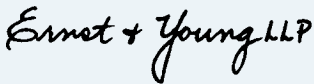


Report of Independent Registered Public Accounting Firm on Condensed Consolidated Financial Statements

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, 2007 and 2006, and the related consolidated statements of earnings, stockholders' equity and cash flows for each of the three years in the period ended June 30, 2007 (not presented separately herein), and in our report dated August 23, 2007, 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. As discussed in the Notes to the consolidated financial statements (not presented separately herein), on June 30, 2007, the Company adopted the provisions of SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, and changed its method of recognizing the funded status of its defined benefit postretirement plans. Also, effective July 1, 2005, the Company changed its method for accounting for share-based compensation to conform with SFAS No. 123(R), *Share-Based Payment*.

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, 2007, 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 23, 2007 (not presented separately herein), expressed an unqualified opinion thereon.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style script.

San Francisco, California  
August 23, 2007

## 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/Direct Stock Purchase Plan should be sent to:

Computershare  
P.O. Box 43069  
Providence, RI 02940-3069  
(800) 756-8200 or (781) 575-2726  
TDD (800) 952-9245 for hearing impaired  
www.computershare.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](http://www.shareholder.com).

**Dividend Reinvestment/Direct Stock Purchase Plan**

Clorox has authorized Computershare to offer a Dividend Reinvestment/Direct Stock Purchase Plan. Registered shareholders can purchase additional shares. Nonshareholders may join the plan with an initial investment, lump sum or bank debit. Most fees are paid by Clorox. 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 chief executive officer and chief financial officer, has assessed the effectiveness of the company's internal control over financial reporting as of June 30, 2007, and concluded that it is effective. For more information, see Item 9.A. of the company's Annual Report on Form 10-K for the fiscal year ended June 30, 2007.

**2007 Financial Information**

The following pages of the Clorox 2007 Annual Report contain summary financial information. Full financial statements are provided in the company's 2007 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](http://www.TheCloroxCompany.com).
- > The company's Annual Report on Form 10-K for the fiscal year ended June 30, 2007, is available at [www.TheCloroxCompany.com](http://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 chief executive officer and chief financial officer pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to the company's Annual Report on Form 10-K for the fiscal year ended June 30, 2007. 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 fiscal year ended June 30, 2007, 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. 24, 2007. 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.

## 18 The Clorox Company

### Condensed Consolidated Statements of Earnings

Years ended June 30 (dollars in millions, except share amounts)

	2007	2006	2005
Net sales	\$ 4,847	\$ 4,644	\$ 4,388
Cost of products sold	2,756	2,685	2,493
Gross profit	2,091	1,959	1,895
Selling and administrative expenses	642	631	551
Advertising costs	474	450	435
Research and development costs	108	99	88
Restructuring and asset impairment costs	13	1	36
Interest expense	113	127	79
Other (income) expense:			
Equity earnings and gain on exchange of Henkel Iberica, S.A.	-	-	(25)
Other, net	(2)	(2)	2
Earnings from continuing operations before income taxes	743	653	729
Income taxes on continuing operations	247	210	214
Reversal of deferred taxes from equity investment in Henkel Iberica, S.A.	-	-	(2)
Earnings from continuing operations	496	443	517
Discontinued operations:			
Gain on exchange	-	-	550
Earnings from exchanged businesses	-	1	37
Reversal of deferred taxes from exchanged businesses	-	-	6
Income tax benefit (expense) on discontinued operations	5	-	(14)
Earnings from discontinued operations	5	1	579
Net earnings	\$ 501	\$ 444	\$ 1,096
Earnings per common share			
Basic			
Continuing operations	\$ 3.28	\$ 2.94	\$ 2.92
Discontinued operations	0.03	0.01	3.28
Basic net earnings per common share	\$ 3.31	\$ 2.95	\$ 6.20
Diluted			
Continuing operations	\$ 3.23	\$ 2.89	\$ 2.88
Discontinued operations	0.03	0.01	3.23
Diluted net earnings per common share	\$ 3.26	\$ 2.90	\$ 6.11
Weighted average common shares outstanding (in thousands)			
Basic	151,445	150,545	176,586
Diluted	153,935	153,001	179,176

## Condensed Consolidated Balance Sheets

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

	2007	2006
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 182	\$ 192
Receivables, net	460	435
Inventories, net	309	292
Other current assets	81	88
Total current assets	1,032	1,007
Property, plant and equipment, net	976	1,004
Goodwill	855	744
Trademarks and other intangible assets, net	613	604
Other assets	190	257
Total assets	\$ 3,666	\$ 3,616
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
Current liabilities		
Notes and loans payable	\$ 74	\$ 156
Current maturities of long-term debt	500	152
Accounts payable	329	329
Accrued liabilities	507	474
Income taxes payable	17	19
Total current liabilities	1,427	1,130
Long-term debt	1,462	1,966
Other liabilities	516	547
Deferred income taxes	90	129
Total liabilities	3,495	3,772
Commitments and contingencies		
Stockholders' equity (deficit)		
Common stock: \$1.00 par value; 750,000,000 shares authorized; 158,741,461 and 249,826,934 shares issued at June 30, 2007 and 2006, respectively; and 151,256,460 and 151,298,366 shares outstanding at June 30, 2007 and 2006, respectively.	159	250
Additional paid-in capital	481	397
Retained earnings	185	3,939
Treasury shares, at cost: 7,485,001 and 98,528,568 shares at June 30, 2007 and 2006, respectively.	(445)	(4,527)
Accumulated other comprehensive net losses	(209)	(215)
Stockholders' equity (deficit)	171	(156)
Total liabilities and stockholders' equity (deficit)	\$ 3,666	\$ 3,616

## 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, 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 (SFAS) No. 123-R			(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)	
Comprehensive income										
Net earnings				501					501	\$ 501
Translation adjustments, net of tax of \$3							47		47	47
Change in valuation of derivatives, net of tax of \$1							(3)		(3)	(3)
Minimum pension liability adjustments, net of tax							1		1	1
Total comprehensive income										\$ 546
Adjustment to initially apply SFAS No. 158, net of tax							(39)		(39)	
Dividends				(200)					(200)	
Employee stock plans			84	(9)	2,358	100			175	
Treasury stock purchased					(2,400)	(155)			(155)	
Treasury stock retirement	(91,086)	(91)		(4,046)	91,086	4,137			-	
Balance at June 30, 2007	158,741	\$159	\$481	\$ 185	(7,485)	\$( 445)	\$(209)	\$ -	\$ 171	

## Condensed Consolidated Statements of Cash Flows

Years ended June 30 (dollars in millions)

	2007	2006	2005
Operating activities:			
Net earnings	\$ 501	\$ 444	\$ 1,096
Deduct: Earnings from discontinued operations	5	1	579
Earnings from continuing operations	496	443	517
Adjustments to reconcile earnings from continuing operations to net cash provided by continuing operations:			
Depreciation and amortization	192	188	183
Share-based compensation	49	77	11
Deferred income taxes	(15)	(28)	(45)
Restructuring and asset impairment activities	13	-	38
Gain on exchange of Henkel Iberica, S.A.	-	-	(20)
Other	17	44	41
Changes in:			
Receivables, net	(15)	(29)	33
Inventories, net	(8)	26	(17)
Other current assets	13	(11)	5
Accounts payable and accrued liabilities	(30)	(50)	54
Income taxes payable	7	15	22
Settlement of income tax contingencies	-	(151)	(94)
Pension contributions to qualified plans	(10)	(10)	-
Net cash provided by continuing operations	709	514	728
Net cash provided by discontinued operations	-	8	37
Net cash provided by operations	709	522	765
Investing activities:			
Capital expenditures	(147)	(180)	(151)
Businesses acquired	(123)	(16)	-
Proceeds from termination of investment in life insurance contract	-	41	-
Other	2	(6)	(3)
Net cash used for investing activities	(268)	(161)	(154)
Financing activities:			
Notes and loans payable, net	(87)	(204)	68
Long-term debt borrowings	-	-	1,635
Long-term debt repayments	(150)	(29)	-
Proceeds from option exercise pursuant to Venture Agreement	-	-	133
Treasury stock acquired from related party, Henkel KGaA	-	-	(2,119)
Treasury stock purchased from non-affiliates	(155)	(135)	(160)
Cash dividends paid	(183)	(173)	(201)
Issuance of common stock for employee stock plans and other	119	79	92
Net cash used for financing activities	(456)	(462)	(552)
Effect of exchange rate changes on cash and cash equivalents	5	-	2
Net (decrease) increase in cash and cash equivalents	(10)	(101)	61
Cash and cash equivalents:			
Beginning of year	192	293	232
End of year	\$ 182	\$ 192	\$ 293
Supplemental cash flow information:			
Cash paid for:			
Interest	\$ 117	\$ 132	\$ 81
Income taxes, net of refunds	\$ 272	\$ 373	\$ 335
Non-cash investing and financing activities:			
Dividends declared and accrued but not paid	\$ 61	\$ 43	\$ 42
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.			