



NEWS RELEASE

# Maduro Government Affirms Expropriation of Clorox de Venezuela; Venezuela Asset Sale Process Ends

11/6/2014

OAKLAND, Calif., Nov. 6, 2014 - The Clorox Company (NYSE: CLX) today reported that the Venezuelan government published a resolution this week granting a government-sponsored Special Administrative Board full authority to restart and operate the business of Corporación Clorox de Venezuela S.A. (Clorox Venezuela), thereby reaffirming the government's expropriation of Clorox Venezuela assets. Further, this week, President Nicolás Maduro announced the government's intention to facilitate the resumed production of bleach and other cleaning products at Clorox Venezuela plants and to operate the business as soon as this week. He also announced his approval of a financial credit to invest in raw materials and production at the plants. These actions by the Venezuelan government have been taken without the consent or involvement of Clorox Venezuela, its parent Clorox Spain S.L. (Clorox Spain) or any of their affiliates.

Clorox, Clorox Spain and their affiliates do not sanction, and will play no part in, any restarting of the production facilities previously owned and managed by Clorox Venezuela. The production of cleaning products, in particular bleach, is a highly specialized and technical process. To protect the community, Clorox Venezuela had safely secured the plants in complete shut-down mode before discontinuing operations, including removal of all chlorine and lock-down of equipment. The Venezuelan government's actions raise grave concerns, and Clorox and its affiliates cannot be responsible for the safety of any workers and the surrounding communities or any liability or damages resulting from these activities. In addition, Clorox, Clorox Spain and their affiliates cannot be responsible for the safety, quality or effectiveness of any products that may be produced under the government's takeover and any use of the names and trademarks of Clorox Venezuela and its affiliates, including brand names such as Mistolín® and Nevex®, is an unauthorized misappropriation.

As previously reported, on Sept. 22, 2014, Clorox Venezuela discontinued its operations after determining it was not a viable business as a result of measures adopted by the government of Venezuela. Clorox Spain immediately initiated a sale process in hopes of facilitating a swift transition of the Clorox Venezuela assets to a new owner. However, as reported on Sept. 26, the Maduro government meanwhile took over Clorox Venezuela's production facilities and administrative offices. Due to this direct taking and despite significant efforts, Clorox Spain and Clorox Venezuela had faced challenges in obtaining an acceptable transaction for the Clorox Venezuela assets, given the lack of certainty that a buyer could take possession of the assets. Through its actions, the Venezuelan government has now foreclosed the possibility of an asset sale, and it has frustrated Clorox Spain's efforts to mitigate the adverse effects of the measures so far adopted by the Venezuelan government.

## Clorox and Affiliates Reserve All Rights Under All Applicable Laws and Treaties

Clorox Venezuela, Clorox Spain and their affiliates continue to reserve their rights under all applicable laws and treaties. Clorox Spain intends to file a Notice of Dispute pursuant to the Agreement for the Reciprocal Promotion and Protection of Investments among the Kingdom of Spain and the Bolivarian Republic of Venezuela, signed in Caracas on Nov. 2, 1995.

## Clorox Confirms Outlook for Fiscal Year 2015

Clorox today reconfirmed its outlook for fiscal year 2015, which was previously communicated on Oct. 31, 2014, as follows:

- Sales about flat, or 1% to 3% increase on currency-neutral basis (unchanged)
- EBIT margin about flat (unchanged)
- \$4.35 to \$4.50 diluted EPS range (unchanged)

Also as communicated on Oct. 31, operating results, and the impact of exit and other costs related to the termination of the business, are included in discontinued operations in the company's financial statements. Net of anticipated tax benefits, Clorox continues to expect total exit costs and other termination-related expenses to be approximately \$70 million to \$80 million and cash-related exit costs to be approximately \$5 million to \$10 million.

## The Clorox Company

The Clorox Company is a leading multinational manufacturer and marketer of consumer and professional products with about 7,700 employees worldwide and fiscal year 2014 sales of \$5.5 billion. Clorox markets some of the most trusted and recognized consumer brand names, including its namesake bleach and cleaning products; Pine-Sol® cleaners; Liquid Plumr® clog removers; Poett® home care products; Fresh Step® cat litter; Glad® bags, wraps and containers; Kingsford® charcoal; Hidden Valley® and KC Masterpiece® dressings and sauces; Brita® water-

filtration products and Burt's Bees® natural personal care products. The company also markets brands for professional services, including Clorox Healthcare®, HealthLink®, Aplicare® and Dispatch® infection control products for the healthcare industry. More than 80 percent of the company's brands hold the No. 1 or No. 2 market share positions in their categories. Clorox's commitment to corporate responsibility includes making a positive difference in its communities. In fiscal year 2014, The Clorox Company and The Clorox Company Foundation contributed more than \$16 million in combined cash grants, product donations, cause marketing and employee volunteerism. For more information, visit [TheCloroxCompany.com](http://TheCloroxCompany.com).

## Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such forward-looking statements involve risks and uncertainties. Except for historical information, matters discussed above, including statements about future volume, sales, costs, cost savings, earnings, cash flows, plans, objectives, expectations, growth, or profitability, are forward-looking statements based on management's estimates, assumptions and projections. Words such as "could," "may," "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," and variations on such words, and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are only predictions, subject to risks and uncertainties, and actual results could differ materially from those discussed above. Important factors that could affect performance and cause results to differ materially from management's expectations are described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's Annual Report on Form 10-K for the fiscal year ended June 30, 2014, as updated from time to time in the company's SEC filings. These factors include, but are not limited to: risks related to international operations, including political instability, particularly in Venezuela; government-imposed price controls or other regulations; foreign currency exchange rate controls, including periodic changes in such controls, fluctuations and devaluations; labor unrest and inflationary pressures, particularly in Argentina and other challenging markets; risks related to nationalization, further expropriation of assets, and other government action in Venezuela, and the possibility of similar actions in other foreign jurisdictions, including Argentina; intense competition in the company's markets; expectations or plans related to the announced changes in the company's leadership; worldwide, regional and local economic conditions and financial market volatility; volatility and increases in commodity costs such as resin, sodium hypochlorite and agricultural commodities and increases in energy, transportation or other costs; the ability of the company to drive sales growth, increase price and market share, grow its product categories and achieve favorable product and geographic mix; dependence on key customers and risks related to customer consolidation and ordering patterns; costs resulting from government regulations; the ability of the company to successfully manage global political, legal, tax and regulatory risks, including changes in regulatory or administrative activity; supply disruptions and other risks inherent in reliance on a limited base of suppliers; the ability of the

company to implement and generate anticipated cost savings and efficiencies; the success of the company's business strategies; the impact of product liability claims, labor claims and other legal proceedings, including in foreign jurisdictions and the company's litigation related to its discontinued operations in Brazil; the ability of the company to develop and introduce commercially successful products; risks relating to acquisitions, new ventures and divestitures and associated costs, including the potential for asset impairment charges, including intangible assets and goodwill; risks related to reliance on information technology systems, including potential security breaches, cyber attacks or privacy breaches that result in the unauthorized disclosure of consumer, customer, employee or company information, or service interruptions; the company's ability to attract and retain key personnel; the company's ability to maintain its business reputation and the reputation of its brands; environmental matters including costs associated with the remediation of past contamination and the handling and/or transportation of hazardous substances; the impact of natural disasters, terrorism and other events beyond the company's control; the company's ability to maximize, assert and defend its intellectual property rights; any infringement or claimed infringement by the company of third-party intellectual property rights; the effect of the company's indebtedness and credit rating on its operations and financial results; the company's ability to maintain an effective system of internal controls; uncertainties relating to tax positions, tax disputes and changes in the company's tax rate; the accuracy of the company's estimates and assumptions on which its financial statement projections are based; the company's ability to pay and declare dividends or repurchase its stock in the future; and the impacts of potential stockholder activism.

The company's forward-looking statements in this press release are based on management's current views and assumptions regarding future events and speak only as of their dates. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the federal securities laws.

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