Source: 2018 Clorox Integrated Annual Report
Cumulative progress to date since 2011 base year to 2018

Safeguarding Families and Communities

**\$69
MILLION**

Total Cash Grants and Donations
FY13 to FY18

**\$16
MILLION**

Cash Equivalent Volunteer Hours
CY12 to CY17



Source: 2018 Clorox Integrated Annual Report



Appendix



Key Credit Metrics

\$ in B	FY13	FY14	FY15	FY16	FY17	FY18
EBITDA	\$1.2	\$1.1	\$1.2	\$1.2	\$1.3	\$1.3
Total Debt / EBITDA	2.1x	2.0x	1.8x	1.9x	1.7x	1.9x
EBITDA Interest Coverage	9.5x	11.3x	11.9x	14.0x	14.5x	15.3x
EBIT / Interest	8.0x	9.6x	10.2x	12.1x	12.7x	13.3x
Free Cash Flow / Debt	25%	28%	33%	26%	29%	31%
FCF after Dividends / Debt	10%	12%	16%	9%	10%	13%
FCF as % of sales	10%	12%	13%	10%	11%	13%
FCF after Dividends as % of Sales	4%	5%	6%	3%	4%	5%
Long Term Credit Ratings	BBB+ /Baa1	BBB+/Baa 1	BBB+/Baa 1	A- / Baa1	A-/Baa1	A-/Baa1
CP Ratings	A-2/P-2	A-2/P-2	A-2/P-2	A-2/P-2	A-2/P-2	A-2/P-2

Note: EBIT, EBITDA, FCF are Non-GAAP measures with reconciliations available in the supplemental financial schedules located at: <https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx>



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Gross Margin Reconciliation

Driver	Gross Margin Change vs. Prior Year (basis points)					
	FY18					FY19
	Q1	Q2	Q3	Q4	FY	Q1
Cost Savings	+160	+170	+140	+120	+140	+130
Price Changes	+40	+30	+50	+50	+40	+90
Market Movement (commodities)	-90	-110	-160	-130	-130	-130
Manufacturing & Logistics	-80	-240	-220	-110	-160	-280
All other ⁽¹⁾	+20	-20	+70	-100	+10	+40
Change vs prior year	+50	-170	-120	-170	-100	-150
Gross Margin (%)	44.9%	43.0%	42.8%	44.0%	43.7%	43.4%

(1) In Q4 of fiscal year 2018, "All other" includes about -60bps of negative impact from costs related to the Nutranext acquisition.



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Reportable Segments (unaudited)

Dollars in Millions

	Net sales			Earnings (losses) from continuing operations before income taxes		
	Three Months Ended			Three Months Ended		
	9/30/2018	9/30/2017	% Change ⁽¹⁾	9/30/2018	9/30/2017	% Change ⁽¹⁾
Cleaning	\$ 571	\$ 559	2%	\$ 180	\$ 172	5%
Household	442	441	0%	59	73	-19%
Lifestyle	309	246	26%	62	64	-3%
International	241	254	-5%	28	23	22%
Corporate	-	-	-	(61)	(53)	15%
Total	\$ 1,563	\$ 1,500	4%	\$ 268	\$ 279	-4%

⁽¹⁾ Percentages based on rounded numbers.



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Return on Invested Capital (ROIC) Reconciliation

Dollars in millions and all calculations based on rounded numbers

	FY18
Earnings from continuing operations before income taxes	\$ 1,054
Interest expense	85
Earnings from continuing operations before income taxes and interest expense	\$ 1,139
Income taxes on earnings from continuing operations before income taxes and interest expense ⁽²⁾	\$ (249)
Adjusted after-tax profit	\$ 890
Average invested capital ⁽³⁾	\$ 3,095
Return on invested capital ⁽¹⁾	29%

(1) 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. Return on invested capital (ROIC), a non-GAAP measure, is calculated as earnings from continuing operations before income taxes and interest expense, computed on an after-tax basis as a percentage of average invested capital. Management believes ROIC provides additional information to investors about current trends in the business. ROIC is a measure of how effectively the company allocates capital. ROIC should not be considered in isolation or as a substitute for the comparable GAAP measures and should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.

(2) The tax rate applied is the effective tax rate on continuing operations, which was 31.9%.

(3) Average invested capital represents a five quarter average of total assets less non-interest bearing liabilities.



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Return on Invested Capital (ROIC) Reconciliation

Dollars in millions and all calculations based on rounded numbers

(Amounts shown below are five quarter averages)

	<u>FY18</u>
Total assets	\$ 4,887
Less: non-interest bearing liabilities	<u>(1,792)</u>
Average invested capital	<u><u>\$ 3,095</u></u>

