



ANALYST DAY
New York • June 11th, 2009

Financial Goals

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 The Clorox Company

Centennial Strategy – June 2009

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MISSION

We make everyday life better, everyday

OBJECTIVES

Maximize economic profit across categories, customers and countries
Be best at building big-share brands in economically-attractive mid-sized categories

ANNUAL GOALS	STRATEGIES
<p style="margin: 0;">Double-Digit Economic Profit growth</p> <ul style="list-style-type: none"> • 3% to -5% Sales Growth • EBIT Margin Growth +75 bps to +100 bps • Free Cash Flow of 10% to 12% of Sales 	<ul style="list-style-type: none"> ➤ Be a high-performance organization of enthusiastic owners ➤ Win with superior capabilities in Desire, Decide and Delight ➤ Accelerate growth both in and beyond the core <li style="background-color: #92d050;">➤ Relentlessly drive out waste



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Drive Out Waste Tactics Updated to Reflect Priorities

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STRATEGY

Relentlessly drive out waste

TACTICS

- **Optimize total cost** with emphasis on supply chain, cost innovation, and reducing our environmental footprint.
- **Implement our new company operating model** to significantly lower costs
- **Upgrade our global information systems and processes.**



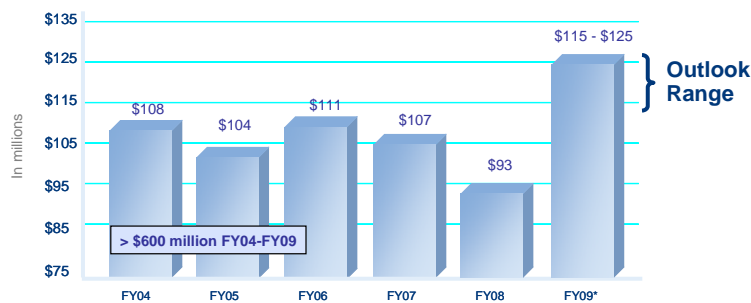
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CCEM Progress - Major Initiatives

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- World Class Manufacturing and Distribution
 - Homecare supply chain simplification
 - International supply chain realignment
- Information technology outsourcing
- Diversified supplier base
- Product design optimization



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Cost Savings are Sustainable

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- Ongoing annual target of \$80MM to \$90MM
- New Operating Model delivers incremental savings
 - Capture efficiencies across the enterprise with emphasis on areas not driving competitive advantage
- Upgrade our global information systems and processes.
 - Complete global systems platform (SAP)
- Will incur \$20MM to \$30MM ongoing annual restructuring to maintain healthy cost savings pipeline



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Continuing on Track for FY09

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\$MM	FY04	FY05	FY06	FY07	FY08	FY09 Outlook ⁽¹⁾
Annual Savings	\$108	\$104	\$111	\$107	\$93	\$112 to \$116
Operating Model	-	-	-	-	-	\$3 to \$4
Profit Impact	\$108	\$104	\$111	\$107	\$93	\$115 to \$120
Margin Benefit	260 bps	230 bps	250 bps	230 bps	170 bps	> 220 bps
Restructuring	\$11	\$36	\$1	\$13	\$36	\$35 to \$37

(1) FY09 Outlook as of May 1, 2009 Earnings Release



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Another \$115 to \$120 million targeted for FY10

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\$MM	FY09 Outlook ⁽¹⁾	FY10 Outlook ⁽¹⁾
Annual Savings	\$112 to \$116	\$80 to \$90 ⁽²⁾
Operating Model	\$3 to \$4	\$25 to \$30
Profit Impact	\$115 to \$120	\$115 to \$120
Margin Benefit	> 220 bps	> 200 bps
Restructuring	\$35 to \$37	\$20 to \$30

(1) FY09 and FY10 Outlooks as of May 1, 2009 Earnings Release (2) Ongoing annual target



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Centennial Strategy - Annual Goals

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	Annual Goals
Organic Sales Growth	+3% to 5%
EBIT Margin Growth	+75 bps to 100 bps
Economic Profit	Double-digit growth
Free Cash Flow	10% to 12% of sales



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Growth Decomposition FY04 – FY09

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	FY04	FY05	FY06	FY07	FY08	FY09 Outlook ⁽¹⁾
Organic Sales	3.3%	4.9%	5.5%	3.5%	4.7%	5% to 6%
Foreign Exchange	1.2%	0.5%	0.3%	0.2%	1.2%	-3%
Acquisitions	--	--	--	0.7%	2.9%	2%
Exit Private Label	--	--	--	--	--	-1%
Total Sales ⁽²⁾	4.5%	5.4%	5.8%	4.4%	8.8%	3% to 4%

(1) FY09 Outlook as of May 1, 2009 Earnings Release



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Sales Performance vs. Annual Goals

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Annual	FY04-FY07	Centennial Strategy (May 2007)	FY06-FY08	Centennial Strategy (June 2009)
Sales Growth	5%	3% to 5%	+4%	3% to 5%

- Organic sales growth goal of +3% to 5% continues to be appropriate
- Innovation still drives 2 points of growth annually
- Acquisitions would be incremental to goals



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EBIT Performance vs. Annual Goals

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Annual	FY04-FY07	Centennial Strategy (May 2007)	FY06-FY08	Centennial Strategy (June 2009)
Sales Growth	5%	3% to 5%	+4%	3% to 5%
EBIT Margin	(50 bps)	50 to 75 bps	(30 bps)	75 to 100 bps



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Summary of EBIT Drivers

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- + Moderating commodity costs sustained
- + Cost savings of \$80 to \$90MM/year
- + Achieve Operating Model efficiencies
- + Business mix and accretive new products

- Near-term foreign currency pressure, but moderates
- International growth more moderate
- Advertising at mid-to-high end of 9% to 10% target range



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Commodity Cost Trends FY05 to FY10

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- 5 years of significant YOY increases turns favorable in FY10
- Likely to see return to modest YOY increase beyond FY10
- While net commodities impact is turning favorable, costs are still increasing in some businesses

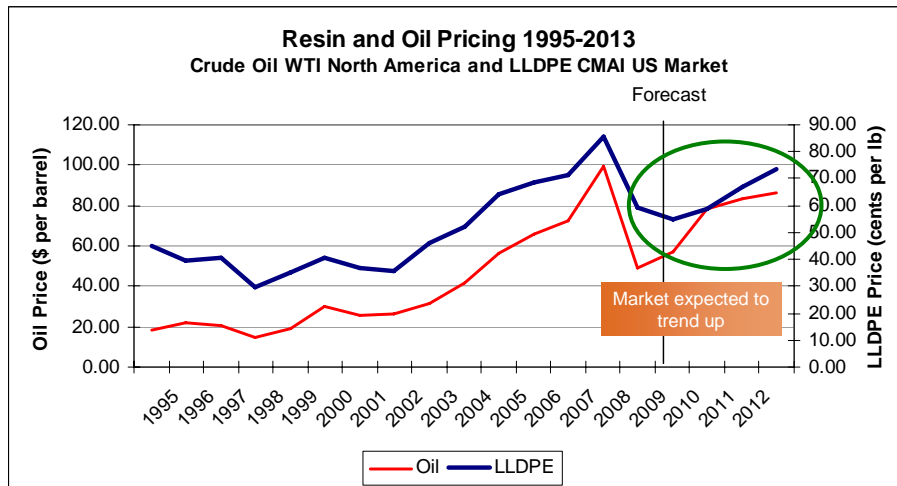
Commodity Cost Trend



*FY09 and FY10 Outlooks are as May 1, 2009 Earnings Release

Resin Market Trends – 1995 to 2013

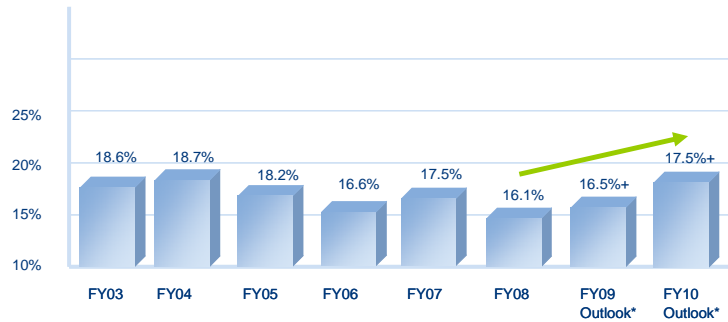
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Note: Source data from CMAI as of May 28, 2009

EBIT Margin Trend Summary

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*Both FY09 & FY10 Outlook as of May 1, 2009 Earnings Release

- Lost about 250 bps from FY03 to FY08
- Return to YOY margin expansion in FY09 with continuing expansion into FY10 and long range plan period



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Performance vs. Annual Goals

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Annual	FY04-FY07	Centennial Strategy (May 2007)	FY06-FY08	Centennial Strategy (June 2009)
Sales Growth	+5%	+3% to 5%	+4%	+3% to 5%
EBIT Margin	(50 bps)	50 to 75 bps	(30 bps)	75 to 100 bps
EP Growth	+7%	Double-digit	+2%	Double-digit

- EP goal continues to be appropriate for current environment



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Invested Capital

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- Increase over last 2 years due to acquisitions (Burt's Bees and Colgate bleach)
- No material increase in working capital
- Capital expenditures less than depreciation and amortization
- Disciplined use of cash
 - Debt pay down
 - Support dividend
 - Share buybacks, as appropriate

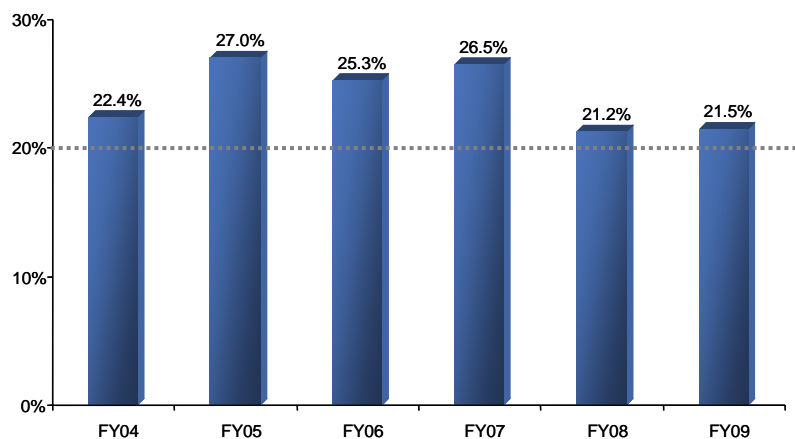


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ROIC Remains Greater than 20%

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Note: ROIC calculated as Earnings before Interest Expense adjusted for Taxes divided by Debt + Equity (calculation excludes restructuring and asset impairment costs. Detailed calculation can be found on www.thecloroxcompany.com or in Company's annual report)



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Top Tier Cash Flow Generation

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(\$MM)	FY03	FY04	FY05	FY06 ⁽¹⁾	FY07	FY08
Cash Flow from Operations	\$803	\$899	\$765	\$522	\$709	\$730
Cash Flow from Operations as a % of Sales	19%	22%	17%	14%	15%	14%
Free Cash Flow	\$600	\$729	\$614	\$492	\$562	\$560
Free Cash Flow as a % of sales	15%	18%	14%	11%	12%	11%

(1) FY06 FCF excludes \$150mm IRS tax settlement in July, 2005



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Targeted Capital Structure *Updated View*

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- Current Debt/EBITDA as of March 31, 2009: 2.85x
- Target range 2.0 to 2.5x Debt/EBITDA
- With acquisitions, remain at or below 3.0x
- Priorities for Free Cash Flow: Reduce debt and support dividend
 - FY10 priority to pay down debt
- Return cash to shareholders if not needed for the business
 - Dividend increase: +9% June 09
+15% May 08
+29% May 07
 - Payout ratio: 49%⁽¹⁾
 - Yield: 3.9%⁽²⁾
 - Share repurchases

(1) Based on mid-point of FY10 EPS Outlook of \$4.00 to \$4.15 as of May 1, 2009 Earnings Release
(2) Based on stock price as of close May 27, 2009 (\$51.59)



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Financial Summary

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- Centennial Strategy financial goals are achievable
- EP goal continues to be appropriate for current environment
- Remain disciplined in use of cash
- Will return cash to shareholders if not needed for the business



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