

Supplemental unaudited reconciliation of earnings from continuing operations before income taxes to EBIT⁽¹⁾⁽³⁾ and EBITDA⁽²⁾⁽³⁾

(Adjusted to reflect Clorox Venezuela reclassified to discontinued operations)

Dollars in millions and percentages based on rounded numbers

	FY 2014					FY 2015	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
	9/30/13	12/31/13	3/31/14	6/30/14	6/30/14	9/30/14	12/31/14
Earnings from continuing operations before income taxes	\$ 211	\$ 184	\$ 226	\$ 263	\$ 884	\$ 218	\$ 197
Interest income	(1)	-	(1)	(1)	(3)	(1)	(1)
Interest expense	26	26	25	26	103	26	26
EBIT⁽¹⁾⁽³⁾	236	210	250	288	984	243	222
<i>EBIT margin⁽¹⁾⁽³⁾</i>	17.6%	16.1%	18.3%	19.2%	17.8%	18.0%	16.5%
Depreciation and amortization	43	45	43	46	177	43	42
EBITDA⁽²⁾⁽³⁾	\$ 279	\$ 255	\$ 293	\$ 334	\$ 1,161	\$ 286	\$ 264
<i>EBITDA margin⁽²⁾⁽³⁾</i>	20.8%	19.5%	21.4%	22.3%	21.1%	21.2%	19.6%
Net sales	\$ 1,343	\$ 1,308	\$ 1,366	\$ 1,497	\$ 5,514	\$ 1,352	\$ 1,345
Total debt ⁽⁴⁾					\$2,313	\$2,224	\$2,672
Debt to EBITDA⁽³⁾⁽⁵⁾					2.0	1.9	2.3

- (1) EBIT (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding interest income and interest expense, as reported above. EBIT margin is the ratio of EBIT to net sales.
- (2) EBITDA (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding interest income, interest expense, depreciation and amortization, as reported above. EBITDA margin is the ratio of EBITDA to net sales.
- (3) In accordance with the SEC's Regulation G, this schedule provides the definition of certain non-GAAP measures and the reconciliation to the most closely related GAAP measure. Management believes the presentation of EBIT, EBIT margin, EBITDA, EBITDA margin and debt to EBITDA provides additional useful information to investors about current trends in the business.
- (4) Total debt represents the sum of notes and loans payable, current maturities of long-term debt, and long-term debt.
- (5) Debt to EBITDA (a non-GAAP measure) represents total debt divided by EBITDA for the trailing four quarters. The Company calculates debt to Consolidated EBITDA for compliance with its debt covenants using Consolidated EBITDA for the trailing four quarters, as contractually defined.