OAKLAND, Calif., Feb. 1, 2007 – The Clorox Company (NYSE: CLX) today announced that solid sales growth and higher gross margin contributed to strong operating results for the company's fiscal second quarter, which ended Dec. 31, 2006.

"I'm pleased with our second-quarter results," said Chairman and CEO Don Knauss. "We drove strong sales growth in two of our three business segments, grew gross margin and delivered EPS results above our outlook range for the quarter.

"Importantly, we remain committed to achieving our financial targets for the full fiscal year, and work is under way to refresh our corporate strategy as we set sights on the company's 2013 centennial. I look forward to sharing our plans this spring for continuing to drive the long-term growth and value of the company."

Second-quarter highlights

Clorox reported second-quarter net earnings of $96 million, or 62 cents per diluted share. Net earnings included a tax benefit of $5 million, or 3 cents per diluted share, related to the sale of the company's residual assets in a Brazilian subsidiary. Clorox discontinued its operations in Brazil in fiscal year 2003. The company reported second-quarter earnings from continuing operations of $91 million, or 59 cents per diluted share. This compares with $83 million in the year-ago quarter, or 55 cents per diluted share, for an increase of 4 cents per diluted share. EPS results in the current quarter reflected the benefit of higher sales and gross margin improvement.

Second-quarter sales grew 3 percent to $1.10 billion, compared with $1.06 billion in the year-ago quarter. Volume declined 1 percent, driven by the continued impact of price increases taken in early calendar year 2006, as
anticipated. In addition, shipments of Glad® trash bags and some laundry and home-care products were also impacted by aggressive competitive activity. Sales growth outpaced the change in volume primarily due to the pricing impact.

Gross margin in the second quarter increased 100 basis points versus the year-ago quarter to 42 percent. This increase was primarily due to the benefit of cost savings and price increases, partially offset by cost increases for commodities, manufacturing and logistics.

Net cash provided by operations in the second quarter was $122 million, compared to $142 million in the year-ago quarter. The year-over-year decrease was primarily due to the timing of tax payments and cash provided by discontinued operations in the year-ago quarter.

During the quarter, Clorox repurchased about 1.1 million shares of the company's common stock at a cost of about $69 million, under its ongoing program to offset stock option dilution.

Second-quarter results by business segment

Following is a summary of key second-quarter results by business segment. All comparisons are with the second quarter of fiscal 2006.

Household Group – North America

The segment reported a 2 percent sales decline, 5 percent volume decline and 9 percent decrease in pretax earnings. Aggressive competitive activity resulted in lower shipments of some household products, including Clorox® disinfecting wipes and Clorox 2® color-safe bleach. Also contributing to the segment's volume results were the impact of price increases on Clorox® bleach and auto-care products, as consumers adjusted to higher retail prices. The variance between changes in sales and volume was primarily due to the impact of price increases. Pretax earnings reflected the impact of higher commodity costs, unfavorable product mix, lower sales and increased transportation costs. These factors were partially offset by the benefits of cost savings and the pricing impact.

Specialty Group

The segment reported 8 percent sales growth, flat volume and a 30 percent increase in pretax earnings. The segment delivered all-time-record shipments of Fresh Step® scoopable cat litter for the third consecutive quarter behind a significant product improvement, as well as higher shipments of Kingsford® grilling products due to a product improvement and favorable December weather. These results were offset by lower shipments of Glad®
products, particularly trash bags, due to intense competitive activity and the ongoing impact of early calendar year 2006 price increases. Sales growth outpaced the change in volume primarily due to the pricing impact. Pretax earnings reflected the benefit of higher sales, cost savings and favorable product mix, partially offset by higher commodity costs and energy-related manufacturing and transportation costs.

**International**

The segment reported 9 percent sales growth, 10 percent volume growth and a 3 percent increase in pretax earnings. Volume growth was driven by increased shipments of home-care products in Argentina and Mexico. Pretax earnings reflected the benefit of price increases and higher sales, substantially offset by increased commodity costs and marketing spending to support new cleaning products in certain markets.

**Outlook**

For fiscal 2007, Clorox continues to anticipate sales growth within its previously communicated long-term target range of 3-5 percent. The fiscal year outlook includes the impact of the previously announced acquisition of Colgate-Palmolive Company’s bleach business in Canada and Latin America. The company now anticipates the acquisition to reduce diluted earnings per share by about 2 cents in the second half of the fiscal year. In addition, fiscal 2007 outlook continues to include about 8-9 cents diluted EPS of transition and restructuring costs associated with the previously announced IT services agreement. The company’s tax rate for the fiscal year is anticipated to be in the range of about 35 percent, versus 32 percent in fiscal 2006, with some anticipated variability among quarters. The company anticipates that its third- and fourth-quarter tax rates will range around 34 to 36 percent, possibly slightly higher than 36 percent in the fourth quarter. The anticipated year-over-year increase in tax rate is primarily due to lower expected tax-settlement benefits versus fiscal 2006. Net of these factors, the company now anticipates fiscal 2007 diluted EPS from continuing operations in the range of $3.20-$3.28. This updated outlook includes the aforementioned 2 cent impact from the acquisition of the bleach business.

For the third quarter, the company continues to anticipate sales growth in the range of 3-5 percent and diluted EPS in the range of 74-80 cents. Volume growth may outpace sales growth due to anticipated higher spending to support brands facing competitive pressure. To help recover higher costs, the company increased prices on Kingsford® charcoal products, effective January 2007. For more information on price increases, visit the Financial Results area within the Investors section of the company’s Web site at www.TheCloroxCompany.com. The third-quarter outlook also includes 3-4 cents diluted EPS of incremental impact from transition and restructuring costs associated with the IT services agreement.

The company’s initial fourth-quarter outlook is for sales growth in the range of 3-5 percent and diluted EPS in the range of $1.10 to $1.16. This outlook anticipates solid gross margin growth and lower selling and administrative
expenses, compared to the year-ago quarter. The year-ago quarter included compensation expense related to a voluntary review of the company's historical stock option practices, and costs related to the retirement of the former chairman and CEO from his positions.

For more information

Visit the Investors: Financial Results section of the company's Web site at www.TheCloroxCompany.com for the following:

- Definitions of financial terms used in this earnings release and on today's conference call with the investment community (details below)
- Supplemental volume growth information
- Supplemental sales growth information
- Adjusted operating profit reconciliation information
- Supplemental balance sheet and cash flow information
- Supplemental price-increase information

Note: Percentage and basis-point changes noted in this news release are calculated based on rounded numbers.

Today's webcast

Today at 10:30 a.m. Pacific time (1:30 p.m. Eastern time), Clorox will host a live audio webcast of a discussion with the investment community regarding the company's second-quarter results. The webcast can be accessed at www.TheCloroxCompany.com/investors/index.html. Following a live discussion, a replay of the webcast will be archived for one week on the company's Web site.

Clorox to discuss corporate strategy in May

Clorox will host a conference for the investment community in New York on May 24, 2007. Don Knauss and members of the management team will present the company's updated long-term strategy. The media and public will be able to listen to a live audio webcast of the presentation. Details will be posted at www.thecloroxcompany.com/investors/index closer to the event date.

The Clorox Company
The Clorox Company is a leading manufacturer and marketer of consumer products with fiscal year 2006 revenues of $4.6 billion. Clorox markets some of consumers’ most trusted and recognized brand names, including its namesake bleach and cleaning products, Armor All® and STP® auto-care products, Fresh Step® and Scoop Away® cat litter, Kingsford® charcoal, Hidden Valley® and K C Masterpiece® dressings and sauces, Brita® water-filtration systems, and Glad® bags, wraps and containers. With 7,600 employees worldwide, the company manufactures products in more than two dozen countries and markets them in more than 100 countries. Clorox is committed to making a positive difference in the communities where its employees work and live. Founded in 1980, The Clorox Company Foundation has awarded cash grants totaling more than $66.3 million to nonprofit organizations, schools and colleges; and in fiscal 2006 alone made product donations valued at $6 million. For more information about Clorox, visit www.TheCloroxCompany.com.

Forward-looking statements

Except for historical information, matters discussed above, including statements about future volume, sales, costs, cost savings, earnings, cash outflows, plans, objectives, expectations, growth, or profitability, are forward-looking statements based on management’s estimates, assumptions and projections. Words such as "expects," "anticipates," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," and variations on such words, and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are only predictions, subject to risks and uncertainties, and actual results could differ materially from those discussed above. Important factors that could affect performance and cause results to differ materially from management’s expectations are described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's Annual Report on Form 10-K for the fiscal year ended June 30, 2006, as updated from time to time in the company's SEC filings. These factors include, but are not limited to, general economic and marketplace conditions and events; competitors' actions; the company's costs, including changes in exposure to commodity costs such as resin, diesel and chlor-alkali; increases in energy costs; consumer and customer reaction to price increases; customer-specific ordering patterns and trends; the company's actual cost performance; changes in the company's tax rate; any future supply constraints which may affect key commodities; risks inherent in sole-supplier relationships; risks related to customer concentration; risks arising out of natural disasters; risks related to the handling and/or transportation of hazardous substances, including but not limited to chlorine; risks inherent in litigation, including the litigation relating to the cumulative charge resulting from additional stock option compensation expenses relating to prior periods; international operations; risks inherent in maintaining an effective system of internal controls, including the potential impact of acquisitions or the use of third-party service providers; the ability to manage and realize the benefit of joint ventures and other cooperative relationships, including the company's joint venture regarding the company's Glad® plastic bags, wraps and containers business, and the agreement relating to the provision of information technology and related services by a third party; the success of new products; the integration of
acquisitions and mergers; the divestiture of non-strategic businesses; the implementation of the company’s updated long-term strategy; and the ability of the company to successfully manage tax, regulatory, product liability, intellectual property, environmental and other legal matters, including the risk resulting from joint and several liability for environmental contingencies. In addition, the company’s future performance is subject to risks particular to the share exchange transaction with Henkel KGaA (“Henkel”), including the sustainability of cash flows, the tax indemnification obligations and the actual level of debt costs. Declines in cash flow, whether resulting from tax payments, debt payments, share repurchases, interest cost increases greater than management expects, or otherwise, could adversely affect the company’s earnings.

The company's forward-looking statements in this document are and will be based on management's then current views and assumptions regarding future events and speak only as of their dates. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the federal securities laws.

Consolidated Earnings, Segment Information and Consolidated Balance Sheets

Supplemental Volume Change Information

Supplemental Sales Growth Information

Adjusted Operating Profit Reconciliation

Supplemental Balance Sheet and Cash Flow Information

Supplemental Price-Increase Information

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