

Report of Independent Registered Public Accounting Firm on 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, 2006 and 2005, and the related consolidated statements of earnings, stockholders' equity and cash flows for each of the three years in the period ended June 30, 2006 (not presented separately herein), and in our report dated August 22, 2006, 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, 2006, 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 22, 2006 (not presented separately herein), expressed an unqualified opinion thereon.

Ernst + Young LLP

San Francisco, California
August 22, 2006

Stockholder and Financial Information

Stock Listing

The New York Stock Exchange lists 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:

Computershare
P.O. Box 43069
Providence, RI 02940-3069
781-575-2726
TDD 800-952-9245 for hearing impaired
www.computershare.com/equiserve

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.TheCloroxCompany.com/investors.

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) or contact Computershare (see above).

Management Report on Internal Control Over Financial Reporting

Clorox management, under the supervision and with the participation of the interim chief executive officer and chief financial officer, has assessed the effectiveness of the company's internal control over financial reporting as of June 30, 2006, and concluded that it is effective. For more information, see Item 9A of the company's Annual Report on Form 10-K for the year ended June 30, 2006.

2006 Financial Information

The following pages of the Clorox 2006 Annual Report contain summary financial information. Full financial statements are provided in the company's 2006 proxy statement. Detailed financial information is available without charge 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, 2006, is available at www.TheCloroxCompany.com and through the SEC's EDGAR database. Printed copies are available by calling 888-CLX-NYSE (259-6973).

CEO/CFO Certifications

The most recent certifications by the company's interim 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 Annual Report on Form 10-K. The company has also filed with the New York Stock Exchange the most recent annual CEO certification as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual.

Forward-Looking Statements

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 "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, 2006, and subsequent SEC filings, for factors that could affect the company's performance and cause results to differ materially from management's expectations. The information in this report reflected management's estimates, assumptions and projections as of Aug. 25, 2006. 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 share amounts)	2006	2005	2004
Net sales	\$ 4,644	\$ 4,388	\$ 4,162
Cost of products sold	2,685	2,493	2,331
Gross profit	1,959	1,895	1,831
Selling and administrative expenses	631	551	543
Advertising costs	450	435	420
Research and development costs	99	88	84
Restructuring and asset impairment costs	1	36	11
Interest expense	127	79	30
Other (income) expense:			
Equity earnings and gain on exchange of Henkel Iberica, S.A.	-	(25)	(11)
Other, net	(2)	2	2
Earnings from continuing operations before income taxes	653	729	752
Income taxes on continuing operations	210	214	262
Reversal of deferred taxes from equity investment in Henkel Iberica, S.A.	-	(2)	-
Earnings from continuing operations	443	517	490
Discontinued operations:			
Gain on exchange	-	550	-
Earnings from exchanged businesses	1	37	87
Reversal of deferred taxes from exchanged businesses	-	6	-
Losses from Brazil operations	-	-	(4)
Income tax expense on discontinued operations	-	(14)	(24)
Earnings from discontinued operations	1	579	59
Net earnings	\$ 444	\$ 1,096	\$ 549
Earnings per common share			
Basic			
Continuing operations	\$ 2.94	\$ 2.92	\$ 2.31
Discontinued operations	0.01	3.28	0.28
Basic net earnings per common share	\$ 2.95	\$ 6.20	\$ 2.59
Diluted			
Continuing operations	\$ 2.89	\$ 2.88	\$ 2.28
Discontinued operations	0.01	3.23	0.28
Diluted net earnings per common share	\$ 2.90	\$ 6.11	\$ 2.56
Weighted average common shares outstanding (in thousands)			
Basic	150,545	176,586	211,683
Diluted	153,001	179,176	214,371

Condensed Consolidated Balance Sheets

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

	2006	2005
Assets		
Current assets		
Cash and cash equivalents	\$ 192	\$ 293
Receivables, net	435	411
Inventories	292	323
Other current assets	88	63
Total current assets	1,007	1,090
Property, plant and equipment, net	1,004	999
Goodwill	744	743
Trademarks and other intangible assets, net	604	599
Other assets	257	186
Total assets	\$ 3,616	\$ 3,617
Liabilities and Stockholders' Deficit		
Current liabilities		
Notes and loans payable	\$ 156	\$ 359
Current maturities of long-term debt	152	2
Accounts payable	329	347
Accrued liabilities	474	614
Income taxes payable	19	26
Total current liabilities	1,130	1,348
Long-term debt	1,966	2,122
Other liabilities	547	618
Deferred income taxes	129	82
Total liabilities	3,772	4,170
Commitments and contingencies		
Stockholders' deficit		
Common stock: \$1.00 par value; 750,000,000 shares authorized; 249,826,934 shares issued; and 151,298,366 and 151,683,314 shares outstanding at June 30, 2006 and 2005, respectively.	250	250
Additional paid-in capital	397	328
Retained earnings	3,939	3,684
Treasury shares, at cost: 98,528,568 and 98,143,620 shares at June 30, 2006 and 2005, respectively.	(4,527)	(4,463)
Accumulated other comprehensive net losses	(215)	(336)
Unearned compensation	-	(16)
Stockholders' deficit	(156)	(553)
Total liabilities and stockholders' deficit	\$ 3,616	\$ 3,617

Condensed Consolidated Statements of Stockholders' Equity (Deficit)

Dollars in millions, except share amounts	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Shares		Accumulated Other Comprehensive Net (Losses) Gains	Unearned Compensation	Total	Total Comprehensive Income
	Shares (000)	Amount			Shares (000)	Amount				
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				(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				(243)					(243)	
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)	
Comprehensive income										
Net earnings				444					444	\$ 444
Translation adjustments, net of tax of \$(0)							2		2	2
Change in valuation of derivatives, net of tax of \$(1)							1		1	1
Minimum pension liability adjustments, net of tax							118		118	118
Total comprehensive income										\$ 565
Dividends				(174)					(174)	
Employee stock plans			85	(15)	2,015	71			141	
Reclassification upon adoption of Statement of Financial Accounting Standards No. 123-R, Share-Based Payment			(16)					16	-	
Treasury stock purchased					(2,400)	(135)			(135)	
Balance at June 30, 2006	249,827	\$250	\$397	\$3,939	(98,529)	\$(4,527)	\$(215)	\$-	\$(156)	

Condensed Consolidated Statements of Cash Flows

Years ended June 30 (dollars in millions)	2006	2005	2004
Operating activities:			
Net earnings	\$ 444	\$ 1,096	\$ 549
Deduct: Earnings from discontinued operations	1	579	59
Earnings from continuing operations	443	517	490
Adjustments to reconcile earnings from continuing operations to net cash provided by continuing operations:			
Depreciation and amortization	188	183	189
Share-based compensation	77	11	6
Deferred income taxes	(28)	(45)	26
Restructuring and asset impairment activities	-	38	11
Gain on exchange of Henkel Iberica, S.A.	-	(20)	-
Other	44	41	34
Changes in:			
Receivables, net	(29)	33	8
Inventories	26	(17)	(37)
Other current assets	(11)	5	-
Accounts payable and accrued liabilities	(50)	54	72
Income taxes payable	15	22	86
Settlement of income tax contingency	(151)	(94)	-
Pension contributions to qualified plans	(10)	-	(41)
Net cash provided by continuing operations	514	728	844
Net cash provided by discontinued operations	8	37	55
Net cash provided by operations	522	765	899
Investing activities:			
Capital expenditures	(180)	(151)	(170)
Businesses acquired	(16)	-	(13)
Proceeds from termination of investment in life insurance contract	41	-	-
Other	(6)	(3)	(51)
Net cash used for investing by continuing operations	(161)	(154)	(234)
Net cash used for investing by discontinued operations	-	-	(2)
Net cash used for investing activities	(161)	(154)	(236)
Financing activities:			
Notes and loans payable, net	(204)	68	(75)
Long-term debt borrowings	-	1,635	8
Long-term debt repayments	(29)	-	(215)
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	(135)	(160)	(155)
Cash dividends paid	(173)	(201)	(229)
Issuance of common stock for employee stock plans	79	93	111
Other	-	(1)	24
Net cash used for financing by continuing operations	(462)	(552)	(596)
Net cash used for financing by discontinued operations	-	-	(9)
Net cash used for financing activities	(462)	(552)	(605)
Effect of exchange rate changes on cash and cash equivalents	-	2	2
Net (decrease) increase in cash and cash equivalents	(101)	61	60
Cash and cash equivalents:			
Beginning of year	293	232	172
End of year	\$ 192	\$ 293	\$ 232
Supplemental cash flow information:			
Cash paid for:			
Interest, net of amounts capitalized	\$ 132	\$ 81	\$ 31
Income taxes, net of refunds	\$ 373	\$ 335	\$ 81
Non-cash investing and financing activities:			
Share Exchange Agreement			
As part of the fiscal year 2005 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 and accrued but not paid	\$ 43	\$ 42	\$ -