NEW YORK, NY -- (Marketwired) -- 10/01/15 -- At today's Clorox Analyst Day event and live webcast, senior leaders shared highlights of the company's progress against its 2020 Strategy, including the four highest-value opportunities -- "strategy accelerators" -- which the company has identified to deliver long-term, profitable growth through the year 2020.

"The 2020 Strategy is focused on accelerating growth profitably, consistently and responsibly," said CEO Benno Dorer. "In fiscal year 2015, strong execution of our strategy, including incremental demand-building investments, drove great results, such as 3 percent sales growth, 5 percent sales growth on a currency-neutral basis, as well as momentum in our categories and market share increases across many brands."

"Moving forward, a continued focus on our strategy accelerators and strong execution across our demand-creation programs and operations will be key to helping us continue delivering profitable, sustained growth," he added.

This press release includes some non-GAAP financial measures. See "Non-GAAP financial Information" below and at the end of this press release for more information.

The 2020 Strategy aims to continue delivering strong total shareholder returns and direct the company to deliver its long-term aspirations, including:

- Growing net sales 3-5 percent annually.
- Expanding EBIT margin 25-50 basis points annually.
- Generating free cash flow of 10-12 percent of sales annually.

In the last 20 years, (July 1, 1995, through June 30, 2015), Clorox delivered total shareholder return* of 954 percent, compared to 734 percent for the S&P 500 and 451 percent for its peer group**. In the last year (July 1, 2014, through June 30, 2015), Clorox delivered total shareholder return of 17 percent, compared to 7 percent for the S&P 500 and 4 percent for its peer group.

To accomplish its 2020 goals and deliver profitable growth, Clorox will focus on the following strategy accelerators:

1. Portfolio Momentum

Clorox's global portfolio of leading brands is a competitive advantage for the company, and there's an opportunity to maximize its contribution to profitable growth by optimizing investments between "growth brands" and "fuel brands." According to Co-Chief Operating Officer Nick Vlahos, different brands have different, but equally important, roles to play in delivering profitable growth. For example, the Burt's Bees® brand has high growth potential, with 8 percent compounded annual growth rate in the last five years and presence in more than 40 international markets today. The brand will continue driving trial and awareness on core products like lip balm, while expanding into new categories like lip color and growing internationally. Meanwhile, Charcoal, which includes the Kingsford® and Match Light® brands, is a steady business focused on delivering growth that's more profitable so that resources can be shifted to fuel investments in growth brands like Burt's Bees®. The Hidden Valley® brand is another growth brand that will help accelerate the growth rate of the company's Food business within the next three years. Vlahos highlighted strong early results from the launch of Hidden Valley® ranch dressings with flavors like cucumber, avocado, sweet chili and roasted garlic, which drove an 11-point increase in market share (sales dollar share) in the sizeable flavored ranch dressing segment in the fourth quarter of fiscal year 2015.

"We're pleased with the progress we've made in portfolio momentum and believe it will continue to help us optimize our brand investments to accelerate growth," Vlahos said. "If our efforts increase household penetration by 1 point, we can generate about $50 million in incremental sales growth, or about a full point of total company sales."

On the international side of the business, Co-Chief Operating Officer Dawn Willoughby reinforced the strategic importance of international brands in the company's overall portfolio. "Our international business has leading brands in categories that are growing at faster rates than our domestic categories," Willoughby said. "Even so, with unfavorable foreign currency exchange rates across many markets, the emphasis of our strategic choices is to rebuild the long-term profitability of the international business."
Willoughby then discussed the four pillars of profitability for the international business: increasing prices behind value-added product innovation; driving cost savings through productivity gains; establishing the right operational infrastructure to enable an even more efficient workforce; and optimizing demand creation, with continued investments in fast-growth countries and spending reductions in challenged markets.

Highlighting the example of price increases, Willoughby shared the Ayudín® brand as a case study demonstrating how formula improvements in laundry products drove superior value and enabled the team to increase product prices and improve the brand’s profitability. To optimize demand creation, she reinforced the international team’s focus on investing in opportunities that drive higher return on investment such as digital marketing, particularly in Latin America.

"International continues to play an important role in our portfolio," she said. "We have highly engaged people and great brands. Once we get through some of the macroeconomic challenges we’re facing, the business will be in a good position to grow profitably."

2. 3D Innovation

The "3Ds" -- desire (pre-purchase communications), decide (point-of-purchase communications) and delight (post-purchase product experience) -- make up the company’s demand-creation model. Innovation across the 3Ds is critical to the 2020 Strategy, powering the company’s brands to drive category increases, market share leadership and profitable growth.

Focusing on product innovation, Chief Innovation Officer Denise Garner showed that in each of the last five fiscal years, Clorox delivered about 3 percentage points of annual incremental sales growth from new products. In fiscal year 2015, Clorox launched new products in many categories, including Burt’s Bees® lip crayons, Glad® OdorShield® Gain® original scent trash bags, Fresh Step® lightweight cat litter and Clorox® ScrubSingles™.

"We’re continuing to compete based on the superior value proposition of our brands," Garner said. "Our priorities are to develop bigger ideas and enhance our innovation process to increase speed to market."

She also introduced a new Clorox metric, the Consumer Value Measure, which is designed to measure the three key drivers of value to consumers: product, price and perception (brand equity). Consumer Value Measure tracks a brand’s value to consumers in real time and correlates with changes in market share. "Delivering value to consumers is at the heart of our innovation efforts," she said. "The Consumer Value Measure allows us to track the success of our brands immediately so that we can quickly make needed adjustments to marketing, sales or the product experience."
Clorox has made significant investments to support innovation for the long term, including a consumer learning center to ensure that product development is grounded in strong insights; an innovation center that fosters internal collaboration across multiple functions involved in the discovery, development and commercialization of new products; and a pilot plant to test product manufacturing processes.

3. 3D Technology Transformation

Today, technology is bringing unprecedented connectivity, with "always on" consumers who expect personalization and authenticity in their interactions with brands. Chief Marketing Officer Eric Reynolds discussed how Clorox is leading the consumer packaged goods industry in the evolution of digital marketing, with the company directing about 40 percent of its media spending to digital channels and outpacing its peers in total digital marketing investments.

He showed how digital-enabled consumer engagement has been delivering strong return on investment by enhancing consumer targeting with personalized and relevant messages that reach people through multiple digital platforms. To illustrate, Reynolds highlighted a Hidden Valley® brand case study showing that customized brand communications based on a consumer’s unique cooking and shopping habits enabled the brand to send her customized recipe ideas during the times she was planning her meals. This campaign delivered a return on investment that was more than two times greater than a traditional national television commercial.

Reynolds also highlighted how the company is leveraging its Bay Area location as a competitive advantage, establishing partnerships with Silicon Valley- and West Coast-based technology firms that can help the company advance its digital marketing efforts. Recently, the Glad® and Clorox® brands partnered with Amazon on the Amazon Dash™ button, a new one-click service designed to simplify ordering for frequently used household items. The Brita® brand is also participating in the Amazon Dash™ replenishment service, which will embed new technology into Brita® water pitchers to detect when a new filter is needed and automatically place the order.

E-commerce plays a significant role in Clorox's 3D Technology Transformation accelerator, delivering strong growth in the last three years from significant incremental resource investments. The company will continue to invest significantly behind e-commerce and has raised its 2020 aspiration for e-commerce sales from $300 million to $500 million.

"Technology is transforming how we're building brand preference and loyalty with consumers," he said. "We're mastering the latest digital tools to engage consumers with the right message at the right time within the right context."

4. Growth Culture
Building an even stronger growth culture is fundamental to the success of Clorox's other strategy accelerators and ultimate goal to deliver profitable growth. "A stronger growth culture means employees are innovative, externally focused on our consumers and shoppers, and, importantly, more empowered and decisive in driving the business," Dorer said. "We need to take smarter risks and improve speed in delivering results."

Dorer reinforced that Clorox has a strong culture to build on and that some things won't change. "We'll continue to drive results the right way, which includes living our values, being people-centric and delivering operational excellence," he said. He also highlighted Clorox's world-class engagement score of 86 percent in fiscal year 2015, which places the company at the top 5 percent of global companies surveyed***. In fiscal year 2015, Clorox was recognized by a number of external organizations for its corporate responsibility performance, including Corporate Responsibility magazine, which ranked the company No. 37 on its Best Corporate Citizens list, and Newsweek's Green Rankings, which ranked the company No. 38 and in the top 10 within the consumer staples group for its sustainability performance.

A replay of the Clorox Analyst Day webcast and presentations are available at Clorox investor events.

*Total shareholder return is combination of stock appreciation and dividend payments.
**Peer Group: 16 consumer packaged goods companies, excluding Clorox, for benchmarking purposes.
***The Towers Watson global fast-moving consumer goods norm is based on responses from 126,346 employees at 61 global organizations in this sector as well as a representative sample of employee data collected through general work studies. The Towers Watson global high-performance norm is a cross-industry norm that includes companies meeting two criteria: superior financial performance and superior human practices. This norm includes responses from more than 145,000 employees at 28 global organizations.

The Clorox Company
The Clorox Company (NYSE: CLX) is a leading multinational manufacturer and marketer of consumer and professional products with about 7,700 employees worldwide and fiscal year 2015 sales of $5.7 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® 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® and Clorox Commercial Solutions®. More than 80 percent of the company's sales are generated from brands that hold the No. 1 or No. 2 market share positions in their categories.

The company also has been recognized recently for its corporate responsibility efforts with two Climate Leadership
Awards for Excellence from the U.S. Environmental Protection Agency and inclusion on the 2015 Newsweek Green Rankings and Corporate Responsibility magazine's 100 Best Corporate Citizens 2015 list. The Clorox Company and The Clorox Company Foundation contributed approximately $15 million in combined cash grants, product donations, cause marketing and employee volunteerism during the past year. For more information, visit TheCloroxCompany.com, the CR Matters Blog and follow the company on Twitter at @CloroxCo.

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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, foreign currencies, costs, cost savings, margin, earnings, earnings per share, diluted earnings per share, foreign currency exchange rates, 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 that reflect our current views with respect to future events and financial performance, 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, 2015, as updated from time to time in the company’s SEC filings. These factors include, but are not limited to: intense competition in the company's markets; worldwide, regional and local economic conditions and financial market volatility; 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; risks related to international operations, including political instability; government-imposed price controls or other regulations; foreign currency exchange rate controls, including periodic changes in such controls, fluctuations and devaluations; labor claims, labor unrest and inflationary pressures, particularly in Argentina; and potential harm and liabilities from the use, storage and transportation of chlorine in certain international markets where chlorine is used in the production of bleach; risks related to the possibility of nationalization, expropriation of assets or other government action in foreign jurisdictions; risks related to the company's discontinuation of operations in Venezuela; volatility and increases in commodity costs such as resin, sodium hypochlorite and agricultural commodities, and increases in energy, transportation or other costs; supply disruptions and other risks inherent in reliance on a limited base of suppliers; the ability of the company to develop and introduce...
commercially successful products; 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; 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; risks relating to acquisitions, new ventures and divestitures, and associated costs, including the potential for asset impairment charges related to, among others, intangible assets and goodwill; the success of the company's business strategies; the ability of the company to implement and generate anticipated cost savings and efficiencies; 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 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.

Non-GAAP Financial Information
This press release contains non-GAAP financial information related to the exclusion of foreign exchange impact from total company sales, and is referred to as currency-neutral sales. See the end of this press release for the reconciliation.

Management believes non-GAAP financial measures provide useful additional information to investors about trends in the company's operations and are useful for period-over-period comparisons as they show currency-neutral sales comparisons and the company uses such financial measures in its budgeting process and as factors in determining compensation. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP measures may not be the same as
similar measures provided by other companies due to potential differences in methods of calculation and items being excluded. They should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.

The table below presents the reconciliation of the non-GAAP financial measure for currency-neutral sales to the most directly comparable financial measures calculated in accordance with GAAP and other supplemental information. See "Non-GAAP Financial Information" above for further information regarding the company's use of non-GAAP financial measures.

The reconciliations below are on a continuing operations basis and reflect the reclassification of Clorox Venezuela to discontinued operations in Q1FY15.

Fiscal Year Sales Growth Reconciliation

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<th>FY Fiscal 2015</th>
<th>FY Fiscal 2014</th>
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<tbody>
<tr>
<td>Total Sales Growth - GAAP</td>
<td>2.6%</td>
<td>-0.3%</td>
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<tr>
<td>Less: Foreign exchange</td>
<td>-2.1%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Currency Neutral Sales Growth - Non-GAAP</td>
<td>4.7%</td>
<td>1.7%</td>
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