

The Clorox Company

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

Dollars in millions and percentages based on rounded numbers

	FY 2012					FY 2013				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	9/30/11	12/31/11	3/31/12	6/30/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	6/30/13
Earnings from continuing operations before income taxes	\$ 187	\$ 155	\$ 198	\$ 251	\$ 791	\$ 194	\$ 188	\$ 202	\$ 269	\$ 853
Interest income	(1)	(1)	-	(1)	(3)	-	(1)	(1)	(1)	(3)
Interest expense	29	30	33	33	125	33	33	30	26	122
EBIT⁽¹⁾	215	184	231	283	913	227	220	231	294	972
<i>EBIT margin⁽¹⁾</i>	16.5%	15.1%	16.5%	18.4%	16.7%	17.0%	16.6%	16.3%	19.0%	17.3%
Depreciation and amortization	46	43	44	45	178	44	46	46	46	182
EBITDA⁽²⁾	\$ 261	\$ 227	\$ 275	\$ 328	\$ 1,091	\$ 271	\$ 266	\$ 277	\$ 340	\$ 1,154
<i>EBITDA margin⁽²⁾</i>	20.0%	18.6%	19.6%	21.3%	20.0%	20.3%	20.1%	19.6%	22.0%	20.5%
Net sales	\$ 1,305	\$ 1,221	\$ 1,401	\$ 1,541	\$ 5,468	\$ 1,338	\$ 1,325	\$ 1,413	\$ 1,547	\$ 5,623
Debt to EBITDA⁽⁴⁾					2.5					2.1
Total debt ⁽⁵⁾					\$2,721					\$2,372

(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 a measure of EBIT as a percentage of 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 a measure of EBITDA as a percentage of 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 and EBITDA margin provides additional useful information to investors about current trends in the business.

Note: The Company calculates EBITDA for compliance with its debt covenants using earnings from continuing operations for the trailing four quarters, as contractually defined.

(4) Debt to EBITDA (a non-GAAP measure) represents total debt divided by EBITDA.

(5) Total debt represents the sum of notes and loans payable, current maturities of long-term debt, and long-term debt.