The Clorox Company

Economic Profit (Unaudited) (1)

Reconciliation of earnings from continuing operations before income taxes to economic profit (EP)

Dollars in millions and all calculations on a rounded basis	*Adjusted for discontinued operations* FY11	FY10	*Includes the results of the Auto businesses* FY11 (2)	*As previously reported* FY10	FY09	FY08
Earnings from continuing operations before income taxes	**$ 563**	**$ 805**	**$ 677**	**$ 925**	**$ 811**	**$ 693**
Noncash restructuring-related and asset impairment costs (3)	264	4	264	4	10	48
Interest expense (4)	123	139	123	139	161	168
Earnings from continuing operations before income taxes, noncash restructuring-related and asset impairment costs, and interest expense	$ 950	$ 948	$ 1,064	$ 1,068	$ 982	$ 909
Adjusted after tax profit (5)	**$ 629**	**$ 619**	**$ 704**	**$ 697**	**$ 650**	**$ 604**
Average capital employed (6)	$ 2,618	$ 2,525	$ 3,037	$ 2,928	$ 3,045	$ 2,680
Capital charge (7)	**236**	**227**	**273**	**264**	**274**	**241**
Economic profit (8) (Adjusted after tax profit less capital charge)	**$ 393**	**$ 392**	**$ 431**	**$ 433**	**$ 376**	**$ 363**
% change over prior year	+0.3%	+12.6%	-0.5%	+15.2%	+3.6%	-4.2%

(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.

Management believes the presentation of economic profit (EP) provides additional information to investors about current trends in the business. EP is used by management to evaluate business performance and was taken into account in determining management's incentive compensation and the Company's contribution to employee profit sharing plans in fiscal year 2011. EP represents profit generated over and above the cost of paying for assets used by the business to generate that profit.

(2) Economic profit to calculate fiscal year 2011 short-term incentive compensation includes the results of the Auto businesses (but excludes the net gain on sale), which were reclassified to discontinued operations in Q1 fiscal year 2011. The earnings from continuing operations before income taxes and total capital employed are adjusted accordingly.

(3) Noncash restructuring-related and asset impairment costs, which includes the noncash goodwill impairment charge of $258 million recognized in Q2 fiscal 2011 to adjust the carrying value of the goodwill related to the acquisition of Burt's Bees to estimated fair value, are added back to earnings and adjusted capital employed to more closely reflect cash earnings and the total capital investment used to generate those earnings.

(4) Interest expense is added back to earnings because it is included as a component of the capital charge.

(5) Adjusted after tax profit represents earnings from continuing operations before income taxes, non-cash restructuring-related and asset impairment costs and interest expense, after tax. The tax rate applied is the effective tax rate on continuing operations which was 33.8%, 34.7% (34.8% as previously reported), 33.8%, and 33.6% in fiscal years 2011, 2010, 2009, and 2008, respectively.

(6) Total capital employed represents total assets less assets held for sale and non-interest bearing liabilities. Adjusted capital employed represents total capital employed adjusted to add back current year noncash restructuring-related and asset impairment. Average capital employed represents a two-point average of adjusted capital employed for the current year and total capital employed for the prior year, based on year-end balances. See below for details of the average capital employed calculation:

	Adjusted for discontinued operations FY11	FY10	*Includes the results of the Auto businesses* FY11 (2)	*As previously reported* FY10	FY09	FY08
Total assets	$ 4,163	$ 4,548	$ 4,163	$ 4,555	$ 4,576	$ 4,712
Adjustments related to Auto businesses	-	(405)	434	-	-	-
Total assets adjusted for Auto businesses	4,163	4,143	4,597	4,555	4,576	4,712
Less:						
Accounts payable	423	409	423	410	381	418
Accrued liabilities	442	491	442	492	472	440
Income taxes payable	41	74	41	74	86	52
Other liabilities	619	677	619	677	640	632
Deferred income taxes	140	19	140	24	23	65
Non-interest bearing liabilities	1,665	1,670	1,665	1,677	1,602	1,607
Total capital employed	**2,498**	**2,473**	**2,932**	**2,878**	**2,974**	**3,105**
Non-cash restructuring-related and asset impairment costs	264	4	264	4	10	48
Adjusted capital employed	**$ 2,762**	**$ 2,477**	**$ 3,196**	**$ 2,882**	**$ 2,984**	**$ 3,153**
Average capital employed	**$ 2,618**	**$ 2,525**	**$ 3,037**	**$ 2,928**	**$ 3,045**	**$ 2,680**

(7) Capital charge represents average capital employed multiplied by the weighted-average cost of capital. The weighted-average cost of capital used to calculate capital charge was 9% for all fiscal years presented.

(8) EP represents earnings from continuing operations before income taxes, noncash restructuring-related and asset impairment costs, and interest expense, after tax, less a capital charge (as defined above).