

**Condensed Consolidated Statements of Earnings (Unaudited)**

Dollars in millions, except per share amounts

	Three Months Ended		Six Months Ended	
	12/31/2006	12/31/2005	12/31/2006	12/31/2005
Net sales	\$ 1,101	\$ 1,064	\$ 2,262	\$ 2,168
Cost of products sold	639	628	1,302	1,266
Gross profit	462	436	960	902
Selling and administrative expenses	162	161	315	305
Advertising costs	109	99	226	212
Research and development costs	27	25	53	48
Restructuring costs	4	-	4	1
Interest expense	29	32	58	62
Other income, net	(5)	(1)	(7)	-
Earnings from continuing operations before income taxes	136	120	311	274
Income taxes on continuing operations	45	37	108	83
Earnings from continuing operations	91	83	203	191
Earnings from discontinued operations	5	-	5	1
Net earnings	\$ 96	\$ 83	\$ 208	\$ 192
Earnings per common share:				
Basic				
Continuing operations	\$ 0.60	\$ 0.56	\$ 1.34	\$ 1.27
Discontinued operations	0.03	-	0.03	0.01
Basic net earnings per common share	\$ 0.63	\$ 0.56	\$ 1.37	\$ 1.28
Diluted				
Continuing operations	\$ 0.59	\$ 0.55	\$ 1.32	\$ 1.25
Discontinued operations	0.03	-	0.03	0.01
Diluted net earnings per common share	\$ 0.62	\$ 0.55	\$ 1.35	\$ 1.26
Weighted average common shares outstanding (in thousands)				
Basic	151,413	150,080	151,278	150,457
Diluted	153,885	152,264	153,705	152,780

**Segment Information  
(Unaudited)**

Dollars in millions

**Second Quarter**

	Net Sales			Earnings/(Losses) from Continuing Operations Before Income Taxes		
	Three Months Ended		%	Three Months Ended		%
	12/31/2006	12/31/2005	Change <sup>(1)</sup>	12/31/2006	12/31/2005	Change <sup>(1)</sup>
Household Group - North America	\$484	\$495	-2%	\$147	\$161	-9%
Specialty Group	439	405	8%	107	82	30%
International	178	164	9%	34	33	3%
Corporate	-	-	-	(152)	(156)	3%
Total Company	<u>\$1,101</u>	<u>\$1,064</u>	<u>3%</u>	<u>\$136</u>	<u>\$120</u>	<u>13%</u>

**Year To Date**

	Net Sales			Earnings/(Losses) from Continuing Operations Before Income Taxes		
	Six Months Ended		%	Six Months Ended		%
	12/31/2006	12/31/2005	Change <sup>(1)</sup>	12/31/2006	12/31/2005	Change <sup>(1)</sup>
Household Group - North America	\$1,033	\$1,019	1%	\$325	\$331	-2%
Specialty Group	890	830	7%	216	171	26%
International	339	319	6%	68	68	0%
Corporate	-	-	-	(298)	(296)	-1%
Total Company	<u>\$2,262</u>	<u>\$2,168</u>	<u>4%</u>	<u>\$311</u>	<u>\$274</u>	<u>14%</u>

<sup>(1)</sup> Percentages based on rounded numbers.

## Condensed Consolidated Balance Sheets (Unaudited)

Dollars in millions

	<u>12/31/2006</u>	<u>6/30/2006</u>	<u>12/31/2005</u>
<b>Assets</b>			
Current assets			
Cash and equivalents	\$ 179	\$ 192	\$ 273
Receivables, net	393	435	377
Inventories	340	292	359
Other current assets	67	88	58
Total current assets	<u>979</u>	<u>1,007</u>	<u>1,067</u>
Property, plant and equipment, net	985	1,004	993
Goodwill	801	744	747
Trademarks and other intangible assets, net	608	604	595
Other assets	251	257	165
	<u>251</u>	<u>257</u>	<u>165</u>
Total assets	<u>\$ 3,624</u>	<u>\$ 3,616</u>	<u>\$ 3,567</u>
<b>Liabilities and Stockholders' Deficit</b>			
Current liabilities			
Notes and loans payable	\$ 126	\$ 156	\$ 521
Current maturities of long-term debt	651	152	3
Accounts payable	283	329	274
Accrued liabilities	435	474	450
Income taxes payable	24	19	24
Total current liabilities	<u>1,519</u>	<u>1,130</u>	<u>1,272</u>
Long-term debt	1,464	1,966	2,119
Other liabilities	562	547	631
Deferred income taxes	112	129	73
	<u>112</u>	<u>129</u>	<u>73</u>
Total liabilities	<u>3,657</u>	<u>3,772</u>	<u>4,095</u>
Contingencies			
Stockholders' deficit			
Common stock	159	250	250
Additional paid-in capital	437	397	342
Retained earnings	7	3,939	3,781
Treasury shares	(428)	(4,527)	(4,570)
Accumulated other comprehensive net losses	(208)	(215)	(331)
	<u>(208)</u>	<u>(215)</u>	<u>(331)</u>
Stockholders' deficit	<u>(33)</u>	<u>(156)</u>	<u>(528)</u>
Total liabilities and stockholders' deficit	<u>\$ 3,624</u>	<u>\$ 3,616</u>	<u>\$ 3,567</u>

Note: During the second quarter of fiscal year 2007, Clorox retired 91 million shares of its treasury stock. As a result of the retirement, treasury stock was reduced by \$4,137 and common stock and retained earnings were reduced by \$91 and \$4,046, respectively. There was no impact to the company's overall equity position as a result of the retirement.