

Report of Independent Registered Public Accounting Firm on Condensed Consolidated Financial Statements

The Board of Directors and Stockholders 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 at June 30, 2005 and 2004, and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the three years in the period ended June 30, 2005 (not presented separately herein), and in our report dated August 26, 2005, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of The Clorox Company's internal control over financial reporting as of June 30, 2005, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 26, 2005 (not presented separately herein), expressed an unqualified opinion thereon.

Ernst + Young LLP

San Francisco, California
August 26, 2005

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).

Management Report on Internal Control Over Financial Reporting

Clorox management, under the supervision and with the participation of the chief executive officer and chief financial officer, has assessed the effectiveness of the company's internal control over financial reporting as of June 30, 2005, and concluded that it is effective. For more information, see Item 9A of the company's Form 10-K for the year ended June 30, 2005.

2005 Financial Information

The following pages of the Clorox 2005 Annual Report contain summary financial information. Full financial statements are provided in the company's Notice of 2005 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.TheCloroxCompany.com
- > The company's Annual Report on Form 10-K for the year ended June 30, 2005, is available at www.TheCloroxCompany.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 review the "Forward-Looking Statements and Risk Factors" and "Management's Discussion and Analysis" sections in the company's Annual Report on Form 10-K for the year ended June 30, 2005, 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. 31, 2005. 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 (dollars in millions, except per-share amounts)

	2005	2004	2003
Net sales	\$ 4,388	\$ 4,162	\$ 3,986
Cost of products sold	2,493	2,331	2,171
Gross profit	1,895	1,831	1,815
Selling and administrative expenses	551	543	523
Advertising costs	435	420	446
Research and development costs	88	84	75
Restructuring and asset impairment costs	36	11	33
Interest expense	79	30	28
Other (income) expense:			
Equity earnings and gain on exchange of Henkel Iberica, S.A.	(25)	(11)	(2)
Other, net	2	2	(6)
Earnings from continuing operations before income taxes	729	752	718
Income taxes on continuing operations	214	262	257
Reversal of deferred taxes from equity investment in Henkel Iberica, S.A.	(2)	-	-
Earnings from continuing operations	517	490	461
Discontinued operations:			
Gain on exchange	550	-	-
Earnings from exchanged businesses	37	87	84
Reversal of deferred taxes from exchanged businesses	6	-	-
Losses from Brazil operations	-	(4)	(26)
Income tax expense on discontinued operations	(14)	(24)	(26)
Earnings from discontinued operations	579	59	32
Net earnings	\$ 1,096	\$ 549	\$ 493
Earnings per common share			
Basic			
Continuing operations	\$ 2.92	\$ 2.31	\$ 2.11
Discontinued operations	3.28	0.28	0.15
Basic net earnings per common share	\$ 6.20	\$ 2.59	\$ 2.26
Diluted			
Continuing operations	\$ 2.88	\$ 2.28	\$ 2.08
Discontinued operations	3.23	0.28	0.15
Diluted net earnings per common share	\$ 6.11	\$ 2.56	\$ 2.23
Weighted average common shares outstanding (in thousands)			
Basic	176,586	211,683	218,174
Diluted	179,176	214,371	220,692

Condensed Consolidated Balance Sheets

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

	2005	2004
Assets		
Current assets		
Cash and cash equivalents	\$ 293	\$ 232
Receivables, net	411	460
Inventories	323	301
Other current assets	63	50
Total current assets	1,090	1,043
Property, plant and equipment, net	999	1,052
Goodwill, net	743	742
Trademarks and other intangible assets, net	599	633
Other assets	186	364
Total assets	\$ 3,617	\$ 3,834
Liabilities and Stockholders' (Deficit) Equity		
Current liabilities		
Notes and loans payable	\$ 359	\$ 289
Current maturities of long-term debt	2	2
Accounts payable	347	310
Accrued liabilities	614	643
Income taxes payable	26	24
Total current liabilities	1,348	1,268
Long-term debt	2,122	475
Other liabilities	618	377
Deferred income taxes	82	174
Total liabilities	4,170	2,294
Stockholders' (deficit) equity		
Common stock: \$1.00 par value; 750,000,000 shares authorized; 249,826,934 shares issued; and 151,683,314 and 212,988,540 shares outstanding at June 30, 2005 and 2004, respectively	250	250
Additional paid-in capital	328	301
Retained earnings	3,684	2,846
Treasury shares, at cost: 98,143,620 and 36,838,394 shares at June 30, 2005 and 2004, respectively	(4,463)	(1,570)
Accumulated other comprehensive net losses	(336)	(274)
Unearned compensation	(16)	(13)
Stockholders' (deficit) equity	(553)	1,540
Total liabilities and stockholders' (deficit) equity	\$ 3,617	\$ 3,834

Condensed Consolidated Statements of Stockholders' (Deficit) Equity

Dollars in millions (except 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, 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 of \$(4)							(5)		(5)	(5)
Minimum pension liability adjustments, net of tax							(5)		(5)	(5)
Total comprehensive income										\$ 450
Dividends paid (\$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 of \$2							(4)		(4)	(4)
Minimum pension liability adjustments, net of tax							66		66	66
Total comprehensive income										\$ 614
Dividends paid (\$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	
Comprehensive income										
Net earnings				1,096					1,096	\$1,096
Share Exchange with Henkel KGaA					(61,387)	(2,843)			(2,843)	
Translation adjustments resulting from the Henkel KGaA exchange, net of tax of \$(10)							21		21	21
Other translation adjustments, net of tax of \$(2)							29		29	29
Change in valuation of derivatives, net of tax of \$(3)							6		6	6
Minimum pension liability adjustments, net of tax							(118)		(118)	(118)
Total comprehensive income										\$1,034
Dividends paid (\$1.10 per share)				(201)					(201)	
Dividends accrued (\$0.28 per share)				(42)					(42)	
Employee stock plans			27	(15)	2,831	110		(3)	119	
Treasury stock purchased					(2,750)	(160)			(160)	
Balance at June 30, 2005	249,827	\$250	\$328	\$ 3,684	(98,144)	\$(4,463)	\$(336)	\$(16)	\$(553)	

Condensed Consolidated Statements of Cash Flows

Years ended June 30 (dollars in millions)

	2005	2004	2003
Operations:			
Earnings from continuing operations	\$ 517	\$ 490	\$ 461
Adjustments to reconcile earnings from continuing operations to net cash provided by continuing operations:			
Depreciation and amortization	190	195	189
Deferred income taxes	(45)	26	98
Restructuring and asset impairment activities	38	11	30
Gain on exchange of Henkel Iberica, S.A.	(20)	-	-
Net loss disposition of assets	6	5	(4)
Other	34	29	36
Changes in:			
Receivables, net	33	8	19
Inventories	(17)	(37)	(10)
Other current assets	5	-	(1)
Accounts payable and accrued liabilities	59	72	(44)
Income taxes payable	22	86	41
Settlement of income tax contingency	(94)	-	-
Pension contributions to qualified plans	-	(41)	(55)
Net cash provided by continuing operations	728	844	760
Net cash provided by discontinued operations	37	55	43
Net cash provided by operations	765	899	803
Investing Activities:			
Capital expenditures	(151)	(170)	(203)
Businesses acquired	-	(13)	-
Proceeds from the sale of businesses	-	-	15
Low-income housing contributions	(9)	(17)	(15)
Other	6	(34)	2
Net cash used for investing by continuing operations	(154)	(234)	(201)
Net cash (used for) provided by investing by discontinued operations	-	(2)	8
Net cash used for investing activities	(154)	(236)	(193)
Financing Activities:			
Notes and loans payable, net	68	(75)	30
Long-term debt borrowings	1,635	8	8
Long-term debt repayments	-	(215)	(27)
Proceeds from option exercise pursuant to Venture Agreement	133	-	-
Treasury stock acquired from related party, Henkel KGaA	(2,119)	(65)	-
Treasury stock purchased from non affiliates	(160)	(155)	(486)
Cash dividends paid	(201)	(229)	(193)
Issuance of common stock for employee stock plans	93	111	41
Other	(1)	24	-
Net cash used for financing by continuing operations	(552)	(596)	(627)
Net cash (used for) provided by financing by discontinued operations	-	(9)	10
Net cash used for financing activities	(552)	(605)	(617)
Effect of exchange rate changes on cash and cash equivalents	2	2	2
Net increase (decrease) in cash and cash equivalents	61	60	(5)
Cash and cash equivalents:			
Beginning of year	232	172	177
End of year	\$ 293	\$ 232	\$ 172
Supplemental cash flow information:			
Cash paid for:			
Interest, net of amounts capitalized	\$ 81	\$ 31	\$ 30
Income taxes, net of refunds	335	81	126
Non-cash investing and financing activities:			
Venture Agreement			
Equipment and technologies obtained	\$ -	\$ -	\$ 125
Terminal obligation recorded	-	-	125
Share Exchange Agreement			
As part of the Share Exchange Agreement, the company obtained 61,386,509 shares of its common stock in exchange for businesses valued at \$745 and cash.			
Dividends declared but not paid	\$ 42	\$ -	\$ -