

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of The Clorox Company:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of The Clorox Company and subsidiaries as of June 30, 2004 and 2003, and the related consolidated statements of earnings, stockholders' equity and cash flows for the years then ended (not presented separately herein), and in our report dated August 5, 2004, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

Ernst & Young LLP

San Francisco, California

August 5, 2004

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of The Clorox Company:

We have audited the consolidated statements of earnings, stockholders' equity, and cash flows of The Clorox Company and its subsidiaries (the "Company") for the year ended June 30, 2002. Such consolidated financial statements and our report thereon dated September 4, 2002, expressing an unqualified opinion (which are not included herein) are included in Appendix A to the proxy statement for the 2004 annual meeting of stockholders. The accompanying condensed consolidated financial statements for the year ended June 30, 2002 are the responsibility of the Company's management. Our responsibility is to express an opinion on such condensed consolidated financial statements in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated statements of earnings, stockholders' equity and cash flows for the year ended June 30, 2002 is fairly stated in all material respects in relation to the basic consolidated financial statements from which it has been derived.

Deloitte & Touche LLP

Oakland, California

September 4, 2002

Stockholder and Financial Information

Stock Listing

The New York Stock Exchange and Pacific Exchange list The Clorox Company's common stock, which is identified by the symbol CLX.

Transfer Agent, Registrar and Dividend Disbursing Agent

Inquiries relating to stockholder records, change of ownership, change of address and the dividend reinvestment plan should be sent to:

EquiServe Trust Company, N.A.
 P.O. Box 43069
 Providence, RI 02940-3069
 (781) 575-2726
 TDD (800) 952-9245 for hearing impaired
www.equiserve.com

Stockholder Information Service

Shareholder.com offers the latest Clorox news. Stockholders can call (888) CLX-NYSE (259-6973) toll-free 24 hours a day to hear messages about Clorox, request company materials or get a 20-minute-delayed stock quote. For more information, visit www.shareholder.com.

Dividend Reinvestment Plan

Clorox offers holders of its common stock a dividend reinvestment plan. Investors who take advantage of the plan can purchase additional shares at no cost (most fees are paid by Clorox) through a voluntary cash investment plan. For more information or plan materials, call (888) CLX-NYSE (259-6973).

2004 Financial Information

The following pages of the Clorox 2004 Annual Report contain summary financial information. Full financial statements are provided in the company's Notice of 2004 Annual Meeting and Proxy Statement. Detailed financial information is available through the following sources:

- > The company's Proxy Statement, which will be mailed to all stockholders, is available at www.clorox.com.
- > The company's **Form 10-K Annual Report** to the Securities and Exchange Commission for the year ended June 30, 2004, is available at www.clorox.com and through the SEC's EDGAR database. **Printed copies are available by calling (888) CLX-NYSE (259-6973).**
- > The most recent certifications by the company's chief executive officer and chief financial officer pursuant to sections 302 and 906 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to the company's Form 10-K.

Except for historical information, matters discussed in the Annual Report are forward-looking statements and are based on management's estimates, assumptions and projections. Actual results could vary materially. Please look to the "Forward-Looking Statements and Risk Factors" and "Management's Discussion and Analysis" sections in the company's SEC Form 10-K for the year ended June 30, 2004, and subsequent SEC filings for a number of factors that can affect the company's performance and ability to achieve forward-looking statements. The information in this report reflected management's estimates, assumptions and projections as of Aug. 27, 2004. Clorox has not made updates since then and makes no representation, express or implied, that the information is still current or complete. The company is under no obligation to update any part of this document.

Condensed Consolidated Statements of Earnings

Years ended June 30 (in millions, except share and per-share amounts)	2004	2003	2002
Net sales	\$ 4,324	\$ 4,144	\$ 4,022
Cost of products sold	2,387	2,225	2,279
Gross profit	1,937	1,919	1,743
Selling and administrative expenses	552	532	526
Advertising costs	429	456	391
Research and development costs	84	76	66
Restructuring and asset impairment costs	11	33	184
Interest expense	30	28	38
Other income, net	(9)	(8)	(23)
Earnings from continuing operations before income taxes	840	802	561
Income taxes	294	288	204
Earnings from continuing operations	546	514	357
Earnings (losses) from discontinued operations, net of tax benefits of \$7, \$5 and \$28 for the years ended June 30, 2004, 2003 and 2002, respectively	3	(21)	(35)
Net earnings	\$ 549	\$ 493	\$ 322
Earnings (losses) per common share			
Basic			
Continuing operations	\$ 2.58	\$ 2.36	\$ 1.54
Discontinued operations	0.01	(0.10)	(0.15)
Basic net earnings per common share	\$ 2.59	\$ 2.26	\$ 1.39
Diluted			
Continuing operations	\$ 2.55	\$ 2.33	\$ 1.52
Discontinued operations	0.01	(0.10)	(0.15)
Diluted net earnings per common share	\$ 2.56	\$ 2.23	\$ 1.37
Weighted average common shares outstanding (in thousands)			
Basic	211,683	218,174	231,849
Diluted	214,371	220,692	234,704

Condensed Consolidated Balance Sheets

As of June 30 (in millions, except share and per-share amounts)

	2004	2003
Assets		
Current assets		
Cash and cash equivalents	\$ 232	\$ 172
Receivables, net	460	463
Inventories	301	264
Other current assets	45	46
Assets held for sale	5	6
Total current assets	1,043	951
Property, plant and equipment, net	1,052	1,072
Goodwill, net	742	730
Trademarks and other intangible assets, net	633	651
Other assets	364	248
Total assets	\$ 3,834	\$ 3,652
Liabilities and Stockholders' Equity		
Current liabilities		
Notes and loans payable	\$ 289	\$ 361
Current maturities of long-term debt	2	213
Accounts payable	310	312
Accrued liabilities	643	537
Income taxes payable	24	28
Total current liabilities	1,268	1,451
Long-term debt	475	495
Other liabilities	377	376
Deferred income taxes	174	115
Stockholders' equity		
Common stock, \$1.00 par value, 750,000,000 shares authorized, 249,826,934 shares issued and 212,988,540 and 213,676,668 shares outstanding at June 30, 2004 and 2003, respectively	250	250
Additional paid-in capital	301	255
Retained earnings	2,846	2,565
Treasury shares, at cost, 36,838,394 and 36,150,266 shares at June 30, 2004 and 2003, respectively	(1,570)	(1,507)
Accumulated other comprehensive net losses	(274)	(339)
Unearned compensation	(13)	(9)
Stockholders' equity	1,540	1,215
Total liabilities and stockholders' equity	\$ 3,834	\$ 3,652

Condensed Consolidated Statements of Stockholders' Equity

In millions (except share and per-share amounts)	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Shares		Accumulated Other Comprehensive Net Losses	Unearned Compensation	Total	Total Comprehensive Income
	Shares (000)	Amount			Shares (000)	Amount				
Balance at June 30, 2001	249,827	\$ 250	\$ 195	\$ 2,142	(13,136)	\$ (441)	\$ (202)	\$ (11)	\$ 1,933	
Comprehensive income										
Net earnings				322					322	\$ 322
Translation adjustments							(215)		(215)	(215)
Tax effect on translation adjustments							107		107	107
Translation related to impairment charges							75		75	75
Change in valuation of derivatives, net of tax							4		4	4
Minimum pension liability adjustments							(65)		(65)	(65)
Total comprehensive income										\$ 228
Dividends (\$0.84 per share)				(196)					(196)	
Employee stock plans			27	(3)	1,839	32		1	57	
Treasury stock purchased and related premiums				5	(10,000)	(417)			(412)	
Settlement of share repurchase contracts					(5,520)	(244)			(244)	
Balance at June 30, 2002	249,827	250	222	2,270	(26,817)	(1,070)	(296)	(10)	1,366	
Comprehensive income										
Net earnings				493					493	\$ 493
Translation adjustments							48		48	48
Tax effect on translation adjustments							(94)		(94)	(94)
Translation related to impairment charges							13		13	13
Change in valuation of derivatives, net of tax							(5)		(5)	(5)
Minimum pension liability adjustments, net of tax							(5)		(5)	(5)
Total comprehensive income										\$ 450
Dividends (\$0.88 per share)				(193)					(193)	
Employee stock plans			33	(5)	2,333	49		1	78	
Treasury stock purchased					(11,666)	(486)			(486)	
Balance at June 30, 2003	249,827	250	255	2,565	(36,150)	(1,507)	(339)	(9)	1,215	
Comprehensive income										
Net earnings				549					549	\$ 549
Translation adjustments, net of tax of \$1							3		3	3
Change in valuation of derivatives, net of tax							(4)		(4)	(4)
Minimum pension liability adjustments, net of tax							66		66	66
Total comprehensive income										\$ 614
Dividends (\$1.08 per share)				(229)					(229)	
Employee stock plans			46	(39)	4,275	157		(4)	160	
Treasury stock purchased					(4,963)	(220)			(220)	
Balance at June 30, 2004	249,827	\$ 250	\$ 301	\$ 2,846	(36,838)	\$(1,570)	\$ (274)	\$ (13)	\$ 1,540	

Condensed Consolidated Statements of Cash Flows

Years ended June 30 (in millions)	2004	2003	2002
Operations:			
Earnings from continuing operations	\$ 546	\$ 514	\$ 357
Adjustments to reconcile earnings from continuing operations to net cash provided by continuing operations:			
Depreciation and amortization	197	191	189
Deferred income taxes	26	100	(27)
Restructuring and asset impairment	11	30	158
Net loss (gain) on sale of businesses and disposition of assets	5	(4)	(16)
Increase (decrease) in defined benefit liability	20	22	(10)
Other	8	17	22
Cash effects of changes in (excluding effects of businesses sold or acquired):			
Receivables, net	3	17	—
Inventories	(35)	(11)	3
Other current assets	—	(1)	(3)
Accounts payable and accrued liabilities	75	(48)	106
Income taxes payable	89	35	99
Pension contributions to qualified plans	(41)	(55)	—
Net cash provided by continuing operations	904	807	878
Net cash used for discontinued operations	(5)	(4)	(2)
Net cash provided by operations	899	803	876
Investing Activities:			
Capital expenditures	(172)	(205)	(176)
Businesses acquired	(13)	—	—
Proceeds from the sale of businesses	—	15	60
Low income housing contributions	(17)	(15)	(14)
Other	(34)	2	20
Net cash used for investing by continuing operations	(236)	(203)	(110)
Net cash provided by investing by discontinued operations	—	10	1
Net cash used for investing activities	(236)	(193)	(109)
Financing Activities:			
Notes and loans payable, net	(75)	30	205
Long-term debt borrowings	8	8	3
Long-term debt repayments	(215)	(27)	(212)
Cash dividends paid	(229)	(193)	(196)
Treasury stock purchased from non affiliates	(155)	(486)	(412)
Treasury stock purchased from related party, Henkel KGaA	(65)	—	—
Settlement of share repurchase contracts	—	—	(257)
Proceeds from settlement of interest rate swaps	24	—	—
Issuance of common stock for employee stock plans, and other	111	41	35
Net cash used for financing by continuing operations	(596)	(627)	(834)
Net cash (used for) provided by financing by discontinued operations	(9)	10	1
Net cash used for financing activities	(605)	(617)	(833)
Effect of exchange rate changes on cash and cash equivalents	2	2	(8)
Net increase (decrease) in cash and cash equivalents	60	(5)	(74)
Cash and cash equivalents:			
Beginning of year	172	177	251
End of year	\$ 232	\$ 172	\$ 177
Supplemental cash flow information:			
Cash paid for:			
Interest, net of amounts capitalized	\$ 31	\$ 30	\$ 47
Income taxes, net of refunds	81	126	119
Non-cash investing activity:			
Venture Agreement			
Equipment and technologies obtained	\$ —	\$ 125	\$ —
Terminal obligation recorded	—	125	—