

The Clorox Company
Reconciliation schedule of operating profit
to earnings from continuing operations before income taxes

In millions

	<u>Three months ended,</u>	
	<u>9/30/04</u>	<u>9/30/03</u>
Net sales	\$1,090	\$1,048
Gross profit	485	457
<i>Gross margin (1)</i>	44.5%	43.6%
Total operating expenses (2)	261	247
Operating profit	224	210
<i>Operating margin (1)</i>	20.6%	20.1%
Restructuring and asset impairment costs	30	-
Interest expense	8	6
Other (income) expense, net	(3)	3
Earnings from continuing operations before income taxes	\$189	\$201

(1) Percentages based on unrounded numbers

(2) Operating expenses = selling and administrative expenses, advertising costs and research and development costs

In accordance with SEC's Regulation G, this schedule provides the definition of a non-GAAP measure and the reconciliation to the most closely related GAAP measure.

Operating margin is a measure of operating profit as a percentage of net sales, whereby operating profit (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding restructuring and asset impairment costs, interest expense and other income and expense, as reported in the Condensed Consolidated Statements of Earnings (Unaudited).

Management believes the presentation of operating profit and margin provides useful information to investors about current trends in the business. Operating profit is a component for the calculation of management incentive compensation and employee profit sharing plans.