CLOROX CO /DE/

FORM 10-Q
(Quarterly Report)

Filed 5/15/2000 For Period Ending 3/31/2000

Address	THE CLOROX COMPANY 1221 BROADWAY
	OAKLAND, California 94612-1888
Telephone	510-271-7000
CIK	0000021076
Industry	Personal & Household Prods.
Sector	Consumer/Non-Cyclical
Fiscal Year	06/30

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2000

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-07151

THE CLOROX COMPANY

(Exact name of registrant as specified in its charter)

Delaware	31-0595760
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification number
1221 Broadway - Oakland, California	94612 - 1888
(Address of principal executive offices)	
Registrant's telephone number, (including area code)	(510) 271-7000

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

As of March 31, 2000 there were 234,715,228 shares outstanding of the registrant's common stock (par value - $1.00), the registrant's only outstanding class of stock.

THE CLOROX COMPANY

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The Clorox Company and Subsidiaries
Condensed Statements of Consolidated Earnings
(In millions, except share and per-share amounts)

	Three Months Ended		Nine Months Ended	
	3/31/00	3/31/99	3/31/00	3/31/99
Net Sales	$ 1,034	$ 992	$ 2,930	$ 2,904
Cost and Expenses				
Cost of products sold	506	473	1,446	1,390
Selling, delivery and administration	190	195	564	588
Advertising	119	124	345	361
Research and development	15	15	44	44
Merger, integration, restructuring and asset impairment	13	100	21	100
Interest expense	25	23	71	75
Other expense, net	1	10	17	18
Total costs and expenses	869	940	2,508	2,576
Earnings before income taxes	165	52	422	328
Income taxes	59	30	153	132
Net Earnings	$ 106	$ 22	$ 269	$ 196
Earnings per Common Share				
Basic	$ 0.45	$ 0.09	$ 1.14	$ 0.83
Diluted	0.44	0.09	1.12	0.82
Weighted Average Shares Outstanding (in thousands)				
Basic	235,843	235,794	236,446	234,946
Diluted	238,848	240,440	239,894	239,590
Dividends per Share	$ 0.20	$ 0.18	$ 0.60	$ 0.53

See Notes to Condensed Consolidated Financial Statements.

Item 1. Financial Statements

The Clorox Company and Subsidiaries
Condensed Consolidated Balance Sheets
(In millions)

	3/31/00	6/30/99
ASSETS		
Current Assets		
Cash and short-term investments	$ 149	$ 132
Receivables, net	677	610
Inventories	402	319
Prepaid expenses and other	22	29
Deferred income taxes	23	26
Total current assets	1,273	1,116
Property, Plant and Equipment - Net	1,072	1,054
Brands, Trademarks, Patents and Other Intangibles - Net	1,547	1,497
Investments in Affiliates	114	104
Other Assets	345	361
Total	$ 4,351	$ 4,132
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 239	$ 206
Accrued liabilities	366	350
Accrued merger, integration, and restructuring	9	23
Short-term debt and notes payable	857	734
Income taxes payable	56	48
Current maturities of long-term debt	6	7
Total current liabilities	1,533	1,368
Long-term Debt	679	702
Other Obligations	190	255
Deferred Income Taxes	224	237
Stockholders' Equity		
Common stock	250	250
Additional paid-in capital	131	50
Retained earnings	1,984	1,842
Treasury shares, at cost	(462)	(392)
Accumulated other comprehensive loss	(164)	(160)
Other	(14)	(20)
Stockholders' equity	1,725	1,570
Total	$ 4,351	$ 4,132

See Notes to Condensed Consolidated Financial Statements.

PART I - FINANCIAL INFORMATION (Continued)
Item 1. Financial Statements
The Clorox Company and Subsidiaries
Condensed Statements of Consolidated Cash Flows
(In millions)

	Nine Months Ended	
	3/31/00	3/31/99
Operations:		
Net earnings	$ 269	$ 196
Adjustments to reconcile to net cash provided by operating activities:		
Provision for inventory write downs and asset impairment	6	42
Depreciation and amortization	151	147
Deferred income taxes	13	5
Other	-	(2)
Changes in (excluding effects of businesses acquired):		
Accounts receivable	(58)	27
Inventories	(78)	(36)
Prepaid expenses and other	7	5
Accounts payable	29	(53)
Accrued liabilities	1	(97)
Accrued merger, integration, and restructuring	(14)	24
Income taxes payable	7	50
Net cash provided by operations	333	308
Investing Activities:		
Purchases of property, plant and equipment	(103)	(110)
Proceeds from disposals of property, plant and equipment	5	5
Businesses acquired	(101)	(116)
Other	(57)	(27)
Net cash used for investing	(256)	(248)
Financing Activities:		
Short-term debt and notes payable borrowings (repayments), net	125	(127)
Long-term debt and other borrowings	15	201
Long-term debt and other repayments	(28)	(15)
First Brands receivables financing program, net	-	(20)
Cash dividends	(142)	(120)
Treasury stock purchased	(125)	(33)
Settlement of share repurchase and option contracts	82	-
Issuance of common stock for employee stock plans and other	12	62
Net cash used for financing	(61)	(52)
Effect on cash of exchange rate changes	1	-
Net increase in cash and short-term investments	17	8
Cash and short-term investments:		
Beginning of period	132	102
End of period	$ 149	$ 110

See Notes to Condensed Consolidated Financial Statements.

Item 1. Financial Statements
The Clorox Company and Subsidiaries

Notes to Condensed Consolidated Financial Statements
(In millions, except share and per-share amounts)

1) The condensed consolidated financial statements for the three and nine months ended March 31, 2000 and 1999 have not been audited but, in the opinion of management, include all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the consolidated results of operations, financial position, and cash flows of The Clorox Company and its subsidiaries (the "Company"). The Company's results reflect the January 29, 1999 merger with First Brands Corporation ("First Brands") which was accounted for as a pooling of interests. All historical financial information has been restated to include First Brands. The results for the three and nine months ended March 31, 2000 and 1999 should not be considered as necessarily indicative of the annual results for the respective years.

2) Inventories at March 31, 2000 and at June 30, 1999 consisted of:

	3/31/00	6/30/99
Finished goods and work in process	$ 283	$ 220
Raw materials and supplies	119	99
Total	$ 402	$ 319

Inventory of certain First Brands' products were written down to their net realizable value, and cost of products sold includes a corresponding charge of $4 and $8 for the nine month periods ending March 31, 2000 and 1999, respectively.

3) International acquisitions since June 30, 1999 totaled $101 and were accounted for as purchases. These acquisitions included a cleaning utensil business in Colombia, Venezuela and Peru, an increase in ownership to 100% in Tecnoclor, S.A. in Colombia (previously 72% owned and fully consolidated), and a rubber glove business purchased in Australia. The acquisitions were funded using a combination of cash and debt.

4) Basic earnings per share (EPS) is computed by dividing net earnings by the weighted average number of common shares outstanding each period. Diluted EPS is computed by dividing net earnings by the diluted weighted average number of common shares outstanding during each period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options, restricted stock, warrants and other convertible securities. The weighted average number of shares outstanding (denominator) used to calculate basic EPS is reconciled to those shares used in calculating diluted EPS as follows (in thousands):

	Weighted Average Number of Shares Outstanding			
	Three Months Ended		Nine Months Ended	
	3/31/00	3/31/99	3/31/00	3/31/99
Basic	235,843	235,794	236,446	234,946
Stock options	2,955	4,610	3,402	4,604
Other	50	36	46	40
Diluted	238,848	240,440	239,894	239,590

Item 1. Financial Statements
The Clorox Company and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(In millions, except share and per-share amounts)

5) Comprehensive income for the Company includes net income and foreign currency translation adjustments that are excluded from net income but included as a separate component of total stockholders' equity. Comprehensive income for the three and nine month periods ended March 31, 2000 and 1999 is as follows:

	Three Months Ended		Nine Months Ended	
	3/31/00	3/31/99	3/31/00	3/31/99
Net Earnings	$ 106	$ 22	$ 269	$ 196
Foreign currency translation adjustments	(3)	(18)	(4)	(32)
Total comprehensive income	$ 103	$ 4	$ 265	$ 164

6) On January 29, 1999, the Company completed a merger with First Brands. Related merger, integration, restructuring and asset impairment charges through March 31, 2000 are as follows:

	Merger and Integration	Restructuring	Sub-Total	Asset Impairment	Total
Provision for merger, integration, restructuring, and asset impairment:					
For the year ended June 30, 1999	$36	$53	$89	$91	$180
For the nine months ended March 31, 2000	17	2	19	2	21
Total provision for merger, integration, restructuring and asset impairment through March 31, 2000	53	55	108	$93	$201
Total paid through March 31, 2000	(49)	(50)	(99)		
Accrued liability as of March 31, 2000	$4	$5	$9		

Substantially all merger, integration, restructuring and asset impairment costs related to the First Brands merger have been recognized through March 31, 2000.

Item 1. Financial Statements
The Clorox Company and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(In millions, except share and per-share amounts)

7) The Company's operating segments are as follows:

Household Products: Includes cleaning, bleach and other home care products, and water filtration products marketed in the United States and all products marketed in Canada.

U. S. Specialty Products: Includes charcoal, automotive care, cat litter, insecticides, dressings, sauces, professional products and the food storage and disposal categories.

International: Includes operations outside the United States and Canada.

Corporate, Interest and Other: Includes certain non-allocated administrative and sales costs, goodwill amortization, interest income, interest expense, merger, integration and restructuring, and other income and expense.

Each segment is individually managed with separate operating results that are reviewed regularly by the chief operating decision maker. The following table shows operating segment information.

	Net Sales			
	Three Months Ended		Nine Months Ended	
	3/31/00	3/31/99	3/31/00	3/31/99
Household Products	$ 404	$ 373	$ 1,193	1,169
U.S. Specialty Products	469	460	1,273	1,272
International	161	159	464	463
Total Company	$ 1,034	$ 992	$ 2,930	$ 2,904

	Earnings Before Income Taxes			
	Three Months Ended		Nine Months Ended	
	3/31/00	3/31/99	3/31/00	3/31/99
Household Products	$ 118	$ 128	$ 370	$ 386
U.S. Specialty Products	135	124	325	315
International	24	17	63	43
Corporate, Interest and Other	(112)	(217)	(336)	(416)
Total Company	$ 165	$ 52	$ 422	$ 328

8) In September 1999, in response to declines in the Company's stock price in the first quarter, the Board of Directors authorized a common stock repurchase and hedging program intended to reduce or eliminate dilution when shares are issued in accordance with the Company's various stock compensation plans. The Company had canceled a prior share repurchase and hedging program (previously authorized in September 1996 by the Board of Directors to offset the dilutive effects of employee stock exercises) when it merged with First Brands. From inception of the new program through March 31, 2000, a total of 3,123,000 shares were acquired at a cost of $125.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Results of Operations

Diluted earnings per share increased to $0.44 from $0.09 for the quarter ended March 31, 2000 and increased to $1.12 from $0.82 for the nine months ended March 31, 2000. Net earnings increased to $106 million from $22 million for the quarter ended March 31, 2000 and increased to $269 million from $196 million for the nine months ended March 31, 2000. Improved earnings were principally due to a reduction in merger, restructuring and asset impairment costs. The Company's results reflect the January 29, 1999 merger with First Brands Corporation ("First Brands"). The merger was accounted for as a pooling of interests and all historical financial information has been restated to include First Brands.

Net sales for the third quarter of fiscal 2000 increased 4% to $1,034 million mostly due to the results achieved from the Company's household products and U.S. specialty products segments. The increase in the household products segment's net sales was mostly achieved from the introduction of new products such as Liquid-Plumr Foaming Pipe Snake, Clorox Disinfecting Spray and Wipes, Ultra Clorox liquid bleach and Clorox FreshCare fabric refresher and dry clean products. Partially offsetting this increase were lower shipments of Tilex and Pine-Sol products and higher promotional spending to support new products. The U.S. specialty products segment's net sales results were favorably impacted by record shipments of Hidden Valley dressings and the introduction of K C Masterpiece marinades.

Net sales for the nine-month period ended March 31, 2000 increased 1% to $2,930 million primarily due to the Company's household products segment's increase of 2% in sales over the year ago period. Contributing to this increase were new product launches and the full year results of the Handi Wipes business acquired in the prior year. Higher promotional spending to support new products and lower shipments of Tilex Fresh Shower, due to higher volumes in the prior year during its launch, partially offset this increase. The U.S. specialty products and international segments' sales performance also added $2 million to the Company's increase in net sales. The increase in U.S. specialty products segment's net sales was due to new product launches, higher charcoal shipments driven by both continued category consumption growth and a strong presence in warehouse clubs, and higher shipments from Hidden Valley bottled dressings. These increases were partially offset by the negative impact of prior year First Brands inefficient trade-promotional practices, which the Company is continuing to eliminate. The increase in the international segment's sales growth was driven by higher shipments and acquisitions that were partially offset by currency devaluations and higher promotional spending.

Cost of products sold as a percentage of sales increased to 48.9% from 47.7% for the quarter ended March 31, 2000 and increased to 49.4% from 47.9% for the nine months ended March 31, 2000. These increases were primarily due to higher resin costs and start-up costs associated with the introduction of Ultra Clorox liquid bleach and other new products. Additionally, cost of products sold includes a charge of $4 million and $8 million at March 31, 2000 and March 31, 1999, respectively, for the write down of certain First Brands inventories. These increases were somewhat offset by cost savings initiatives throughout the Company's domestic and international business units.

Selling, delivery and administrative expenses decreased 3% to $190 million for the quarter ended March 31, 2000 and decreased 4% to $564 million for the nine months ended March 31, 2000. These decreases were achieved mostly from continued benefits from combining the former First Brands businesses with Clorox, savings from lower commission expense primarily due to the consolidation of the Company's broker network, the consolidation of the Company's logistics network and the integration of the sales force in Latin America.

Advertising expense decreased to $119 million from $124 million for the quarter ended March 31, 2000 and decreased to $345 million from $361 million for the nine months ended March 31, 2000. The savings were primarily due to changing certain First Brands couponing practices and to the consolidation of advertising agencies. Higher media spending to support the introduction of new products and former First Brands businesses partially offset these savings.

Merger, integration, restructuring and asset impairment for the three and nine months ended March 31, 2000 primarily reflect costs associated with the closure of First Brands distribution centers and relocation and retention bonuses paid to former First Brands employees. Additionally, $2 million of asset impairment losses were recognized in the quarter ended March 31, 2000 for the write-down of property, plant and equipment related to the Company's fire logs business.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Results of Operations

Interest expense increased to $25 million from $23 million for the quarter ended March 31, 2000 and decreased to $71 million from $75 million for the nine months ended March 31, 2000. The increase for the three-month period primarily reflects rising interest rates and an increase in borrowings in the third quarter to fund acquisitions, seasonal inventory builds and share repurchases. The decrease for the nine-month period was due to the refinancing of former First Brands debt at lower interest rates made possible by Clorox's more favorable credit rating and the termination of the First Brands trade receivables financing program, partly offset by rising interest rates and an increase in borrowings.

Other expense, net decreased to $1 million from $10 million for the quarter ended March 31, 2000 primarily due to higher interest and royalty incomes, prior year costs associated with the termination of debt, and losses on the disposal of assets incurred in the prior year.

Income tax expense as a percent of pretax earnings decreased to 36% from 58% for the quarter ended March 31, 2000 and decreased to 36% from 40% for the nine months ended March 31, 2000 principally due to non-deductible merger related costs recorded in the prior year three and nine month periods.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Liquidity and Capital Resources

The Company's financial position and liquidity remain strong due to cash flow provided by operations during the year. Receivables have increased from June 30, 1999 partly due to the Company's strategic focus on expanding the business in Latin America as well as domestic sales growth. The increase in inventories reflects seasonality and inventory builds resulting from new product launches. Increases in accounts payable and accrued liabilities result from timing of promotional spending and inventory purchases.

International acquisitions since June 30, 1999 totaled $101 million and were funded using a combination of cash and debt. These acquisitions included a cleaning utensil business in Colombia, Venezuela and Peru, an increase in ownership to 100% in Tecnoclor, S.A. in Colombia (previously 72% owned and fully consolidated), and a rubber glove business purchased in Australia.

In September 1999, in response to declines in the Company's stock price in the first quarter, the Board of Directors authorized a common stock repurchase and hedging program intended to reduce or eliminate dilution when shares are issued in accordance with the Company's various stock compensation plans. The Company had canceled a prior share repurchase and hedging program (previously authorized in September 1996 by the Board of Directors to offset the dilutive effects of employee stock exercises) when it merged with First Brands. During the nine-month period ended March 31, 2000, a total of 3,123,000 shares were acquired at a cost of $125 million.

On September 15, 1999, the Company settled share repurchase agreements and options contracts realizing cash proceeds of approximately $82 million. On the same day, the Company entered into two new share repurchase transactions whereby the Company contracted for future delivery of 2,260,000 shares on September 15, 2002 and 2,260,000 shares on September 15, 2004, each for a strike price of $43 per share. In November 1999, the Company entered into an agreement to purchase an additional 1,000,000 shares on December 1, 2003 at a price of $46.32 per share.

On November 17, 1999, the stockholders approved an amendment of the Company's Certificate of Incorporation to increase the authorized capital of the Company to consist of 750,000,000 shares of Common Stock and 5,000,000 shares of Preferred Stock, each with a par value of $1.00 per share.

Management believes the Company has access to sufficient capital through existing lines of credit and, should the need arise, from other public and private sources.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Cautionary Statement

Except for historical information, matters discussed above and in the financial statements and footnotes, including statements about future growth, profitability, costs, expectations, plans or objectives, are forward-looking statements based on management's estimates, assumptions and projections. These forward-looking statements are subject to risks and uncertainties, and actual results could differ materially from those discussed above and in the financial statements and footnotes. Important factors that could affect performance and cause results to differ materially from management's expectations are described in "Forward-Looking Statements and Risk Factors" in the Company's Annual Report on Form 10-K for the year ending June 30, 1999, and in the Company's subsequent SEC filings. Those factors include, but are not limited to, marketplace conditions and events, competitors' actions, the Company's costs, risks inherent in litigation and international operations, the success of new products, the integration of acquisitions and mergers, including First Brands, and environmental, regulatory and intellectual property matters.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits
(10) Material Contracts
(viii) The Clorox Company Supplemental Executive Retirement Plan Restated (July 17, 1991 amended May 18, 1994, January 17, 1996 and January 29, 2000)

S I G N A T U R E

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE CLOROX COMPANY
(Registrant)

DATE May 11, 2000 *BY /S/ GREGORY S. FRANK*

Gregory S. Frank
Vice-President - Controller

INDEX TO EXHIBITS

Exhibit Number	Description of Exhibit
10(viii)	The Clorox Company Supplemental Executive Retirement Plan Restated (July 17, 1991 amended May 18, 1994, January 17, 1996 and January 19, 2000)

THE CLOROX COMPANY
SUPPLEMENTAL
EXECUTIVE
RETIREMENT PLAN
RESTATED

JULY 17, 1991
AMENDED
MAY 18, 1994,
JANUARY 17, 1996
and
January 19, 2000

PURPOSE OF THE PLAN

The purpose of The Clorox Company Supplemental Executive Retirement Plan (the "Plan") is to provide retirement benefits for certain executives of The Clorox Company (the "Company") in addition to the retirement benefits provided generally to all Company salaried employees. These supplemental benefits are intended to provide greater retirement security for those executives and to aid in attracting and retaining future executives.

ARTICLE I
DEFINITIONS
The following words and phrases as used herein shall have the following meanings, unless a different meaning is plainly required by the context.

1.1 "Accrued Benefit" means the benefit of a Participant calculated under Article II at the time of the Participant's termination, or for Participants who have not terminated employment, at the time of their assumed termination. In the latter case, the benefit will be based upon the following as of their assumed termination: (a) Compensation, (b) total years and completed months of service, (c) any vested accrued benefit from a Company sponsored Defined Benefits Plan, (d) the monthly benefit which could be provided based on the actuarially determined annuity value of the Participant's vested Company contributions account under any Company sponsored Defined Contribution Plan, and (e) any monthly primary insurance benefit to which the Participant may be entitled under the Social Security Act.

1.2 "Board of Directors" means the board of directors of the Company as from time to time constituted.

1.3 "Committee" means the Employee Benefits and Management Compensation Committee of the Board of Directors.

1.4 "Company" means The Clorox Company.

1.5 "Compensation" means the total of annual base salary plus the Management Incentive Compensation awarded to a Participant and in each case includes amounts the receipt of which the Participant has elected to defer or to take in the form of restricted stock or a stock option. For purposes of the calculation of benefits in Sections 2.3 and 2.5, the total of the Participant's three highest Management Incentive Compensation or Executive Incentive Compensation (referred to collectively as "Incentive Compensation") awards will be apportioned evenly over the 36 consecutive months of highest base salary. If a Participant receives a pro-rated Incentive Compensation award because of termination of employment other than at the end of the Company's fiscal year, (a) that pro-rated amount shall be divided by the number of months the Participant was employed during the fiscal year and (b) the Participant's third highest Incentive Compensation award shall be divided by 12. If the result of (a) above is greater than the result of (b) above, one of the Participant's three highest Incentive Compensation awards for purposes of this paragraph shall be deemed to be the Participant's final year pro-rated Incentive Compensation Award plus the amount determined in (b) above multiplied by the result of subtracting from 12 the number of months Participant was employed by the Company during his or her final year of employment.

1.6 "Defined Benefit Plan" means a plan, fund or program under which an employer undertakes systematically for the payment of definitely determinable benefits to its employees over a period of years after retirement. The benefit an employee will receive upon retirement can be determined from a formula defined in the plan instrument.

1.7 "Defined Contribution Plan" means a plan which provides for an individual account for each participant and for benefits based solely on the amount contributed to the participant's account, and any income, expenses, gains and losses and any forfeitures of accounts of other participants which may be allocated to such participant's account. Beginning July 1, 1994 "Defined Contribution Plan" shall include NonQualified Deferred Compensation Plans which a) restore amounts for a Participant's benefit which cannot be contributed to a defined benefit or contribution plan deemed qualified under the Internal Revenue Code, or b) account for annual distributions, whether deferred or received in cash, made from a Defined Contribution Plan rather than credited to the Participant's account in such plan.

1.8 "Effective Date" means July 1, 1981.

1.9 "Married Participant" means a Participant who is lawfully married on the date Retirement Benefits become payable pursuant to Article II

(Retirement Benefits).

1.10 "Officer" means an officer of the Company with a rank of Vice President or above.

1.11 "Participant" means any employee who becomes a Participant pursuant to Section 2.1 (Participation), or a former employee who has become entitled to a Normal or Early Retirement Benefit pursuant to the Plan.

1.12 "Retirement Benefit" means the retirement income provided to Participants and their joint annuitants in accordance with the applicable provisions of Article II (Retirement Benefits).

Words importing males shall be construed to include females wherever appropriate.

ARTICLE II
RETIREMENT BENEFITS

2.1 Participation The employees of the Company named in Exhibit A are the Participants currently accruing benefits or who have vested deferred benefits and have not begun to receive such benefits. From time to time, the Committee may designate additional employees as Plan Participants. A Participant who is an Officer of the Company and who is removed from office or is not reelected as an Officer, or who is not an Officer and who terminates his employment or has his employment terminated, will thereupon cease to be a Participant and will have no vested interest in the Plan unless he is entitled to a Normal or Early Retirement Benefit pursuant to this Article II.

2.2 Normal Retirement Date A Participant who terminates his employment on or after age sixty-five with ten or more years of employment with the Company will receive a Normal Retirement Benefit beginning on the first day of the month following his termination of employment. Such date will be the Participant's Normal Retirement Date.

2.3 Normal Retirement Benefits The Normal Retirement Benefit payable to a Participant will be equal to 3-2/3% of the monthly average of the Participant's compensation during the thirty-six (36) consecutive months of employment producing the highest such average, times the Participant's total years and completed months of employment with the Company as of his termination of employment, to a maximum of 15 years, offset by:

(a) the monthly benefit payable under a 50% joint and survivor annuity form for a Married Participant or an annuity payable for the life of a single Participant, which would be provided to the Participant on his Normal Retirement Date (i) by Company contributions under any Company sponsored Defined Benefit Plan plus (ii) the monthly benefit which could be provided based on the actuarially determined annuity value of his vested Company contributions account under any Company sponsored Defined Contribution Plan, plus

(b) the monthly primary insurance benefit to which the Participant may be entitled under the Social Security Act as of his Normal Retirement Date.

For purposes of this Section, Company contributions shall not include voluntary reductions of compensation under the provisions of a Company sponsored Defined Contribution Plan. Company matching contributions under such a plan shall be considered Company contributions.

2.4 Early Retirement Date A Participant who terminates his employment on or after age fifty-five with ten or more years of employment with the Company will receive an Early Retirement Benefit beginning on the first day of the month following his termination of employment. The date of the commencement of the Early Retirement Benefit will be the Participant's Early Retirement Date.

2.5 Early Retirement Benefit The Early Retirement Benefit payable to a Participant on his Early Retirement Date will be calculated in the same manner as the Normal Retirement Benefit in Section 2.3 except that:

(a) Before deducting the offsets provided in Section 2.3, (a) and (b), the benefit derived by the calculation in the first paragraph of Section 2.3 shall be reduced to reflect the Participant's retirement before his Normal Retirement Date. This reduction will be one quarter of one percent (0.25%) for each month that the Participant's Early Retirement Date precedes his Normal Retirement Date.

(b) In calculating the offset described in Section 2.3, (a) and (b), the reference to "Normal Retirement Date" shall be changed to "Early Retirement Date." If the Early Retirement Date is prior to the Participant's attainment of age 62, then the monthly primary insurance benefit payable at age 62 shall be multiplied by the appropriate factor from the table below:

Age at Early Retirement Date	Factor
62	1.00
61	.90
60	.81
59	.73
58	.66

57	.60
56	.54
55	.49

If the Participant's Age on the Early Retirement Date is not an integral age, the factors above shall be interpolated to reflect the age in years and months. If the Participant is 62 or older on his/her Early Retirement Date, the offset shall be the actual monthly primary insurance benefit to which the Participant is entitled under the Social Security Act as of that date.

2.6 Form of Payment A Participant's Normal or Early Retirement Benefit, will be paid to him monthly beginning on his Normal or Early Retirement Date and ending with the payment due for the month in which his death occurs. If the spouse of a Participant who is receiving a Retirement Benefit survives the Participant, monthly payments equal to 50% of the monthly amount payable to the Participant will continue to such spouse ending with the payment due for the month in which such spouse's death occurs.

2.7 Termination other than Early or Normal Retirement A Participant who terminates employment or whose employment is terminated by the Company and who does not meet the requirements for an Early or Normal Retirement Benefit will be not be entitled to a benefit under the Plan.

2.8 Pre-Retirement Death Benefit The surviving spouse of a Participant with ten or more years of employment with the Company who dies before he has begun receiving a Normal or Early Retirement Benefit shall be entitled to receive a Pre-Retirement Death Benefit. The Pre-Retirement Death Benefit shall be one-half of a 50% joint and survivor annuity form of the Early or Normal Retirement Benefit the Participant would have received had he elected to begin receiving a Retirement Benefit on the first day of the month following his death. If the Participant's death occurs before he has attained the age at which he could elect to receive an Early Retirement Benefit, the Pre-Retirement Death Benefit will commence on the first day of the month following the date upon which the Participant would have attained that age had he survived; provided, however, that if the surviving spouse dies before that date, there shall be no Pre-Retirement Death Benefit available to any survivors of the Participant or his spouse.

2.9 Disability A Participant who becomes disabled as determined by The Clorox Company Pension Plan will continue to participate in this Plan on the same basis as he continues to participate in said Pension Plan.

ARTICLE III
MISCELLANEOUS PROVISIONS

3.1 Plan Administration The Committee shall have the power and the duty to take all action and to make all decisions necessary and proper to carry out the Plan. Without limiting the generality of the foregoing, the Committee hereby designates the Employee Benefits Committee of the Company to control and manage the operation and administration of the Plan. The Committee shall have the authority to allocate among themselves or to the Employee Benefits Committee or to delegate to any other person, any fiduciary responsibility with respect to the Plan.

3.2 Amendment and Plan Termination

(a) Except by the written consent of 75% of Plan Participants actually or potentially affected thereby and the approval of the Board of Directors, the Plan may not be terminated or amended in any way which would reduce the benefits payable hereunder or reduce or eliminate the funding provided for in Article IV until the first regularly scheduled meeting of the Board of Directors held after June 30, 2011.

(b) The Board of Directors, without the consent of the Plan Participants, may amend the Plan to improve or increase the benefits payable hereunder at any time.

(c) If the Plan is terminated, all Participants, including beneficiaries receiving benefits, will be entitled to their Accrued Benefits under the Plan. In such event the Board of Directors may, at its sole discretion, elect any one or more of the following alternatives to satisfy the Company's obligations to such Participants or beneficiaries, provided that the method so elected shall be applied uniformly to all Participants or beneficiaries:

(i) Provide benefit payments in accordance with the terms of the Plan, at the times specified in the Plan.

(ii) Purchase immediate or deferred annuities.

(iii) Make lump sum payments equal to the present value of accrued benefits for amounts less than $25,000 adjusted annually beginning July 1, 1995, for changes in the Consumer Price Index.

3.3 Assignment of Benefits A Participant may not, either voluntarily or involuntarily, assign, anticipate, alienate, commute, pledge or encumber any benefits to which he is or may become entitled to under the Plan nor may the same be subject to attachment or garnishment by any creditor of a Participant.

3.4 Not An Employment Agreement Nothing in the establishment of the Plan is to be construed as giving any Participant the right to be retained in the employ of the Company.

3.5 Merger, Consolidation or Transfer In the event that the Company shall, pursuant to action by its Board of Directors, at any time propose to merge into, consolidate with or sell or otherwise transfer all or substantially all of its assets to another corporation and provision is not made pursuant to the terms of such transaction for the continuation of this Plan by the surviving, resulting or acquiring corporation or for the substitution of a comparable plan hereto, the provisions of this Plan shall remain in effect.

ARTICLE IV
FUNDING

4.1 Establishment of Irrevocable Trust The Company shall establish an irrevocable trust of which the Company is the owner for federal income tax purposes (within the meaning of Sections 671 through 677 of the Internal Revenue Code of 1986) (the "Trust") and fund the Trust as hereinafter provided in order to provide a source from which to satisfy the Company's obligations to Participants under this Plan.

4.2 Amount of Funding The Company shall make such contributions to the Trust as the Board of Directors from time to time determines appropriate.

4.3 Actuarial Assumptions and Method The Plan's actuary shall use the following assumptions and methods when advising the Board of Directors with regard to contributions to the Trust:

(a) Mortality:
1983 Group Annuity Mortality Table for periods after benefits have commenced, or are assumed to have commenced. No mortality will be assumed prior to the assumed retirement age for benefits not yet in payment status.

(b) Return on Investment:
Assets are assumed to earn, the liabilities are discounted at, eight percent (8%) per year.

(c) Assumed Retirement Age:
For Participants whose benefits are not in payment status as of July 1 of each year, the Assumed Retirement Age will be age 60, or their current age if older. For beneficiaries, the Assumed Retirement Age is the beneficiary's age on the date their deceased spouse would have reached 60, or their current age if their spouse would have already been older than age 60.

(d) Annual Pay Increases:
Eight percent (8%) per year.

(e) Employee Turnover:
None.

(f) Social Security Increases:
Social security benefits are assumed to increase 5% per year.

(g) IRC Limits:
The Internal Revenue Code (IRC) section 415 and section 401(a)(17) limits are assumed to increase 5% per year.

(h) Defined Contribution Plan Offset:
Annuity equivalent of projected account balance assuming an annual earnings rate of 8.0%; Profit Sharing Plan contributions of 8.0% of pay; annual TRIP contributions of $500 (no inflation); and assuming no further PAYSOP contributions are made.

(i) Actuarial Cost Method:
The Entry Age Normal Cost Method will be used. The unfunded actuarial liability as of each July 1 will be amortized over ten years.

April 10, 2000

ARTICLE 5

THIS SCHEDULE CONTATINS SUMMARY FINANCIAL INFORMATION FROM THE FINANCIAL STATEMENTS OF THE CLOROX COMPANY FOR THE FISCAL QUARTER ENDED MARCH 31, 1999, AS PRESENTED IN THE CLOROX COMPANY'S FORM 10-Q FILED FOR SUCH PERIOD, AND IS INCORPORATED BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1000000

PERIOD TYPE	9 MOS
FISCAL YEAR END	JUN 30 2000
PERIOD END	MAR 31 1999
CASH	107
SECURITIES	42
RECEIVABLES	680
ALLOWANCES	3
INVENTORY	402
CURRENT ASSETS	1273
PP&E	1929
DEPRECIATION	857
TOTAL ASSETS	4351
CURRENT LIABILITIES	1533
BONDS	679
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	250
OTHER SE	1475
TOTAL LIABILITY AND EQUITY	4351
SALES	2930
TOTAL REVENUES	2930
CGS	1446
TOTAL COSTS	2399
OTHER EXPENSES	38
LOSS PROVISION	0
INTEREST EXPENSE	71
INCOME PRETAX	422
INCOME TAX	153
INCOME CONTINUING	269
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	269
EPS BASIC	1.14
EPS DILUTED	1.12

End of Filing