CLOROX CO /DE/

FORM 10-K
(Annual Report)

Filed 9/26/2000 For Period Ending 6/30/2000

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-K

(Mark One)

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2000

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

For the transmission 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 No.)
1221 Broadway, Oakland, CA	94612-1888
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (510) 271-7000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1 par value	New York Stock Exchange Pacific Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE.

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Aggregate market value of voting stock held by non-affiliates of the registrant at July 31, 2000: $6,951,041,815. Number of shares of common stock outstanding at July 31, 2000: 235,502,838.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's 2000 Annual Report to Shareholders ("Annual Report") are incorporated by reference into Part I of this report. Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on November 15, 2000, which will be filed with the United States Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year ended June 30, 2000, are incorporated by reference into Parts I, II, III and IV of this report.

PART I

ITEM l. BUSINESS

(a) GENERAL DEVELOPMENT OF BUSINESS.

The Company (the term "Company" as used herein includes the registrant identified on the facing sheet, The Clorox Company, and its subsidiaries, unless the context indicates otherwise) was originally founded in Oakland, California in 1913 as the Electro-Alkaline Company. It was reincorporated as Clorox Chemical Corporation in 1922, as Clorox Chemical Co. in 1928, and as The Clorox Company (an Ohio corporation) in 1957, when the business was acquired by The Procter & Gamble Company. The Company was fully divested by The Procter & Gamble Company in 1969 and, as an independent company, was reincorporated in 1973 in California as The Clorox Company. In 1986, the Company was reincorporated in Delaware.

During fiscal year 2000, the Company continued to focus on expanding its business through internal development of new products and line extensions of existing products. The Company introduced 114 new products during fiscal year 2000, including Clorox Disinfecting Wipes, Clorox Disinfecting Spray, Ultra Clorox liquid bleach, Liquid-Plumr Foaming Pipe Snake drain cleaner, and Fresh Step Crystals cat litter. The Company also focused on completing the integration of the product lines it acquired in its merger with First Brands Corporation in fiscal year 1999.

Internationally, the Company made three acquisitions in fiscal year 2000, consisting of the Bon Bril cleaning utensil business in Colombia, Venezuela and Peru, the Agrocom S.A. distribution business in Argentina, and the Astra rubber glove business in Australia. The Company also increased its equity ownership in Clorox de Colombia S.A.(formerly "Tecnoclor, S.A.") in Colombia from 72% to 100%. The Company restructured its operations in Asia, moving to third-party distributors in many regions.

For other recent business developments, refer to the information set forth under the caption "Management's Discussion and Analysis," on pages B-1 through B-9 of Exhibit 99 hereto, and pages B-1 through B-9 of Appendix B of the Company's definitive Proxy Statement for the 2000 Annual Meeting of Stockholders of the Company, which will be filed with the United States Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year ended June 30, 2000 ("Proxy Statement"), incorporated herein by reference.

(b) FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS.

The Company has three business segments: U.S Household Products and Canada, U.S. Specialty Products and International. Financial information for the last three fiscal years, including net sales, earnings before taxes, and identifiable assets, attributable to each of the Company's industry segments is set forth in Note 17 - Industry Segment Information of the Notes to the Consolidated Financial Statements, which appears on page B-31 of Exhibit 99 hereto, and on page B-31 of Appendix B of the Proxy Statement, incorporated herein by reference.

(c) NARRATIVE DESCRIPTION OF BUSINESS.

The Company's business operations, represented by the aggregate of its U.S. Household Products and Canada, U.S. Specialty Products and International segments, include the production and marketing of non-durable consumer products sold primarily through grocery and other retail stores. For the most part, the factors necessary for an understanding of these three segments are essentially the same.

PRINCIPAL PRODUCTS. The U.S. Household Products and Canada segment includes the Company's household cleaning, bleach and other home care products, water filtration products marketed in the United States, and all products marketed in Canada. The U.S. Specialty Products segment includes the Company's charcoal, automotive care, cat litter, insecticide, fire log, dressings, sauces, professional products, and food storage and disposal categories. Finally, the International segment, which includes the Company's overseas operations (excluding Canada), exports and Puerto Rico, primarily focuses on the laundry, household cleaning, automotive care and food storage and disposal categories. Principal products, by segment, currently marketed in the United States and internationally are listed on pages 13 and 14 of the Company's Annual Report incorporated herein by reference. Each of the Company's segments accounted for more than 10 percent of the Company's consolidated revenues during the last three fiscal years, as shown in Note 17 - Industry Segment Information of the Notes to the Consolidated Financial Statements, which appears on page B-31 of Exhibit 99 hereto, and on page B-31 of Appendix B of the Proxy Statement, incorporated herein by reference.

PRINCIPAL MARKETS - METHODS OF DISTRIBUTION. Most non-durable household consumer products are nationally advertised and sold within the United States to grocery stores through a network of brokers, and to mass merchandisers, warehouse clubs, military and other retail stores primarily through a direct sales force. The Company also sells within the United States institutional versions of specialty food and non-food products. Outside the United States, the Company sells consumer products through subsidiaries, licensees, distributors and joint-venture arrangements with local partners.

SOURCES AND AVAILABILITY OF RAW MATERIALS. The Company has obtained ample supplies of all required raw materials and packaging supplies which, with a few exceptions, were available from a wide variety of sources during fiscal year 2000. Polyethylene resin raw materials, which are particularly important for the U.S. Specialty Products segment, were available from a wide variety of sources during fiscal year 2000 and the Company has entered into financial instruments with various maturities partially to stabilize the cost of its polyethylene resin requirements. Contingency plans have been developed for any major single-sourced supplier materials.

PATENTS AND TRADEMARKS. Although some products are covered by patents, the Company does not believe that patents, patent licenses or similar arrangements are material to its business. Most of the Company's brand name consumer products are protected by registered trademarks. Its brand names and trademarks are extremely important to its business and the Company pursues a course of vigorous action against apparent infringements.

SEASONALITY. The U.S. Specialty Products segment is the only portion of the operations of the Company that has any significant degree of seasonality. Most sales of the Company's charcoal briquets, insecticides, and automotive appearance product lines occur in the first six months of each calendar year. Working capital to carry inventories built up in the off-season and to extend terms to customers is generally provided by internally generated funds plus commercial paper lines of credit.

CUSTOMERS AND ORDER BACKLOG. During fiscal years 2000, 1999 and 1998, revenues from the Company's sales of its products to Wal-Mart Stores, Inc. and its affiliated companies were 18%, 18%, and 15%, respectively, of the Company's consolidated net sales. Except for this relationship, the Company is not dependent upon any other single customer or a small group of customers. Order backlog is not a significant factor in the Company's business.

RENEGOTIATION. None of the Company's operations is subject to renegotiation or termination at the election of the feral government.

COMPETITION. The markets for consumer products are highly competitive and most of the Company's products compete with other nationally advertised brands within each category, and with "private label" brands and "generic" non-branded products of grocery chains and wholesale cooperatives. Competition is encountered from similar and alternative products, many of which are produced and marketed by major national concerns having financial resources greater than those of the Company. Depending on the competitive product, the Company's products compete on price, quality or other benefits to consumers.

A newly introduced consumer product (whether improved or newly developed) usually encounters intense competition requiring substantial expenditures for advertising and sales promotion. If a product gains consumer acceptance, it normally requires continuing advertising and promotional support to maintain its relative market position.

RESEARCH AND DEVELOPMENT. The Company incurred expenses of approximately $63 million, $63 million and $62 million in fiscal years 2000, 1999 and 1998, respectively, on research activities relating to the development of new products or the maintenance and improvement of existing products. None of this research activity was customer-sponsored.

ENVIRONMENTAL MATTERS. Historically, the Company has not made material capital expenditures for environmental control facilities or to comply with environmental laws and regulations. However, in general, the Company does anticipate spending increasing amounts annually for facility upgrades and for environmental programs. The amount of capital expenditures for environmental compliance was not material in fiscal year 2000 and is not expected to be material in the next fiscal year.

The Company is involved in certain other environmental matters, including Superfund clean-up efforts at various locations. The potential cost to the Company related to ongoing environmental matters is uncertain due to such factors as: the unknown magnitude of possible pollution and clean-up costs; the complexity and evolving nature of laws and regulations and their interpretations; and the timing, varying costs and effectiveness of alternative clean-up technologies. Based on its experience and without offsetting for expected insurance recoveries or discounting for present value, the Company does not expect that such costs individually and in the aggregate will represent a material cost to the Company or affect its competitive position.

NUMBER OF PERSONS EMPLOYED. At the end of fiscal year 2000, approximately 11,000 people were employed by the Company.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS. Except for historical information, matters discussed in this Form 10-K, including the Management's Discussion and Analysis and statements about future growth, are forward-looking statements based on management's estimates, assumptions and projections. In addition, from time to time, the Company may make forward-looking statements relating to such matters as anticipated financial performance, business prospects, new products, research and development activities, plans for international expansion, acquisitions, and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In order to comply with the terms of the safe harbor, the Company notes that a variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements. These forward-looking statements are uncertain. The risks and uncertainties that may affect operations, performance, product development, and results of the Company's business, some of which may be beyond the control of the Company, include those discussed elsewhere in this Form 10-K, marketplace conditions and events, and the following:

QUARTERLY OPERATING RESULTS MAY FLUCTUATE. The Company cannot be sure that its operating results will improve from quarter-to-quarter, or that if any improvement is shown, the degree of improvement will meet its expectations. The Company's quarterly operating results will be influenced by a number of factors, including the following:

* the introduction of new products and line extensions by the Company or its competitors;
* the mix of products sold in a given quarter;
* the Company's ability to control its internal costs and the cost of raw materials;
* significant increases in energy costs;
* changes in product pricing policies by the Company or its competitors;
* changes in accounting policies; or
* the impact of general economic conditions in the United States and in other countries in which the Company currently does business.

In addition, sales volume growth, whether due to acquisitions or to internal growth, can place burdens on the Company's management resources and financial controls that, in turn, can have a negative impact on operating results. To some extent, the Company sets its expense levels in anticipation of future revenues. If actual revenue falls short of these expectations, operating results are likely to be adversely affected. Because of all of these factors, the Company believes that quarter-to-quarter comparisons of its results of operations should not be relied upon as indications of future performance.

OPERATIONS OUTSIDE THE UNITED STATES EXPOSE THE COMPANY TO UNCERTAIN CONDITIONS IN OVERSEAS MARKETS. The Company believes that its sales outside the United States, which were 19% of net sales in fiscal year 2000, are likely to increase as a percentage of its total sales. As a result, the Company will increasingly face the risks created by having foreign operations, including:

* economic or political instability in its overseas markets; and
* fluctuations in foreign currency exchange rates that may make the Company's products more expensive in its foreign markets or negatively impact its sales or earnings.

All of these risks could have a significant impact on the Company's ability to sell its products on a timely and competitive basis in foreign markets and may have a material adverse effect on the Company's results of operations or financial position. The Company seeks to limit its foreign currency exchange risks through the use of foreign currency forward contracts when practical, but cannot be sure that this strategy will be successful. In addition, the Company's operations outside the United States are subject to the risk of new and different legal and regulatory requirements in local jurisdictions, potential difficulties in staffing and managing local operations, credit risk of local customers and distributors, and potentially adverse tax consequences.

INTEGRATION OF ACQUISITIONS AND MERGERS MAY NOT BE SUCCESSFUL. One of the Company's strategies is to increase its sales volumes, earnings and the markets it serves through the acquisition of, or merger with, other businesses in the United States and internationally. There can be no assurance that the Company will be able to identify, acquire, or profitably manage additional companies or operations or successfully integrate recent or future acquisitions or mergers into its operations. In addition, there can be no assurance that companies or operations acquired will be profitable at the time of their acquisition or will achieve sales levels and profitability that justify the investment made.

FINANCIAL PERFORMANCE DEPENDS ON CONTINUOUS AND SUCCESSFUL NEW PRODUCT INTRODUCTIONS. In most categories in which the Company competes, there are frequent introductions of new products and line extensions. An important factor in the Company's future performance will be its ability to identify emerging consumer and technological trends and to maintain and improve the competitiveness of its products. The Company cannot be sure that it will successfully achieve those goals. Continued product development and marketing efforts have all the risks inherent in the development of new products and line extensions, including development delays, the failure of new products and line extensions to achieve anticipated levels of market acceptance, and the cost of failed product introductions.

GOVERNMENT REGULATIONS COULD IMPOSE MATERIAL COSTS. The manufacture, packaging, storage, distribution and labeling of the Company's products and the Company's business operations generally all must comply with extensive federal, state, and foreign laws and regulations. For example, in the United States, many of the Company's products are regulated by the Environmental Protection Agency, the Food and Drug Administration, and the Consumer Product Safety Commission. Most states have agencies that regulate in parallel to these federal agencies. The failure to comply with applicable laws and regulations in these or other areas, including taxes, could subject the Company to civil remedies, including fines, injunctions, recalls or asset seizures, as well as potential criminal sanctions, any of which could have a material adverse effect on the Company. Loss of or failure to obtain necessary permits and registrations could delay or prevent the Company from introducing new products, building new facilities or acquiring new businesses and could adversely affect operating results.

ENVIRONMENTAL MATTERS CREATE POTENTIAL LIABILITY RISKS. The Company must comply with various environmental laws and regulations in the jurisdictions in which it operates, including those relating to air emissions, water discharges, the handling and disposal of solid and hazardous wastes, and the remediation of contamination associated with the use and disposal of hazardous substances. The Company has incurred, and will continue to incur, capital and operating expenditures and other costs in complying with those laws and regulations in the United States and internationally. The Company is currently involved in or has potential liability with respect to the remediation of past contamination in the operation of some of its presently and formerly owned and leased facilities. In addition, some of the Company's present and former facilities have been or had been in operation for many years, and over that time, some of these facilities may have used substances or generated and disposed of wastes that are or may be considered hazardous. It is possible that those sites, as well as disposal sites owned by third parties to which the Company has sent waste, may in the future be identified and become the subject of remediation. It is possible that the Company could become subject to additional environmental liabilities in the future that could result in a material adverse effect on the Company's results of operations or financial condition.

FAILURE TO PROTECT OUR INTELLECTUAL PROPERTY COULD IMPACT OUR COMPETITIVENESS. The Company relies on trademark, trade secret, patent and copyright laws to protect its intellectual property. The Company cannot be sure that these intellectual property rights can be successfully asserted in the future or will not be invalidated, circumvented or challenged. In addition, laws of some of the foreign countries in which the Company's products are or may be sold do not protect the Company's intellectual property rights to the same extent as the laws of the United States. The failure of the Company to protect its proprietary information and any successful intellectual property challenges or infringement proceedings against the Company could make it less competitive and could have a material adverse effect on the Company's business, operating results and financial condition.

(d) FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS.

The following table shows net sales and assets by geographic area for the last three fiscal years:

Net Sales By Geographic Area:

(Millions)	2000	1999	1998
Foreign	$ 771	$ 739	$ 758
United States	$3,312	$3,264	$3,140

Assets at June 30:

(Millions)	2000	1999	1998
Foreign	$1,154	$1,043	$1,071
United States	$3,199	$3,089	$2,994

ITEM 2. PROPERTIES

PRODUCTION FACILITIES. The Company operates production and major warehouse facilities for its operations in 30 locations throughout the United States and in 30 locations internationally. Most of the space is owned. Warehousing space is leased from public service warehouses around the United States. The Company also utilizes six domestic regional distribution centers for many of the Company's products, which are operated by service providers. None of the Company's owned facilities were closed during fiscal year 2000. The Company considers its manufacturing and warehousing facilities to be adequate to support its business.

OFFICES AND R&D FACILITIES. The Company owns its general office building located in Oakland, California. The Company also owns its Technical Center and Data Center located in Pleasanton, California. The Company leases its research and development center and its engineering research facility for Glad and GladWare products, which are located in Willowbrook, Illinois, and Kennesauw, Georgia, respectively. The Company also leases its research and development center for STP products located in Brookfield, Connecticut. Leased sales and other office facilities are located at a number of other locations.

ENCUMBRANCES. None of the Company's owned facilities are encumbered to secure debt owed by the Company, except that the manufacturing facility in Belle, Missouri, secures industrial revenue bond indebtedness incurred in relation to the construction and upgrade thereof.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

The names, ages and current positions of the executive officers of the Company are set forth below:

Name (Age) and Year Elected to

Current Position	Title and Current Position(s)

G. C. Sullivan	(60)	1992	Chairman of the Board and Chief Executive Officer
G. E. Johnston	(53)	1999	President and Chief Operating Officer
R. T. Conti	(45)	1999	Group Vice President
L. S. Peiros	(45)	1999	Group Vice President
K. M. Rose	(52)	1997	Group Vice President - Chief Financial Officer
P. D. Bewley	(54)	1998	Senior Vice President - General Counsel and Secretary
A. W. Biebl	(51)	1999	Senior Vice President - Product Supply
F. A. Tataseo	(46)	l999	Senior Vice President - Sales
J. M. Brady	(47)	1993	Vice President - Human Resources
C. M. Couric	(54)	2000	Vice President - General Manager, Seasonal, Food and Professional Products
W. L. Delker	(46)	1999	Vice President - Research & Development
G. S. Frank	(40)	1999	Vice President - Controller
S. D. House	(39)	1999	Vice President - General Manager, Latin America
R. C. Klaus	(55)	1995	Vice President - Corporate Administration
D. G. Matz	(38)	1999	Vice President - General Manager, Home Care
G. C. Roeth	(39)	2000	Vice President - Marketing
G. R. Savage	(43)	1999	Vice President - General Manager, Glad Products
S. S. Silberblatt	(48)	1999	Vice President - Corporate Communications and Public Affairs
D. G. Simpson	(46)	1997	Vice President - Strategy and Planning
K. R. Tandowsky	(43)	1998	Vice President - Information Services
S. R. Vogel	(39)	1999	Vice President - General Manager, Laundry Additives
S. A. Weiss	(44)	1999	Vice President - General Manager, Brita

There is no family relationship between any of the above named persons, or between any of such persons and any of the directors of the Company or any persons nominated for election as a director of the Company. See Item 10 of Part III of this Form 10-K.

G. C. Sullivan and J. M. Brady have been employed by the Company for at l east the past five years in the same respective positions as listed above. The other executive officers have held the respective positions described below for at least the past five years:

G. E. Johnston joined the Company in July 1981 as Regional Sales Manager - Special Markets. Prior to his election as President and Chief Operating Officer effective January 20, 1999, he was Group Vice President from July 1, 1996 through January 19, 1999, Vice President - Kingsford Products from November 17, 1993 through June 1996, and Vice President - Corporate Development from June 1992 through November 16, 1993.

R. T. Conti joined the Company in 1982 as Associate Region Sales Manager, Household Products. Prior to his election as Group Vice President effective September 1, 1999, he was Vice President - General Manager from July 1999 through August 1999, Vice President - Kingsford Products from July 1996 through June 1999, and Vice President - International from June 1992 through June 1996.

L. S. Peiros joined the Company in 1982. He was elected Group Vice President effective January 20, 1999. Prior to that, he served as Vice President - Household Products from June 1, 1998 through January 19, 1999, Vice President - Food Products from July 1995 through June

1998, and Vice President - Corporate Marketing Services from September 1993 until July 1995.

K. M. Rose joined the Company in 1978 as a Financial Analyst. Prior to her election as Group Vice President - Finance and Chief Financial Officer effective December 1, 1997, she was Vice President - Treasurer from July 1992 through November 1997.

P. D. Bewley joined the Company in February 1998 as Senior Vice President - General Counsel and Secretary. From 1994 through January 1998, he was employed by Nova Care, Inc., as Senior Vice President - General Counsel and Secretary, and prior to that was employed by Johnson & Johnson as Associate General Counsel.

A.W. Biebl joined the Company in January 1981 as Director of Manufacturing for the Food Service Products Division. Prior to his election as Senior Vice President - Product Supply effective September 1, 1999, he was Vice President - Product Supply from May 1992 through August 1999.

F. A. Tataseo joined the Company in October 1994 as Vice President - Sales and was elected as Senior Vice President - Sales effective September 1, 1999.

C. M. Couric joined the Company in 1973 as a brand assistant in the Household Products marketing organization. Prior to his election in March 2000 as Vice President - General Manager, Seasonal, Food and Professional Products, he was Vice President - General Manager, Brita Products from July 1995 through March 2000, and had served as Director, Brita Operations since 1988.

W. L. Delker joined the Company as Vice President - Research & Development in August 1999. Prior to that, he was General Manager of Six Sigma Quality for GE Silicones, a division of GE Plastic, from February 1998 through July 1999, and General Manager of Technology for GE Silicones from January 1994 through January 1998.

G. S. Frank joined the Company in 1982 as a staff accountant. Prior to his election as Vice President - Controller effective October 1, 1999, he was General Manager - Korea from September 1998 through September 1999, Director of Finance - Kingsford Products from 1997 through August 1998, Director of Finance - Armor All Products from 1996 to 1997, Director of Finance - Food Products from 1995 to 1996, and Director of Corporate Financial Planning from 1994 to 1995.

S. D. House joined the Company in 1983 as a staff accountant. Prior to his election as Vice President - General Manager, Latin America effective July 1, 1999, he was Vice President - Treasurer from December 1, 1997 through June 1999, and prior to that he had served as a Director of Finance for the international business and also had held various positions in auditing, financial analysis and forecasting.

R. C. Klaus joined the Company in 1977 as Regional Sales Manager (Baltimore) for Household Products. Prior to his election as Vice President - Corporate Administration in November 1995, he was Vice President - Clorox Professional Products from March 1994 through October 1995, and Vice President - Food Service Products from May 1990 through March 1994.

D. G. Matz joined the Company in 1986 as a brand assistant in the Company's Household Products marketing organization. Prior to his election as Vice President - General Manager, Home Care effective September 1, 1999, he was Category General Manager - Home Care from February 1999 through August 1999, Director of Marketing - Home Care from December 1997 through January 1999, Director of Marketing - Food Products and Auto Care from August 1995 through November 1997, and Group Marketing Manager - Laundry Care Additives from January 1994 through July 1995.

G. C. Roeth joined the company in 1987 as a brand assistant in the marketing organization. Prior to his election as Vice President - Marketing effective April 1, 2000, he was Vice President - Brand Marketing from October 1999 through March 2000; Marketing Director - Brita from February 1998 through September 1999; Group Marketing Manager for Brita from October 1996 through January 1998, and for Home Cleaning from January 1994 through September 1996.

G. R. Savage joined the Company in 1983 as an Associate Marketing Manager. He was elected Vice President - General Manager, Glad Products effective January 20, 1999. Prior to that, he served as Vice President - Food Products from December 1, 1997 through January 19, 1999, and Director of Marketing for the Household Products business from 1993.

S. S. Silberblatt joined the Company in 1980 in the marketing department for Kingsford products. Prior to his election as Vice President - Corporate Communications and Public Affairs in February 1999, he was Director of Business Development.

D. G. Simpson joined the Company in 1979 in the brand management function. He was elected Vice President - Strategy and Planning effective December 1, 1997. Prior to that, he had served as head of corporate strategic planning.

K. R. Tandowsky joined the Company in 1981 as a staff accountant. He was elected Vice President - Information Services effective February 7, 1998. Prior to that, he had served as Director of Finance for the Kingsford products business from 1994 and Director of Corporate Finance, Treasury from 1992.

S. R. Vogel joined the Company in 1988 as a brand assistant in the marketing organization. Prior to his election as Vice President - General

Manager, Laundry Additives effective September 1, 1999, he was Category General Manager - Laundry Cleaning Additives from February 1999 through August 1999, Marketing Director - Laundry Cleaning Additives from 1997 through January 1999, Group Marketing Manager - Laundry Cleaning Additives from 1995 through 1996, and Group Marketing Manager - Home Cleaning from 1994 to 1995.

S. A. Weiss joined the Company in 1994 as an area general manager f or the Pacific Rim business. He was elected Vice President - General Manager, Brita Products in March 2000. Prior to that, he was Vice President - General Manager, Food & Professional Products from February 1999 to March 2000, Vice President - Asia Middle East from June 1998 through January 1999 and he held the position of Area General Manager Asia-Middle East from 1994 until his election as an officer.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) MARKET INFORMATION.

The principal markets for Clorox Common Stock are the New York Stock Exchange and the Pacific Exchange. The high and low sales prices quoted for New York Stock Exchange-Composite Transactions Report for each quarterly period during the past two fiscal years appears under "Quarterly Data," on page B-35 of Exhibit 99 hereto, and on page B-35 of Appendix B of the Proxy Statement, incorporated herein by reference, and on July 31, 2000, the closing price for the Company's stock was $41.31 per share.

(b) HOLDERS.

The approximate number of record holders of Clorox Common Stock as of July 31, 2000 was 15,554 based on information provided by the Company's transfer agent.

(c) DIVIDENDS.

The amount of quarterly dividends paid with respect to Clorox Common Stock during the past two fiscal years appears under "Quarterly Data," on page B-35 of Exhibit 99 hereto, and on page B-35 of Appendix B of the Proxy Statement, incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

This information appears under "Five-Year Financial Summary," on page B-36 of Exhibit 99 hereto, and on page B-36 of Appendix B of the Proxy Statement, incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This information appears under "Management's Discussion and Analysis," on pages B-1 through B-9 of Exhibit 99 hereto, and on pages B-1 through B-9 of Appendix B of the Proxy Statement, incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This information appears under "Market-Sensitive Derivatives and Financial Instruments" in the "Management's Discussion and Analysis," on pages B-6 and B-7 of Exhibit 99 hereto, and on pages B-6 and B-7 of Appendix B of the Proxy Statement, incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

These statements and data appear on pages B-10 through B-35 of Exhibit 99 hereto, and on pages B-10 through B-35 of Appendix B of the Proxy Statement, incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM l0. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding each nominee for election as a director, including those who are executive officers of the Company, appears under "Nominees for Election as Directors" of the Proxy Statement, incorporated herein by reference.

Pursuant to Instruction 3 to Item 401(b) of Regulation S-K, information regarding the executive officers of the registrant is reported in

Part I of this Report.

The information required by Item 405 of Regulation S-K appears under "Section 16(a) Beneficial Ownership Reporting Compliance" of the Proxy Statement, incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 402 of Regulation S-K appears under "Organization of the Board of Directors," "Summary Compensation Table," "Options and Stock Appreciation Rights," "Comparative Stock Performance," "Compensation Interlocks and Insider Participation," and "Pension Benefits" of the Proxy Statement, all incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS.

Information concerning the only entity or person known to the Company to be the beneficial owner of more than 5% of its Common Stock appears under "Beneficial Ownership of Voting Securities" of the Proxy Statement, incorporated herein by reference.

(b) SECURITY OWNERSHIP OF MANAGEMENT.

Information concerning the beneficial ownership of the Company's Common Stock by each nominee for election as a director and by all directors and executive officers as a group appears under "Beneficial Ownership of Voting Securities" of the Proxy Statement, incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning transactions with directors, nominees for election as directors, management and the beneficial owner of more than 5% of the Company's Common Stock appears under "Certain Relationships and Transactions" of the Proxy Statement, incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) Financial Statements:

Consolidated Financial Statements and Independent Auditors' Report included in Exhibit 99 hereto, and in Appendix B of the Proxy Statement, incorporated herein by reference:

Financial Highlights

Consolidated Statements of Earnings for the years ended June 30, 2000, 1999 and, l998

Consolidated Balance Sheets for the years ended June 30, 2000 and 1999

Consolidated Statements of Stockholders' Equity for the years ended June 30, 2000, 1999 and l998

Consolidated Statements of Cash Flows for the years ended June 30, 2000, 1999 and l998

Notes to Consolidated Financial Statements

Independent Auditors' Report

Quarterly Data

Five-Year Financial Summary

(2) Financial Statement Schedules have been omitted because of the absence of conditions under which they are required, or because the information is shown elsewhere in this Form 10-K.

(3) Executive Compensation Plans and Arrangements:

Long-Term Compensation Program dated October 21, 1987, amended 11/17/93 (Exhibit 10(ii) to the Annual Report on Form 10-K for the year ended June 30, 1994)

Officer Employment Agreement (form) (Exhibit 10(xi) to the Annual Report on Form 10-K for the year ended June 30, 1996)

Officer Change of Control Employment Agreement (form) (Exhibit 10(xii) to the Annual Report on Form 10-K for the year ended June 30, 1996)

Supplemental Executive Retirement Plan (July 17, 1991, amended May 18, 1994, January 17, 1996 and January 19, 2000), (Exhibit 10(viii) to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2000)

Non-Qualified Deferred Compensation Plan (Exhibit 10(xiii) to the Annual Report on Form 10-K for the year ended June 30, 1996)

The Clorox Company 1995 Performance Unit Plan (Exhibit 10(xiv) to the Annual Report on Form 10-K for the year ended June 30, 1996)

The Clorox Company 1996 Stock Incentive Plan (Exhibit 10(xv) to the Annual Report on Form 10-K for the year ended June 30, 1996)

The Clorox Company 1996 Executive Incentive Compensation Plan (Exhibit 10(xvi) to the Annual Report on Form 10-K for the year ended June 30, 1996)

1993 Directors' Stock Option Plan dated November 17, 1993 (filed as Exhibit 10(xi) to the Annual Report on Form 10-K for the year ended June 30, 1994, incorporated herein by reference)

The Clorox Company Independent Directors' Stock-Based Compensation Plan (Exhibit 10 (xix) to the Annual Report on Form 10-K for the year ended June 30, 1997)

(b) Current Reports on Form 8-K during the fourth quarter of fiscal year 2000:

None.

(c) Exhibits:

Index to Exhibits follows.

(d) (Not applicable)

Index to Exhibits

(3)(i)	Restated Certificate of Incorporation (filed as Exhibit 3(iii) to the Quarterly Report on Form 10-Q for the quarter ended December 31, 1999, incorporated herein by reference)
(ii)	Bylaws (restated) of the Company (filed as Exhibit 3(ii) to the Annual Report on Form 10-K for the year ended June 30, 1998)
(4)(i)	Form of Indenture between the Company and Wachovia Bank & Trust Company, N.A. as Trustee, regarding $200,000,000 in 8.8% Notes due 2001 (filed as Exhibit 4 to the Company's Registration Statement on Form S-3 No. 33-4083 dated May 24, 1991, incorporated herein by reference)
(ii)	Prospectus Supplement (to Prospectus dated July 9, 1991) giving terms of the Indenture referenced in Exhibit 4 (i) above (filed on July 18, 1991, supplementing the Registration Statement on Form S-3 No. 33-4083 dated May 24, 1991, and incorporated herein by reference)
(iii)	Form of Indenture between First Brands and Bank of New York, as Trustee, regarding $150,000,000 in 7.25% Senior Notes due 2007 (filed as Exhibit 4.1 to First Brands' Registration Statement on Form S-4 dated April 24, 1997, incorporated herein by reference)
(10)	Material contracts:

(i) Long-Term Compensation Program dated October 21, 1987 (Amended 11/17/93) (filed as Exhibit 10(ii) to the Annual Report on Form 10-K for the year ended June 30, 1994, incorporated herein by reference)

(ii) Agreement between Henkel KGaA and the Company dated June l8, l981 (filed as Exhibit (l0)(v) to Form 8 dated August 11, l983, incorporated herein by reference)

(iii) Agreement between Henkel GmbH (now Henkel KGaA) and the Company dated July 3l, l974 (filed as Exhibit (l0)(vi) to Form 8 dated August 11, l983, incorporated herein by reference)

(iv) Agreement between Henkel KGaA and the Company dated July 16, 1986 (filed as Exhibit B to Current Report on Form 8-K for March 19, 1987, incorporated herein by reference)

(v) Agreement between Henkel KGaA and the Company dated March 18, 1987 (filed as Exhibit A to Current Report on Form 8-K for March 19, 1987, incorporated herein by reference)

(vi) Supplemental Executive Retirement Plan Restated (July 17, 1991, amended May 18, 1994, January 17, 1996 and January 19, 2000), (filed as Exhibit 10(viii) to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2000, incorporated herein by reference)

(vii) 1993 Directors' Stock Option Plan dated November 17, 1993 (filed as Exhibit 10(xi) to the Annual Report on Form 10-K for the year ended June 30, 1994, incorporated herein by reference)

(viii) Officer Employment Agreement (form) (filed as Exhibit 10(xi) to the Annual Report on Form 10-K for the year ended June 30, 1996, incorporated herein by reference)

(ix) Officer Change of Control Employment Agreement (form) (filed as Exhibit 10(xii) to the Annual Report on Form 10-K for the year ended June 30, 1996, incorporated herein by reference)

(x) Non-Qualified Deferred Compensation Plan (filed as Exhibit 10(xiii) to the Annual Report on Form 10-K for the year ended June 30, 1996, incorporated herein by reference)

(xi) The Clorox Company 1995 Performance Unit Plan (filed as Exhibit 10(xiv) to the Annual Report on Form 10-K for the year ended June 30, 1996, incorporated herein by reference)

(xii) The Clorox Company 1996 Stock Incentive Plan (filed as Exhibit 10(xv) to the Annual Report on Form 10-K for the year ended June 30, 1996, incorporated herein by this reference)

(xiii) The Clorox Company 1996 Executive Incentive Compensation Plan (filed as Exhibit 10(xvi) to the Annual Report on Form 10-K for the year ended June 30, 1996, incorporated herein by reference)

(xiv) The Clorox Company Employee Retirement Investment Plan, formerly The Clorox Company Value Sharing Plan (Exhibit 4.3 to Amendment No. 2 dated July 12, 1996 to Registration Statement on Form S-8 No. 33-41131 dated June 10, 1991, incorporated herein by reference)

(xv) The Clorox Company Independent Directors' Stock-Based Compensation Plan (filed as Exhibit 10 (xix) to the Annual Report on Form 10-K for the year ended June 30, 1997, incorporated herein by reference)

(xvi) Agreement and Plan of Reorganization and Merger by and among The Clorox Company, Pennant, Inc. and First Brands Corporation (Appendix A to Registration Statement on Form S-4 No. 333-69455 dated December 22, 1998, incorporated herein by reference)

(xvii) Agreement between Henkel KGaA and the Company dated November 2, 1999 (filed as Exhibit 10 (xix) to the Quarterly Report on Form 10-Q for the quarter ended December 31, 1999, incorporated herein by reference)

(13)	Excerpts of 2000 Annual Report to Stockholders
(21)	Subsidiaries of the Company
(23)	Independent Auditors' Consents
(i)	Deloitte & Touche LLP Independent Auditors' Consent
(ii)	KPMG LLP Independent Auditors' Consent
(24)	Power of Attorney (see page 17)
(27)	Financial Data Schedule
(99)	Financial Statements

SIGNATURES

Pursuant to the requirements of Section l3 or l5(d) of the Securities Exchange Act of l934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE CLOROX COMPANY

Date: September 20, 2000

By: /s/G.C. Sullivan
G. C. Sullivan, Chairman of the Board and Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Peter D. Bewley, Karen M. Rose, and Gregory S. Frank, jointly and severally, attorneys-in-fact and agents, with full power of substitution, for her or him in any and all capacities to sign any and all amendments to this Form 10-K, and to file the same and all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, and his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of l934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	*Title*	*Date*
/s/G. C. Sullivan *G. C. Sullivan*	*Chairman of the Board & Director (Chief Executive Officer)*	*September 20, 2000*
/s/D. Boggan, Jr. *D. Boggan, Jr.*	*Director*	*September 20, 2000*
/s/ E. L. Chao *E. L. Chao*	*Director*	*September 20, 2000*
/s/J. W. Collins *J. W. Collins*	*Director*	*September 20, 2000*
/s/U. Fairchild *U. Fairchild*	*Director*	*September 20, 2000*
/s/T. M. Friedman *T. M. Friedman*	*Director*	*September 20, 2000*
/s/J. Manchot *J. Machot*	*Director*	*September 20, 2000*
/s/R. W. Matschullat *R. W. Matschullat*	*Director*	*September 20, 2000*
/s/ D. O. Morton *D. O. Morton*	*Director*	*September 20, 2000*
/s/K. Morwind *K. Morwind*	*Director*	*September 20, 2000*
/s/E. L. Scarff *E. L. Scarff*	*Director*	*September 20, 2000*

/s/L. R. Scott *L. R. Scott*	*Director*	*September 20, 2000*
/s/ C. A. Wolfe *C. A. Wolfe*	*Director*	*September 20, 2000*
/s/K. M. Rose	*Group Vice President -* *Chief Financial Officer* *(Principal Financial* *Officer)*	*September 20, 2000*
/s/G. S. Frank	*Vice President-Controller* *(Principal Accounting* *Officer)*	*September 20, 2000*

EXHIBIT 13

Excerpts from

The Clorox Company 2000 Annual Report
to Stockholders

Principal Products

U.S. Household Products and Canada

Brita

Brita	Pour-through and faucet-mount water filtration systems, replacement filters
Brita Fill & Go	Water-filtration bottle, replacement filter

Home Care

Clorox	Toilet bowl cleansers, automatic toilet bowl cleaners, disinfecting sprays and wipes
Clorox Clean-Up	Dilutable, spray and gel household cleaners
Formula 409	All-purpose spray cleaners, glass and surface cleaner, carpet cleaners
Handi-Wipes	Cleaning cloths
Heavy-Wipes	Reusable cleaning cloths
Lestoil	Heavy-duty cleaner
Liquid-Plumr	Drain openers, buildup remover, septic-system treatment
Liquid-Plumr Foaming Pipe Snake	Drain opener
Pine-Sol	Dilutable and spray cleaners
Soft Scrub	Mild-abrasive liquid and gel cleansers
S.O.S	Steel-wool soap pads, scrubber sponges
Tilex	Instant mildew remover, soap scum remover
Tilex Fresh Shower	Daily shower cleaners
Tuffy	Mesh scrubbers
Wash 'n Dri	Pre-moistened towelettes

Laundry Additives

Clorox	Liquid and dry bleaches
Clorox Advantage	Smooth-pour, no-splash bleach
Clorox FreshCare	Fabric refreshers, home dry-cleaning products
Clorox Outdoor	Outdoor cleaner
Clorox 2	Dry and liquid color-safe bleaches; bleach-free laundry booster
Stain Out	Soil and stain removers

Canada (Many U.S. brands are also sold in Canada)

Horizon	Trash bags
Impact	Insecticides
Jets	Steel-wool soap pads
Kitty Kit	Clay cat litter
Roomate	Trash cans
Surtec	Trash bags

U.S. Specialty Products

Automotive Care Products

Armor All	Protectants, cleaners, tire- and wheel-care products, waxes, washes, odor eliminators
Formula 409	Cleaners
Rain Dance	Waxes, washes
STP	Automotive additives
STP Son of a Gun	Appearance products
Tanner's Preserve	Leather cleaner, conditioning cream for leather
Tuff Stuff	All-purpose cleaner, spot and stain remover

Cat Litter

EverClean	Clumping cat litter

Fresh Step	Clay and silica-gel crystals cat litter
Fresh Step Back to Fresh	Cat odor eliminator
Fresh Step Scoop	Scoopable cat litter
Jonny Cat	Clay cat litter, liners
Scoop Away	Scoopable cat litter

Charcoal, Fire Logs and Starter Products

Crackling HearthLogg	Fire log
HearthLogg	Fire log
Kingsford	Charcoal briquets, charcoal lighter, matches
Kingsford BBQ Bag	Single-use, lightable bag of charcoal briquets
Kingsford Match Light	Instant-lighting charcoal briquets
LighterLogg	Fire starter
StarterLogg	Wood fire starter, long-stem fireplace and barbecue matches

Food Products

Hidden Valley	Bottled and single-cup dressings, dry dressing and dip mixes
Hidden Valley Salad Crispins	Seasoned mini-croutons
K C Masterpiece	Barbecue sauces, marinades
Kitchen Bouquet	Browning and seasoning sauce and gravy aid

Glad Products

Glad	Freezer, sandwich and storage bags and wraps; garden, indoor, recycling and trash disposal bags
Glad Odor Shield	Odor-fighting trash bags
Glad Stand & Zip	Food bags
GladWare	Tight-sealing containers

Insecticides

Black Flag	Ant insecticides; roach, flying insect and other aerosols; Roach Motel; room foggers
Combat	Ant and roach bait stations, aerosols and foggers; ant granules and stakes; roach gels

Professional Products

Clorox	Germicidal bleach, toilet bowl cleanser, quat sanitizer and disinfectant
Clorox Clean-Up	Dilutable cleaner
Pine-Sol	Cleaner
Formula 409	Cleaners
S.O.S	Pot and pan detergent, steel-wool soap pads
Tilex	Instant mildew remover, soap scum remover
Liquid-Plumr	Drain opener
Hidden Valley	Dressings
Himolene	Institutional bags and liners
K C Masterpiece	Barbecue sauce
Kitchen Bouquet	Browning and seasoning sauce and gravy aid
Combat	Insecticides
Maxforce	Insect traps, ant granules and gels

Principal Products Outside the United States and Canada
(Many U.S. brands are also sold internationally)

Asia Pacific

Bluebell	Cleaners, laundry additives
Clorox Gentle	Color-safe bleach
Home	Insecticides
Homekeeper	Insecticides
Jia Liang	Cleaners
Prestone	Coolant concentrate
Snap Lock	Food storage bags
S.O.S	Cleaners
Yuhanrox	Bleach

Australia, New Zealand and Africa

Ant Rid	Insecticides
Astra	Disposable rubber gloves
Chux	Cleaning cloths, sponges, specialty cloths
Glad	Non-stick baking paper, ice cube bags, non-stick frying pan sheets, perforated wraps, oil storage boxes
Gumption	Hard paste cleaners
Mono	Aluminum foil
OSO	Aluminum foil, trash bags, food bags, cling films
Rota	Trash bags, aluminum foil
XLO	Sponges

Latin America

Arco Iris	Laundry additives
Arela	Laundry additives, cleaners, waxes, candles
Atals	Toilet bowl cleaners
Ayudin	Bleach, laundry additives, spray and gel cleaners
Blanquita	Bleaches
Bon Bril	Cleaning utensils, liquid household cleaners
Clorex	Bleaches
Clorinda	Bleaches, brooms, cleaning utensils
Clorisol	Bleaches
Fleur	Carpet cleaners
Fluss	Toilet bowl cleaners
Limpido	Bleaches
Lustrillo	Cleaning utensils
Mistolin	Cleaners, waxes
Mortimer	Cleaning utensils
Pinexo	Cleaners
Pinoluz	Cleaners
Poett	Laundry additives, cleaners, air fresheners
Sabra	Cleaning utensils
Sani	Cleaners
SBP	Insecticides
Selton	Insecticides
Super Globo	Bleaches, bags, wraps, cleaners, insecticides
Trenet	Laundry additives, fabric refresehers

EXHIBIT 21
(to Form 10-K)

THE CLOROX COMPANY
SUBSIDIARIES OF THE REGISTRANT

(100% owned unless otherwise indicated)

Subsidiaries	Jurisdiction of Incorporation
1109346 Ontario Ltd.	Canada
1216899 Ontario Inc.	Canada
1221 Olux, LLC	Delaware
A&M Products Manufacturing Company	Delaware
Aldiv Transportation, Inc.	California
American Sanitary Company S.A.	Costa Rica
American Sanitary Company (Overseas) Inc. (51%)	Cayman Islands
Amesco Ltd. (49%)	Cayman Islands
Andover Properties, Inc.	Delaware
Antifreeze Properties, Inc.	Delaware
Antifreeze Technology Systems, Inc.	Delaware
Argus Holdings Inc.	Delaware
Armor All Products Corporation	Delaware
Armor All Products GmbH	Germany

The Armor All/STP Products Company Delaware

Brita America, Inc.	Nevada
Brita (Canada) Inc.	Canada
Brita Ltd. (50%)	Canada
The Brita Products Company	Delaware
Brita (South America) Inc. (50%)	Canada
Chesapeake Assurance Limited	Hawaii
Clorosul Ltda.	Brazil
Clorox Argentina S.A.	Argentina
Clorox Australia Pty Limited	Australia
Clorox (Barbados) Inc.	Barbados
Clorox do Brasil Ltda.	Brazil
The Clorox Company of Canada Ltd.	Canada
Clorox (Cayman Islands) Ltd.	Cayman Islands
Clorox Chile S.A.	Chile
The Clorox China Company	Delaware
Clorox de Colombia S.A.	Germany

Clorox (Europe) Financing S.a.r.l. Luxembourg

Clorox Export Company, Inc.	Barbados
The Clorox Far East Company Limited	Hong Kong
Clorox Germany GmbH	Germany
The Clorox (Guangzhou) Company Limited (95%)	People's Republic of China
Clorox Holdings Pty Limited	Australia
Clorox Hong Kong Limited	Hong Kong
The Clorox International Company	Delaware
Clorox International Philippines, Inc.	The Philippines
Clorox Japan Limited	Japan
Clorox Korea Ltd.	Korea
Clorox (Malaysia) Industries Sdn. Bhd.	Malaysia
Clorox (Malaysia) Sdn. Bhd.	Malaysia
Clorox de Mexico, S. de R. L. de C. V.	Mexico
Clorox Mexicana, S. de R. L. de C. V.	Mexico
Clorox Netherlands B. V.	The Netherlands
Clorox New Zealand Limited	New Zealand
Clorox del Pacifico S.A.	Peru
Clorox de Panama S.A.	Panama
The Clorox Pet Products Company	Texas
Clorox Products Manufacturing Company	Delaware
Clorox Professional Products Company	Delaware

The Clorox Company of Puerto Rico Delaware

The Clorox Sales Company	Delaware
Clorox Services Company	Delaware
Clorox Servicios Corporativos, S. de R.L. de C.V.	Mexico
The Clorox South Asia Company	Delaware
Clorox Uruguay S.A.	Uruguay
CLRX No. 1 Pty Limited	Australia
CLX Realty Co.	Delaware
Comercial STP Ltda.	Brazil
Corporacion Clorox de Venezuela, S.A.	Venezuela
EcuaClorox S.A.	Ecuador
Electroquimicas Unidas S.A.C.I.	Chile
Evolution S.A.. (51%)	Uruguay

Fabricante de Productos Plasticos, S.A. de C.V.	Mexico
First Brands Africa Holdings (Pty) Ltd.	South Africa
First Brands Africa (Pty) Ltd.	South Africa
First Brands (Bermuda) Ltd.	Bermuda
First Brands do Brasil Ltda.	Brasil
First Brands Corporation	Delaware
First Brands Europe Ltd.	United Kingdom

First Brands (Guangzhou) Ltd. (51%)People's Republic of China

First Brands International, Inc.	Delaware
First Brands Mexicana, S.A. de C.V.	Mexico
First Brands Puerto Rico, Inc.	Puerto Rico
First Brands Zimbabwe Holdings (Private) Ltd.	Zimbabwe
First Brands Zimbabwe (Private) Ltd.	Zimbabwe
Forest Technology Corporation	Delaware
Glad Manufacturing Company	Delaware
The Glad Products Company	Delaware
Henkel Iberica, S.A. (20%)	Spain
Himolene Incorporated	Delaware
The Household Cleaning Products Company of Egypt, Ltd. (49%)	Egypt
The HV Food Products Company	Delaware
HV Manufacturing Company	Delaware
Invermark S.A.	Argentina
Jingles LLC	Delaware
Jonapurvco ULC	Nova Scotia
Kaflex S.A.	Argentina
Kingsford Manufacturing Company	Delaware
The Kingsford Products Company	Delaware
Lerwoco S.A.	Colombia
Lerwood Holdings Limited	British Virgin Islands
Lynley IFS-A LLC	Delaware
The Mexco Company	Delaware
Mohammed Ali Abudawood and Company for Industry (30%)	Saudi Arabia
Multifoil Trading (Pty) Limited	South Africa
National Cleaning Products Company Limited (30%)	Saudi Arabia
Pacico Alliance (Singapore) Pte. Ltd.	Singapore
Pacico International Limited	Hong Kong

Pacico International Philippines Inc. (60%)	The Philippines
Pacico Marketing (HK) Limited	Hong Kong
Pacific Brands (Malaysia) Sdn. Bhd.	Malaysia
Paulsboro Packaging, Inc.	New Jersey
Percenta Enterprise Sdn. Bhd.	Malaysia
Petroplus Produtos Automotivos S.A. (51%)	Brazil
Petroplus Sul Comercio Exterior S.A. (51%)	Brazil
Polysak, Inc.	Connecticut
Productos Del Hogar, C. por A. (49%)	Dominican Republic
PT Clorox Indonesia	Indonesia
Renaissance: A Resource Recovery Corporation	Canada
Risse Limited	Republic of Ireland
Rocha Color S.A.	Uruguay
The Rotanco Corporation	Delaware
Sarah Resources Limited	Canada
Sealapac Mfg.(Pvt) Limited	South Africa
Securapac (Pvt. (Ltd.)	Zimbabwe
STP do Brasil Ltda.	Brazil
STP First Brands Espana, S.L.	Spain
STP International (Australia) Pty Limited	Australia

STP Products Manufacturing Company Delaware

STP Scientifically Tested Products of Canada Ltd.	Canada
Traisen S.A.	Uruguay

United Cleaning Products Mfg. Co. Yemen Arab Republic Ltd. (33%)

Yuhan-Clorox Co., Ltd. (50%) Korea

Exhibit 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in The Clorox Company Registration Statements Nos. 33-40843 and 333-75455 on Form S-3, and Nos. 33-41131 (Post-Effective Amendments No. 1 and No. 2), 33-24582, 33-56565, 33-56563, 333-29375, 333-16969, and 333-44675 on Form S-8 of our report dated August 25, 2000 appearing in and incorporated by reference in this Annual Report on Form 10-K of The Clorox Company for the year ended June 30, 2000.

/s/ DELOITTE & TOUCHE LLP

Oakland, California
September 25, 2000

The Board of Directors
The Clorox Company:

We consent to the incorporation by reference in The Clorox Company Registration Statements Nos. 33-40843 and 333-75455 on Form S-3, and Nos. 33-41131 (Post -Effective Amendments No. 1 and No. 2), 33-24582, 33-56565, 33-56563, 333-29375, 333-16969 and 333-44675 on Form S-8 of our audit report dated August 6, 1998, relating to the consolidated statements of income, stockholders' equity, and cash flows of First Brands Corporation and subsidiaries for the year ended June 30, 1998, and the related schedule of First Brands Corporation and subsidiaries , which audit report appears in the June 30, 2000 Annual Report on Form 10-K of The Clorox Company.

/s/ KPMG LLP
New York, New York
September 25, 2000

ARTICLE 5

THIS SCHEDULE CONTAINS RESTATED SUMMARY FINANCIAL INFORMATION FROM THE FINANCIAL STATEMENTS OF THE CLOROX COMPANY FOR THE FISCAL YEAR ENDED JUNE 30, 1998, AS PRESENTED IN THE CLOROX COMPANY'S FORM 10-K FILED FOR SUCH PERIOD, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

RESTATED:

MULTIPLIER: 1000000

PERIOD TYPE	YEAR
FISCAL YEAR END	JUN 30 1998
PERIOD END	JUN 30 1998
CASH	96
SECURITIES	6
RECEIVABLES	532
ALLOWANCES	10
INVENTORY	367
CURRENT ASSETS	1082
PP&E	1703
DEPRECIATION	687
TOTAL ASSETS	4065
CURRENT LIABILITIES	1381
BONDS	704
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	249
OTHER SE	1224
TOTAL LIABILITY AND EQUITY	4065
SALES	3898
TOTAL REVENUES	3898
CGS	2124
TOTAL COSTS	3225
OTHER EXPENSES	13
LOSS PROVISION	0
INTEREST EXPENSE	104
INCOME PRETAX	556
INCOME TAX	206
INCOME CONTINUING	350
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	(7)
NET INCOME	343
EPS BASIC	1.46
EPS DILUTED	1.43

ARTICLE 5

THIS SCHEDULE CONTAINS RESTATED SUMMARY FINANCIAL INFORMATION FROM THE FINANCIAL STATEMENTS OF THE CLOROX COMPANY FOR THE FISCAL YEAR ENDED JUNE 30, 1999, AS PRESENTED IN THE CLOROX COMPANY'S FORM 10-K FILED FOR SUCH PERIOD, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

RESTATED:

MULTIPLIER: 1000000

PERIOD TYPE	YEAR
FISCAL YEAR END	JUN 30 1999
PERIOD END	JUN 30 1999
CASH	85
SECURITIES	47
RECEIVABLES	612
ALLOWANCES	2
INVENTORY	319
CURRENT ASSETS	1116
PP&E	1841
DEPRECIATION	787
TOTAL ASSETS	4132
CURRENT LIABILITIES	1368
BONDS	702
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	250
OTHER SE	1320
TOTAL LIABILITY AND EQUITY	4132
SALES	4003
TOTAL REVENUES	4003
CGS	2181
TOTAL COSTS	3272
OTHER EXPENSES	204
LOSS PROVISION	0
INTEREST EXPENSE	97
INCOME PRETAX	430
INCOME TAX	184
INCOME CONTINUING	246
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	246
EPS BASIC	1.05
EPS DILUTED	1.03

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION FROM THE FINANCIAL STATEMENTS OF THE CLOROX COMPANY FOR THE FISCAL YEAR ENDED JUNE 30, 2000, AS PRESENTED IN THE CLOROX COMPANY'S FORM 10-K FILED FOR SUCH PERIOD, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1000000

PERIOD TYPE	YEAR
FISCAL YEAR END	JUN 30 2000
PERIOD END	JUN 30 2000
CASH	194
SECURITIES	51
RECEIVABLES	636
ALLOWANCES	3
INVENTORY	376
CURRENT ASSETS	1454
PP&E	1957
DEPRECIATION	878
TOTAL ASSETS	4353
CURRENT LIABILITIES	1541
BONDS	590
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	250
OTHER SE	1544
TOTAL LIABILITY AND EQUITY	4353
SALES	4083
TOTAL REVENUES	4083
CGS	2250
TOTAL COSTS	3303
OTHER EXPENSES	60
LOSS PROVISION	0
INTEREST EXPENSE	98
INCOME PRETAX	622
INCOME TAX	228
INCOME CONTINUING	394
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	394
EPS BASIC	1.67
EPS DILUTED	1.64

APPENDIX B

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF WORLDWIDE OPERATIONS

CONSOLIDATED RESULTS

DILUTED EARNINGS PER SHARE increased to $1.64 from $1.03 and NET EARNINGS improved to $394 million from $246 million for the year ended June 30, 2000. The increase in earnings was principally due to an increase in net sales, cost savings and 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 increased by 2% from 1999 due to a 2% volume increase driven by product introductions and shipment gains in certain products. These gains were partly offset by volume losses in the Company's First Brands businesses resulting from decreased spending for trade promotional support, elimination of non-core, low-margin items, and changing the pricing structure for the cat litter business. Products introduced included CLOROX Disinfecting Spray and Wipes, LIQUID-PLUMR FOAMING PIPE SNAKE drain cleaner, MEADOW FRESH PINE-SOL cleaner, Ultra CLOROX liquid bleach, CLOROX FRESHCARE dry cleaning care, BRITA FILL & GO sports bottle, K C MASTERPIECE marinades and new lines of GLADWARE disposable container products. Volume growth was positively impacted by gains in shipments of HIDDEN VALLEY Ranch dressing, BRITA faucet-mount filter system, and KINGSFORD and MATCH LIGHT charcoal products; and the acquisition of the Bon Bril cleaning utensil and cleaning businesses; the growth was partially offset by declines in shipments of TILEX FRESH SHOWER daily shower cleaner.

Net sales in 1999 increased by 3% from 1998 due to volume increases in the Company's businesses (excluding lower sales from former First Brands businesses) and the acquisition of a business in Korea, partially offset by the unfavorable mix of certain products sold and currency devaluations. The lower First Brands sales were mainly the result of the elimination of inefficient trade promotion practices that had encouraged heavy stocking of inventory by trade customers in previous years. Record volumes were achieved for the following brands: CLOROX liquid bleach, FORMULA 409 cleaners, CLOROX CLEAN-UP cleaners, PINE-SOL cleaners, CLOROX toilet bowl cleaner, TILEX FRESH SHOWER daily shower cleaner, FRESH STEP and FRESH STEP SCOOP cat litters, KINGSFORD charcoal, HIDDEN VALLEY dressings and K C MASTERPIECE barbecue sauce. For 1999, significant launches included CLOROX ADVANTAGE liquid bleach, CLOROX FRESHCARE fabric refresher, and BRITA faucet-mounted water filters, all in the U.S., and CLOROX liquid bleach in Brazil.

COST OF PRODUCTS SOLD as a percentage of sales increased to 55.1% in 2000 from 54.5% in 1999 and 54.5% 1998. The increase in cost of products sold as a percentage of sales from the prior year was primarily due to higher raw material costs, start-up costs associated with the introduction of products and the charge of $4 million relating to the write down of the Company's fire logs inventories to their net realizable value. These increases were partially offset by cost savings initiatives and trade spending efficiencies in the former First Brands businesses. Starting in 2000, delivery costs are included in cost of products sold. Previously such costs were included in selling, delivery and administration expense but 1999 and 1998 amounts have now been reclassified for comparative purposes. Reporting delivery costs as cost of products sold had the impact of increasing cost of products sold, and decreasing gross margin, by six basis points in years 2000, 1999 and 1998.

Cost of products sold in 1999 reflects the result of numerous cost-savings projects, including improvements in line production in the U.S. Home Care and Cleaning businesses, which improved efficiencies by minimizing equipment change over costs, additional bottle-making capacity added during the year and improvements in the ARMOR ALL business. These savings offset the effect of writing off obsolete inventory related to the First Brands businesses totaling $8 million in 1999.

SELLING AND ADMINISTRATION EXPENSES, after reclassification of delivery costs as discussed above, declined by 5% in 2000 due to the on-going benefit of combining the former First Brands businesses with the Company; savings from lower commission expense primarily due to the consolidation of the Company's broker network; the consolidation of the Company's logistic network; and bringing sales and distribution activities in-house in major Latin America markets. Selling and administration expense increased 1% to $554 million in 1999 from $548 million in 1998 as the impact of continuing efficiencies exceeded the impact of inflation and salary rate increases.

ADVERTISING EXPENSE decreased by 2% in 2000 due to an 18% reduction in sales-promotion spending resulting from the elimination of inefficient promotion practices on First Brands products. A portion of this savings was re-invested in media spending which increased 15% compared with the prior year. Advertising expense declined by 3% in 1999 due to a reduction in sales-promotion spending on First Brands products that were determined to be ineffective and a shift in timing of new product advertising spending to 2000.

MERGER, RESTRUCTURING AND ASSET IMPAIRMENT COSTS of $36 million and $180 million were recognized in 2000 and 1999, respectively. In 2000, the $36 million included $23 million of First Brands merger-related charges related to the consolidation of First Brands distribution centers, relocation, and retention bonuses paid to former First Brands employees; $11 million of restructuring and asset impairment related to the restructuring of the Company's Asia operations recognized in the fourth quarter of 2000; and $2 million of asset impairment losses recognized on property, plant and equipment related to the Company's fire logs business.

In 1999, the $180 million of merger costs included $36 million of merger-related charges recognized in connection with the First Brands merger, $53 million of other restructuring costs and $91 million of provisions for asset impairment. Restructuring activities in 1999 primarily related to the consolidation of administration and distribution functions; the reduction in employee headcount primarily at the First Brands' headquarters location in Danbury, Connecticut and at sales offices; and the termination of related leases and other contracts. Asset impairment losses recognized in 1999 were for the write-off of software development and other costs incurred in connection with the First Brands merger and the write-down to expected realizable value of certain of the Company's insecticide and international intangible assets.

INTEREST EXPENSE remained relatively flat year over year. Rising interest rates offset the effect of refinancing First Brands debt in the prior year. Interest expense decreased by $7 million in 1999, primarily as a result of refinancing First Brands debt.

OTHER EXPENSE, NET remained unchanged year over year. Lower amounts of equity earnings from affiliates and royalty income were mostly offset by decreased amortization of intangibles and higher interest income. Other expense, net increased in 1999 primarily due to higher amortization of intangibles; the effect of currency translation on certain international operations; and miscellaneous equipment write-downs related to production of CLOROX 2 liquid bleach.

THE CUMULATIVE EFFECT OF THE CHANGE IN ACCOUNTING PRINCIPLE of $7 million was recorded in 1998 by First Brands to expense previously capitalized costs related to business process re-engineering activities (in accordance with the Financial Accounting Standards Board Emerging Issues Task Force Issue No. 97-13).

THE EFFECTIVE TAX RATE was 36.7%, 42.8% and 37.1% in 2000, 1999 and 1998, respectively. The higher tax rate in 1999 was primarily attributable to the tax effect of merger, restructuring and asset impairment costs.

DILUTED EARNINGS PER SHARE increased to $1.64 in 2000 from $1.03 in 1999, primarily due to lower merger, restructuring and asset impairment costs and to improved earnings driven by volume growth and cost savings, all as described above. Merger, restructuring and asset impairment costs had the effect of reducing diluted earnings per share by $0.11 in 2000, compared with $0.60 in 1999. Diluted earnings per share decreased to $1.03 in 1999 from $1.43 in 1998, mostly due to merger, restructuring and asset impairment costs, partly offset by improved earnings in 1999 as compared to 1998, which was primarily attributable to volume growth and lower advertising expense, as described above.

SEGMENT RESULTS

U.S. HOUSEHOLD PRODUCTS AND CANADA

2000 vs. 1999: U.S. Household Products and Canada's 2000 net sales increased by 5% while earnings before tax decreased by 2% from 1999 due to higher product costs and advertising expenditures. The improvement in net sales reflected the positive impact resulting from the introduction of products which included CLOROX Disinfecting Spray and Wipes, LIQUID-PLUMR FOAMING PIPE SNAKE drain cleaner, MEADOW FRESH PINE-SOL cleaner, Ultra CLOROX liquid bleach, CLOROX FRESHCARE dry cleaning care, BRITA FILL & GO sports bottle, partially offset by declines in shipments of TILEX FRESH SHOWER daily shower cleaner. Higher resin and corrugated costs, start-up costs for product launches, a shift in product costs in the Brita business due to an increase in production of faucet-mount filter systems introduced in late 1999, and greater costs for additional components in the BRITA pitchers, all contributed to the increase in cost of products sold. Advertising expenditures also increased over the prior year due to the introduction of Ultra CLOROX liquid bleach and other new products.

1999 vs. 1998: U.S. Household Products and Canada's 1999 earnings before tax increased by 12% from 1998. This increase reflected higher net sales and lower cost of products sold. The 4% improvement in net sales reflected the positive impact achieved from record volumes for CLOROX liquid bleach, FORMULA 409 cleaners, CLOROX CLEAN-UP cleaners, PINE-SOL cleaners, CLOROX toilet bowl cleaner and TILEX FRESH SHOWER daily shower cleaner; and from significant product launches, including CLOROX ADVANTAGE liquid bleach and CLOROX FRESHCARE fabric refresher. Cost of products sold improved in 1999 compared with 1998 due to the result of numerous cost-savings projects, including line dedication in the U.S. Home Care and Cleaning business, and additional bottle-making capacity added during the year.

U.S. SPECIALTY PRODUCTS

2000 vs. 1999: U.S. Specialty Products' 2000 earnings before tax increased 10% over the prior year due to cost savings contributing to the increase in earnings despite a decline in net sales. Cost savings were achieved from shifting the manufacture of certain auto products from contract packers to Company facilities; eliminating unprofitable product lines from the First Brands businesses; reductions in inefficient coupon spending partially offset by increased focus on media spending; and efficiencies gained from integrating former First Brands businesses. These cost savings were partially offset by higher resin costs and a charge of $4 million relating to the write down of the Company's fire logs inventories to their net realizable value. Net sales decreased due to lower volumes from the former First Brands businesses offset by the favorable results of eliminating First Brand's inefficient trade-promotion spending practices. Sales volumes decreased in the auto care, GLAD and cat litter businesses due to the Company's strategic integration of former First Brands businesses. Auto care volumes declined due to the elimination of approximately one-half of the recently acquired STP product line to focus on more strategic and higher-margin products. Volumes in the GLAD business were lower than the prior year due to the elimination of non-core, low-margin items. Cat litter volumes also declined due to reducing the number of cat litter items, decreased spending on trade-promotion support and changing the pricing structure. This decline in volume was offset by higher volumes resulting from the introduction of K C MASTERPIECE marinades and new lines of GLADWARE disposable container products and gains in shipments of HIDDEN VALLEY Ranch dressing and KINGSFORD and MATCH LIGHT charcoal products.

1999 vs. 1998: U.S. Specialty Products' 1999 earnings before tax increased by 7% from 1998. This increase reflects higher net sales partially offset by higher costs and expenses. The improvement in net sales is attributable to record volumes achieved from FRESH STEP and FRESH STEP SCOOP cat litters, KINGSFORD charcoal, HIDDEN VALLEY dressings and K C MASTERPIECE barbecue sauce. This increase in net sales was partially offset by lower First Brands sales, due mainly to the negative impact of eliminating First Brands inefficient trade-promotional practices that had raised net sales in the prior years. Higher costs and expenses were partly due to the $8 million write off of obsolete inventory related to the First Brands businesses, offset somewhat by lower advertising expenses due to a reduction in sales promotion spending on First Brands products.

INTERNATIONAL OPERATIONS

2000 vs. 1999: International's 2000 earnings before tax increased by 35% from 1999, due mostly to a 4% increase in net sales as well as achieving cost savings from the integration of the sales force and distribution network in Latin America. Net sales reflect an 8% increase in volumes driven primarily by new product launches in Latin America and the acquisitions of the Bon Bril cleaning utensil businesses in Latin America and the Astra rubber glove business in Australia, partly offset by higher promotional spending.

1999 vs. 1998: International's 1999 earnings before tax decreased by 41% from 1998 mostly due to the impact of unfavorable exchange rates and weakened performance from the Company's international businesses, reflecting economic slowdowns in those geographic areas.

CORPORATE, INTEREST AND OTHER

2000 vs. 1999: Corporate, Interest and Other's earnings before tax improved by 23% from 1999 to 2000 mostly due to the impact of merger-related charges as discussed above and a decrease in pension costs resulting from changes in actuarial assumptions.

1999 vs. 1998: Corporate, Interest and Other's earnings before tax decreased 40% from 1998 to 1999 mostly due to merger-related charges.

FINANCIAL POSITION AND LIQUIDITY

CASH FLOWS FROM OPERATIONS

Cash provided by operations was $658 million in 2000, $588 million in 1999 and $417 million in 1998.

The increase in 2000 reflected higher earnings and increased working capital partially offset by the use of cash for taxes. Working capital changes from 1999 included increases in accounts receivable, inventories and prepaid expenses and other, and a decrease in accrued restructuring liabilities; these working capital increases were offset by increases in accounts payable and accrued liabilities. The 4% increase in accounts receivable over the prior year corresponded with a 5% increase in net customer sales in the fourth quarter. Higher inventory levels in 2000 reflected the impact from new product introductions, and a build of charcoal inventories due to unseasonably cool weather. Prepaid expenses and other increased mostly due to an Argentine forward-purchase agreement, which matures in 2001. Increases in accounts payable and accrued liabilities are partly attributable to higher purchases and accruals resulting from new product launches.

The increase in 1999 was due principally to decreased working capital requirements. Working capital changes from 1998 included decreases in accounts receivable (excluding the impact of $100 million from the Company's trade receivable financing program which was discontinued in 1999 and is classified as financing activities) and inventories, and an increase in accrued restructuring liabilities, which were offset partially by decreases in accounts payable and accrued liabilities. The increase in accounts receivable was principally due to the discontinued receivables financing program, offset by improved collections from the Company's international businesses and the effect of foreign exchange translation. These cash flow improvements were offset partially by an overall increase in June 1999 sales experienced by most of the Company's businesses. Lower inventory levels in 1999 reflect higher June sales, a decline in promotional activities, tighter management of back-up stocks and the implementation of a new international logistics strategy. Accrued restructuring liabilities include accruals for severance, lease and contract cancellation costs. Accrued liabilities decreased from 1998 primarily due to the timing of domestic promotional activities and a reduction in accruals associated with the acquisition of the ARMOR ALL business. Accounts payable decreased from 1998 primarily due to lower purchases resulting from First Brands' decreased June volume.

BORROWING INFORMATION

The Company's overall level of indebtedness (both short-term and long-term debt) decreased from $1,443 million at June 30, 1999 to $1,363 million at June 30, 2000.

In 2000, the Company reduced certain of its long-term financing agreements, entered into a $236 million Canadian dollar denominated commercial paper agreement that is hedged with a forward currency contract for the same amount, and entered into a 7.38% bank loan totaling $142 million with principal and interest due in March 2001.

In 1999, the Company terminated certain of its financing agreements that were in part offset by increases in commercial paper borrowings and a new financing arrangement completed during the year. In December 1998, the Company redeemed preference shares totaling $388 million, which were previously classified as short-term debt. In February 1999, the Company terminated First Brands' revolving credit facility agreement and related interest rate swap agreements. Costs associated with terminating the swap agreements were $3 million and were included in merger-related costs. In June 1999, the Company terminated its $100 million program to finance receivables. In 1999, the Company entered into a $200 million Deutsche mark denominated financing arrangement with private investors. As part of this financing transaction, the Company entered into a series of swaps with notional amounts, totaling $200 million, to eliminate foreign currency exposure risk generated by this Deutsche mark denominated obligation. The swaps effectively convert the Company's 2.9% fixed Deutsche mark obligation to a floating U.S. dollar rate of 90 day LIBOR less 278 basis points or an effective rate of approximately 4.1%. Dividends on the preference shares were classified as interest expense.

ACQUISITIONS

During 2000, the Company invested $120 million in new international businesses. These acquisitions included the Bon Bril cleaning utensil businesses in Colombia, Venezuela and Peru, the Agrocom S.A. distribution business in Argentina, an increase in ownership to 100% in Clorox de Colombia S.A., formerly Tecnoclor S.A., (previously 72% owned and fully consolidated), and the ASTRA rubber glove business purchased in Australia.

During 1999, the Company invested $116 million in new businesses, including the U.S. acquisition of the HANDI WIPES and WASH 'N DRI businesses. International acquisitions included the MISTOLIN bleach and household cleaner business in Venezuela, the HOMEKEEPER insecticide business in Korea, the GUMPTION household cleaner business in Australia, as well as a 12% increase in ownership in the Company's joint venture in Colombia, Clorox de Colombia S.A.

During 1998, the Company invested $149 million in new international businesses. These acquisitions included the CLOROSUL bleach business, the SUPER GLOBO bleach and cleaner business and the X-14 cleaner business, all in Brazil; the ARELA cleaner business in Chile; three smaller acquisitions in Southeast Asia, Australia and New Zealand; and an additional investment in Mexico.

COMMON STOCK DIVIDENDS, COMPANY STOCK PURCHASES AND STOCK AUTHORIZATION INFORMATION

Dividends paid in 2000 were $189 million or $0.80 per share. On July 19, 2000, the Company announced a 5% increase in the quarterly dividend rate from $0.20 per share to $0.21 per share. On July 20, 1999, the Company's Board of Directors authorized a 2-for-1 split of its common stock effective August 23, 1999, in the form of a stock dividend for stockholders of record at the close of business on July 30, 1999. The Company also made a 2-for-1 stock split on September 2, 1997 to stockholders of record as of July 28,

1997. All share and per-share information in the accompanying consolidated financial statements reflects these stock splits.

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 option exercises) when it merged with First Brands. The Company repurchased a total of 3,123,000 shares for $135 million from inception of the new program through June 30, 2000 and, under the prior program, 800,000 shares for $33 million in 1999, and 1,694,000 shares for $83 million in 1998.

On September 15, 1999, the Company settled share repurchase agreements and options contracts realizing cash proceeds of approximately $76 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.

LIQUIDITY

In 2000, 1999 and 1998, cash flows from operations exceeded cash needs for capital expenditures, dividends and scheduled debt service. The Company believes that cash flow from operations, supplemented by financing expected to be available from external sources, will provide sufficient liquidity for the foreseeable future. At June 30, 2000, the Company had credit agreements with available credit totaling $900 million, which expire on dates through April 2002. These agreements are available for general corporate purposes and for the support of additional commercial paper. There were no borrowings under these agreements at June 30, 2000. The credit agreements require maintenance of a minimum net worth of $704 million. The Company also established an extendable commercial note program during the year as a supplement to its commercial paper program. There are no borrowings under these agreements.

The Company has indentures and loan agreements related to the First Brands businesses. Such agreements contain certain restrictive covenants and limitations, the most significant of which relates to the Company's right to incur certain indebtedness and to engage in certain sale and leaseback transactions. Based on the Company's working capital requirements, the current availability under its credit agreements, and its ability to generate positive cash flows from operations, the Company does not believe that such limitations will have a material effect on the Company's long-term liquidity. The Company believes that it will have the funds necessary to meet all of its above described financing requirements and all other fixed obligations. Should the Company undertake strategic acquisitions, requiring funds in excess of its internally generated cash flow, it might be required to incur additional debt. Depending upon conditions in the financial markets, the availability of acceptable terms, and other factors, the Company may consider the issuance of debt or other securities to finance acquisitions, to refinance debt or to fund other activities for general business purposes.

MARKET-SENSITIVE DERIVATIVES AND FINANCIAL INSTRUMENTS

The Company is exposed to the impact of interest rates, foreign currency fluctuations, commodity prices and changes in the market value of its investments. The Company has certain restrictions on the usage of derivatives, including a prohibition of the use of any leveraged instrument. Derivative contracts are entered into for non-trading purposes with several major credit worthy institutions, thereby minimizing the risk of credit loss. In the normal course of business, the Company employs practices and procedures to manage its exposure to changes in interest rates, foreign currencies and commodity prices using a variety of derivative financial and commodity instruments.

The Company's objective in managing its exposure to changes in interest rates, foreign currencies and commodity prices is to limit the impact of fluctuations on earnings, cash flow and, in the case of interest rate changes, to manage interest rate exposure. To achieve its objectives, the Company primarily uses swaps and forward and futures contracts to manage its exposures to interest rate changes in borrowings, foreign currency and commodity risks.

For 2000 and 1999, the Company's exposure to market risk has been estimated using sensitivity analysis, which is defined as the change in the fair value of a derivative or financial instrument assuming a hypothetical 10% adverse change in market rates or prices. The results of the sensitivity analysis are summarized below. Actual changes in interest rates or market prices may differ from the hypothetical changes.

The Company has market risk exposure to changing interest rates. Interest rate risk is managed through the use of a combination of fixed and floating rate debt. Interest rate swaps may be used to adjust interest rate risk exposures when appropriate, based on market conditions. These instruments have the effect of converting fixed rate instruments to floating, or floating to fixed. Changes in interest rates would result in gains or losses in the market value of the Company's fixed-rate debt instruments and the Company's interest rate swap agreements that convert debt instruments from floating to fixed, due to differences between current market rates and the rates implicit for these instruments. Based on the results of the sensitivity analysis, at June 30, 2000 and June 30, 1999, the Company's estimated market exposure for interest rates was $10 million and $13 million, respectively.

The Company seeks to minimize the impact of foreign currency fluctuations by hedging transactional exposures with foreign currency forward contracts. In addition, the Company has hedged certain net investments with similar instruments. The Company's foreign currency transactional exposures exist primarily with the Canadian dollar, Australian dollar and Japanese yen. The Company has certain positions in the Argentine peso, which are not accorded hedge accounting treatment. At June 30, 2000 and June 30, 1999, there were no material foreign currency transactional exposures that were not hedged. The foreign exchange sensitivity analysis includes forward contracts and other financial instruments affected by foreign exchange risk. Based on the hypothetical change in foreign currency exchange rates, the net unrealized losses at June 30, 2000 and 1999 would be $23 million and $4 million, respectively.

Commodity futures and swap contracts are used to manage cost exposures on certain raw material purchases resulting in relatively stable costs for these commodities. The commodity price sensitivity analysis includes commodity futures and swap contracts affected by commodity price risk. Based on the results of the sensitivity analysis, at June 30, 2000 and June 30, 1999, the Company's estimated market exposure for commodity prices was $14 million and $17 million, respectively.

YEAR 2000 COMPLIANCE

In 1997, the Company established a comprehensive corporate-wide program to address the Year 2000 or "Y2K" problem. This effort encompassed software, hardware, electronic data interchange, networks, personal computers, manufacturing and other facilities, embedded chips, century certification, supplier and customer readiness, contingency planning and domestic and international operations. Following the Company's January 29, 1999 merger with First Brands, the Company incorporated First Brands and its subsidiaries into the Company's Y2K compliance program.

As of December 31, 1999, the Company had completed all of its Y2K compliance efforts on all of its critical domestic and international business systems, its critical plant floor equipment, instrumentation and facilities, and its third party assessment for all of its operations. The Company developed written contingency plans for its critical operations and third party relationships, but did not implement any of these plans because the Company did not experience any material Y2K related issues with the turnover of the year to 2000.

Y2K costs were expensed as incurred and funded through operating cash flows. Through the fiscal year ended June 30, 2000, the Company has expensed incremental remediation costs of $20.5 million and accelerated strategic upgrade costs of $20.5 million. The Company expensed $4 million in fiscal year 2000 on Y2K remediation issues. The Company did not defer any critical information technology projects because of its Year 2000 program efforts, which were primarily addressed through a joint team of the Company's business and information technology resources.

ENVIRONMENTAL MATTERS

The Company is committed to an ongoing program of comprehensive, long-term environmental assessment of its facilities. This program is implemented by the Company's Department of Health, Safety and Environment with guidance from legal counsel. During each facility assessment, compliance with applicable environmental laws and regulations is evaluated and the facility is reviewed in an effort to identify possible future environmental liabilities. The Company believes that there are no potential future environmental liabilities that will have a material adverse effect on its financial position or future operating results, although no assurance can be given with respect to the ultimate outcome of any such matters. This premise is based on the probable future costs of environmental liabilities without an offset for expected insurance recoveries or discounting for present value.

IMPACT OF NEW ACCOUNTING STANDARDS

Effective July 1, 2000, the Company adopted SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities." SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. The statement requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company estimates that the transition adjustment to implement this new standard will be a reduction of net earnings of $2 million (net of tax of $1 million) and an increase in other comprehensive income of $10 million (net of tax of $7 million). These adjustments will be recognized as of July 1, 2000 as a cumulative effect of a change in accounting principle. The ongoing effects will depend on future market conditions and the Company's hedging activities.

In December 1999, the Securities and Exchange Commission ("SEC") issued SEC Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," as amended by SAB No. 101A, which delayed the implementation date of SAB No. 101 for companies with fiscal years beginning between December 16, 1999 and March 15, 2000. Since the issuance of SAB No. 101 and SAB No. 101A, the SEC issued SAB No. 101B, which delayed implementation until no later than the fourth fiscal quarter of fiscal years beginning after December 15, 1999. SAB No. 101 summarizes the SEC's views in applying generally accepted accounting principles to revenue recognition in financial statements. Also, in July 2000, the Financial Accounting Standards Board ("FASB") reached consensus and issued Emerging Issues Task Force ("EITF") No. 00-14, "Accounting for Coupons, Rebates, and Discounts," with the same implementation date as SAB No. 101. EITF No. 00-14 addresses both the accounting for sales subject to rebates and revenue sharing arrangements as well as coupons and discounts and the income statement classification of rebates and other discounts. In March 2000, the FASB issued guidance on stock compensation issues in the form of FASB Interpretation No. 44, "Accounting for Certain Transactions involving Stock Compensation, an Interpretation of APB Opinion No. 25." The Interpretation clarifies the application of APB Opinion No. 25 for certain issues. The Interpretation is effective beginning July 1, 2000. The Company is currently evaluating the impact of SAB No. 101, as amended, EITF No. 00-14 and Interpretation No. 44 on the

Company's consolidated financial position and results of operations, but has not concluded as to the significance of the potential impact, if any, when these new standards are adopted.

CAUTIONARY STATEMENT

Except for historical information, matters discussed above and in the financial statements and footnotes, including statements about future plans, objectives, expectations, growth or profitability, 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 in this Appendix B to the 2000 Proxy Statement of the Company. 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, 2000, which is expected to be filed with the SEC on or about September 28, 2000, and in subsequent SEC filings. Those factors include, but are not limited to, marketplace conditions and events, the Company's costs, risks inherent in litigation and international operations, the success of new products, the integration of acquisitions and mergers, and environmental, regulatory and intellectual property matters. These forward-looking statements speak only as of the date of this document.

FINANCIAL HIGHLIGHTS
THE CLOROX COMPANY

YEARS ENDED JUNE 30	2000	1999	% CHANGE
IN MILLIONS, EXCEPT SHARE AND PER-SHARE AMOUNTS.			
Net Sales	$ 4,083	$ 4,003	2%
Net Earnings	$ 394	$ 246	60%
Stockholders' Equity	$ 1,794	$ 1,570	14%
Per Common Share			
Net Earnings			
Basic	$ 1.67	$ 1.05	59%
Diluted	$ 1.64	$ 1.03	59%
Dividends	$ 0.80	$ 0.71	13%
Stockholders' Equity	$ 7.62	$ 6.67	14%
Weighted Average Shares Outstanding (in thousands)			
Basic	236,108	235,364	0%
Diluted	239,614	240,002	0%

CONSOLIDATED STATEMENTS OF EARNINGS
THE CLOROX COMPANY

YEARS ENDED JUNE 30	2000	1999	1998
IN MILLIONS, EXCEPT SHARE AND PER-SHARE AMOUNTS.			
Net Sales	$ 4,083	$ 4,003	$ 3,898
Costs and Expenses			
Cost of products sold	2,250	2,181	2,124
Selling and administration	525	554	548
Advertising	465	474	491
Research and development	63	63	62
Merger, restructuring and asset impairment	36	180	3
Interest expense	98	97	104
Other expense -- Net	24	24	10
Total Costs and Expenses	3,461	3,573	3,342
Earnings before income taxes and cumulative effect of change in accounting principle	622	430	556
Income Taxes	228	184	206
Earnings before cumulative effect of change in accounting principle	394	246	350
Cumulative effect of change in accounting principle	-	-	(7)
Net Earnings	$ 394	$ 246	$ 343
Earnings per Common Share			
Basic			
Earnings before cumulative effect of change in accounting principle	$ 1.67	$ 1.05	$ 1.49
Cumulative effect of change in accounting principle	-	-	(.03)
Net Earnings	$ 1.67	$ 1.05	$ 1.46
Diluted			
Earnings before cumulative effect of change in accounting principle	$ 1.64	$ 1.03	$ 1.46
Cumulative effect of change in accounting principle	-	-	(.03)
Net Earnings	$ 1.64	$ 1.03	$ 1.43
Weighted Average Shares Outstanding (in thousands)			
Basic	236,108	235,364	234,666
Diluted	239,614	240,002	239,540

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

THE CLOROX COMPANY

YEARS ENDED JUNE 30	2000	1999
IN MILLIONS, EXCEPT SHARE AND PER-SHARE AMOUNTS.		
ASSETS		
Current Assets		
Cash and short-term investments	$ 245	$ 132
Receivables -- Net	633	610
Inventories	376	319
Prepaid expenses and other	175	29
Deferred income taxes	25	26
Total current assets	1,454	1,116
Property, Plant and Equipment -- Net	1,079	1,054
Brands, Trademarks, Patents and Other Intangibles -- Net	1,536	1,497
Investments in Affiliates	110	104
Other Assets	174	361
Total	$4,353	$4,132
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 319	$ 206
Accrued liabilities	395	350
Accrued restructuring	16	23
Short-term debt and notes payable	768	734
Income taxes payable	38	48
Current maturities of long-term debt	5	7
Total current liabilities	1,541	1,368
Long-term Debt	590	702
Other Obligations	204	255
Deferred Income Taxes	224	237
Stockholders' Equity		
Common stock, $1.00 par value, 750,000,000 shares authorized, 249,826,934 shares issued and 235,361,130 shares and 235,310,754 shares outstanding at June 30, 2000 and 1999, respectively	250	250
Additional paid-in capital	127	50
Retained earnings	2,068	1,842
Treasury shares, at cost, 14,465,804 shares and 14,516,180 shares at June 30, 2000 and 1999, respectively	(451)	(392)
Accumulated other comprehensive net losses	(183)	(160)
Other	(17)	(20)
Stockholders' equity	1,794	1,570
Total	$4,353	$4,132

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
THE CLOROX COMPANY

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TREASURY SHARES	ACCUMULATED OTHER COMPREHENSIVE NET LOSSES	OTHER	TOTAL	TOTAL COMPREHENSIVE INCOME
IN MILLIONS, EXCEPT PER-SHARE AMOUNTS.								
Balance, June 30, 1997..............	$249	$ -	$1,542	$(289)	$ (60)	$(12)	$1,430	
Comprehensive income								
Net earnings.......................			343				343	$343
Translation adjustments............					(57)		(57)	(57)
Minimum pension liability adjustments......................					1		1	1
Total comprehensive income...........								$287
Dividends ($.63 per share).........			(147)				(147)	
Employee stock plans and other.....		21	10	35		1	67	
Clorox treasury stock acquired and related premiums.................				(83)			(83)	
First Brands treasury stock acquired.........................		(21)	(5)				(26)	
Share repurchase obligations.......				(55)			(55)	
Balance, June 30, 1998..............	249	--	1,743	(392)	(116)	(11)	1,473	
Comprehensive income								
Net earnings.......................			246				246	$246
Translation adjustments............					(43)		(43)	(43)
Minimum pension liability adjustments......................					(1)		(1)	(1)
Total comprehensive income...........								$202
Dividends ($.71 per share).........			(162)				(162)	
Employee stock plans and other.....	1	50	15	33		(9)	90	
Clorox treasury stock acquired.....				(33)			(33)	
Balance, June 30, 1999..............	250	50	1,842	(392)	(160)	(20)	1,570	
Comprehensive income								
Net earnings.......................			394				394	$394
Translation adjustments............					(23)		(23)	(23)
Total comprehensive income...........								$371
Dividends ($.80 per share).........			(189)				(189)	
Employee stock plans and other.....		13	21	21		3	58	
Clorox treasury stock acquired and related premiums.................		(12)		(135)			(147)	
Settlement of share repurchase obligations and option contracts........................		76		55			131	
Balance, June 30, 2000..............	$250	$127	$2,068	$(451)	$(183)	$(17)	$1,794	

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
THE CLOROX COMPANY

YEARS ENDED JUNE 30	2000	1999	1998
IN MILLIONS.			
Operations:			
Net earnings	$ 394	$ 246	$ 343
Adjustments to reconcile to net cash provided by operations:			
Provision for inventory write-downs and asset impairment	12	99	-
Cumulative effect of change in accounting principle	-	-	7
Depreciation and amortization	201	202	182
Deferred income tax	(16)	(29)	52
Other	11	(14)	(1)
Changes in (excluding effects of businesses acquired):			
Accounts receivable	(19)	24	(76)
Inventories	(55)	40	(47)
Prepaid expenses and other	(3)	2	1
Accounts payable	109	(19)	21
Accrued liabilities	42	(9)	(67)
Accrued restructuring	(7)	23	3
Income taxes payable	(11)	23	(1)
Net cash provided by operations	658	588	417
Investing Activities:			
Purchases of property, plant and equipment	(158)	(176)	(190)
Businesses acquired	(120)	(116)	(149)
Proceeds from disposals of property, plant and equipment	3	16	19
Other	15	(37)	(81)
Net cash used for investing	(260)	(313)	(401)
Financing Activities:			
Short-term debt and notes payable borrowings (repayments) -- Net	34	(232)	221
Long-term debt and other borrowings	5	205	3
Long-term debt and other repayments	(117)	(16)	(66)
First Brands receivables financing program -- Net	-	(100)	15
Cash dividends	(189)	(162)	(147)
Treasury stock purchased and related premiums	(135)	(33)	(109)
Settlement of share repurchase and option contracts	76	-	-
Issuance of common stock for employee stock plans and other	41	93	64
Net cash used for financing	(285)	(245)	(19)
Effect on cash of exchange rate changes	-	-	(4)
Net increase (decrease) in cash and short-term investments	113	30	(7)
Cash and short-term investments:			
Beginning of year	132	102	109
End of year	$ 245	$ 132	$ 102
Supplemental Disclosure:			
Cash paid for:			
Interest (net of amounts capitalized)	$ 92	$ 98	$ 105
Income taxes	166	85	113
Non-cash transactions:			
Liabilities assumed with businesses purchased	$ 9	$ -	$ 28
Share repurchase and other obligations	55	-	79

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THE CLOROX COMPANY

(MILLIONS OF DOLLARS, EXCEPT SHARE AND PER-SHARE AMOUNTS)

1. SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS AND PRINCIPLES OF CONSOLIDATION

The Company is principally engaged in the production and marketing of nondurable consumer products through grocery stores, mass merchandisers and other retail outlets. The consolidated financial statements include the statements of the Company and its majority-owned and controlled subsidiaries. Minority investments in foreign entities are accounted for under the equity method, the most significant of which is a 20% equity investment in Henkel Iberica, S.A. of Spain. All significant intercompany transactions and accounts are eliminated in consolidation.

MERGER WITH FIRST BRANDS CORPORATION ("FIRST BRANDS")

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.

Pursuant to the merger agreement, First Brands stockholders obtained the right to receive .349 of a share of the Company's common stock in exchange for each share of First Brands common stock, with cash paid in lieu of fractional shares. Pursuant to the merger, 40.3 million shares of First Brands common stock were converted into 28.2 million shares of the Company's common stock. In addition, options to acquire 1.8 million shares of First Brands' common stock were converted to 1.2 million options to acquire shares of the Company's common stock. In connection with the merger, the Company also assumed approximately $435 of First Brands debt.

Additional information pertaining to merger costs is presented in Note 2.

STOCK-SPLIT

On July 20, 1999, the Company's Board of Directors authorized a 2-for-1 split of its common stock, effective August 23, 1999, in the form of a stock dividend for stockholders of record at the close of business on July 30, 1999. On July 15, 1997, the Company's Board of Directors authorized a 2-for-1 split of its common stock, effective September 2, 1997, in the form of a stock dividend for stockholders of record at the close of business on July 28, 1997. All share and per-share amounts in the accompanying consolidated financial statements have been restated to give effect to these stock splits.

ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from estimates and assumptions made.

SHORT-TERM INVESTMENTS

Short-term investments consist of money market and other high quality instruments with an initial maturity of three months or less. Such investments are stated at cost, which approximates market value.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) INVENTORIES

Inventories are stated at the lower of cost or market. Cost for the majority of the domestic inventories, excluding First Brands businesses, is determined on the last-in, first-out (LIFO) method. Cost for other inventories, including First Brands businesses, is determined on the first-in, first-out (FIFO) method.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method over estimated useful lives ranging from 20-30 years for improvements, 20-40 years for buildings and 3-15 years for machinery and equipment. Carrying values are reviewed periodically and a determination of impairment is made based on estimates of future cash flows, undiscounted and without interest charges.

BRANDS, TRADEMARKS, PATENTS AND OTHER INTANGIBLES

Brands, trademarks, patents and other intangible assets arising from transactions after October 30, 1970 are amortized over their estimated useful lives not to exceed 40 years. Carrying values are reviewed periodically, and a determination of impairment is made based on estimates of future cash flows, undiscounted and without interest charges.

FORWARD-PURCHASE FINANCING AGREEMENTS

In connection with the financing of an acquisition in Argentina in 1996 and the acquisition of the Brita water systems business in Canada in 1995, the Company entered into forward-purchase agreements with third parties whereby the Company has purchased preferred stock of certain of its foreign subsidiaries for future delivery from third parties who have the right to acquire this preferred stock according to the terms of certain subscription agreements. In June 2000, the Brita forward-purchase agreement matured and the third party acquired the subsidiary preferred stock. The Argentina forward-purchase agreement matures in 2001 and is included in prepaid expenses and other assets. The forward purchases of the preferred stock are accreted to redemption amounts on a straight-line basis over five years and the amount of accretion is included in other income. If the third parties fail to acquire the subsidiary preferred stock at maturity of the subscription agreements, the accreted amounts of the forward-purchase agreements will be due to the Company.

ADVERTISING

The Company expenses advertising costs as incurred, although costs incurred during interim periods are generally expensed ratably in relation to revenues.

INCOME TAXES

The Company uses the asset and liability method to account for income taxes, including recognition of deferred tax assets and liabilities for the anticipated future tax consequences attributable to differences between financial statement amounts and their respective tax bases (see Note 15).

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) FOREIGN CURRENCY TRANSLATION

Local currencies are the functional currencies for most of the Company's foreign operations. Assets and liabilities are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rates during the year. Translation gains and losses and the effects of exchange rate changes on transactions designated as hedges of net foreign investments are reported in accumulated other comprehensive income or loss in stockholders' equity. Transaction and foreign currency translation gains and losses where the U.S. dollar is the functional currency are included in other income.

EARNINGS PER COMMON SHARE

Basic earnings per share is computed by dividing net earnings by the weighted average number of common shares outstanding each period. Diluted earnings per share are computed by dividing net earnings by the diluted weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution from common shares issuable through stock options, restricted stock and performance unit grants.

DERIVATIVE INSTRUMENTS

The use of derivative instruments, principally swap, forward and option contracts, is limited to non-trading purposes and includes management of interest rate movements, foreign currency exposure and commodity exposure. Through June 30, 2000, such derivatives were not recognized as assets or liabilities in the consolidated balance sheet. Interest rate swap agreements are accounted for using the settlement basis of accounting. As such, no gains or losses are recorded for movements in the swaps' values during the term of the agreements. Foreign currency forward contracts are used to hedge certain short-term and long-term instruments and to hedge the impact of exchange rate fluctuations resulting from anticipated inventory purchases and intercompany transactions. Gains or losses on hedges of existing assets are included in the carrying amounts and are recognized in earnings when those assets are liquidated. Gains or losses arising from hedges of firm commitments and anticipated transactions are recognized in earnings or as an adjustment of carrying amounts when the hedged transaction occurs. The Company also holds Argentine foreign currency contracts that are not accorded hedge accounting treatment. These contracts are accounted for by adjusting the carrying amount of the contract to market and recognizing any gain or loss in other income or expense.

STOCK-BASED COMPENSATION

The Company continues to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." Compensation cost for stock options, if any, is measured as the excess of the quoted market price of the Company's stock at the date of grant over the amount an employee must pay to acquire the stock. Restricted stock awards are recorded as compensation cost over the requisite vesting periods based on the market value on the date of grant. Compensation cost for shares issued under performance share plans is recorded based upon the current market value of the Company's stock at the end of each period.

Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," established accounting and disclosure requirements using a fair-value based method of accounting

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) for stock-based employee compensation plans. The Company has elected to retain its current method of accounting as described above and has adopted the disclosure requirements of SFAS No. 123. (See Note 12).

IMPACT OF NEW ACCOUNTING STANDARDS

Effective July 1, 2000, the Company adopted SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities." SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. The statement requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company estimates that the transition adjustment to implement this new standard will be a reduction of net earnings of $2 (net of tax of $1) and an increase in other comprehensive income of $10 (net of tax of $7). These adjustments will be recognized as of July 1, 2000 as a cumulative effect of a change in accounting principle. The ongoing effects will depend on future market conditions and the Company's hedging activities.

In December 1999, the Securities and Exchange Commission ("SEC") issued SEC Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," as amended by SAB No. 101A, which delayed the implementation date of SAB No. 101 for companies with fiscal years beginning between December 16, 1999 and March 15, 2000. Since the issuance of SAB No. 101 and SAB No. 101A, the SEC issued SAB No. 101B, which delayed implementation until no later than the fourth fiscal quarter of fiscal years beginning after December 15, 1999. SAB No. 101 summarizes the SEC's views in applying generally accepted accounting principles to revenue recognition in financial statements. Also, in July 2000, the Financial Accounting Standards Board ("FASB") reached consensus and issued Emerging Issues Task Force ("EITF") No. 00-14, "Accounting for Coupons, Rebates, and Discounts," with the same implementation date as SAB No. 101. EITF No. 00-14 addresses both the accounting for sales subject to rebates and revenue sharing arrangements as well as coupons and discounts and the income statement classification of rebates and other discounts. In March 2000, the FASB issued guidance on stock compensation issues in the form of FASB Interpretation No. 44, "Accounting for Certain Transactions involving Stock Compensation, an Interpretation of APB Opinion No. 25." The Interpretation clarifies the application of APB Opinion No. 25 for certain issues. The Interpretation is effective beginning July 1, 2000. The Company is currently evaluating the impacts of SAB No. 101, as amended, EITF No. 00-14 and Interpretation No. 44 on the Company's consolidated financial position and results of operations, but has not concluded as to the significance of the potential impact, if any, when these new standards are adopted.

RECLASSIFICATIONS

Certain reclassifications have been made to the prior years' financial statements to conform to the current year's presentation. These include the reclassification of delivery costs to cost of products sold, previously reported as part of selling, delivery and administration expense, to conform to the current year's presentation.

(MILLIONS OF DOLLARS, EXCEPT SHARE AND PER-SHARE AMOUNTS)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) ACCOUNTING CHANGE

In 1998, First Brands changed its accounting policy for costs associated with the business process re-engineering activities to expense such costs as incurred in accordance with the FASB Emerging Issues Task Force Issue No. 97-13. Previously capitalized costs of $11 ($7 after taxes or $0.03 per diluted share) were charged to operations in 1998 as cumulative effect of change in accounting principle.

2. MERGER, RESTRUCTURING AND ASSET IMPAIRMENT

Merger, restructuring and asset impairment were $36, $180 and $3 in 2000, 1999 and 1998, respectively. The $36 of merger costs in 2000 includes $23 of merger, restructuring and asset impairment incurred in connection with the merger of First Brands, $11 of restructuring and asset impairment related to the restructuring of the Company's Asia operations recognized in the fourth quarter of 2000, and $2 of asset impairment losses recognized for the write-down of property, plant and equipment related to the Company's fire logs business. In 1999, the Company recorded $180 of merger costs that included $156 of merger, restructuring and asset impairment incurred in connection with the First Brands merger, and $24 for impairment and write-down of certain insecticide brands and certain international assets. In 1998, First Brands recorded $3 of restructuring charges for initiatives aimed at streamlining certain operating and administrative functions.

Merger, restructuring and asset impairment costs were recognized during 2000 and 1999 in connection with the First Brands merger, Asia restructuring and other asset impairments. Details of these costs through June 30, 2000 are as follows:

	MERGER	RESTRUCTURING	TOTAL MERGER AND RESTRUCTURING	ASSET IMPAIRMENT	TOTAL
Expense for the year:					
June 30, 1999	$36	$53	$ 89	$91	$180
June 30, 2000	17	11	28	8	36
Total incurred through June 30, 2000	53	64	117	$99	$216
Total paid through June 30, 2000	(48)	(53)	(101)		
Accrued Restructuring as of June 30, 2000	$ 5	$11	$ 16		

First Brand restructuring activities primarily related to the elimination of redundancies and the consolidation of administration and distribution functions, the reduction in employee headcount, primarily at the First Brands' headquarters location in Danbury, Connecticut and at sales offices, and the termination of lease and other contractual obligations. All merger, restructuring and asset impairment costs related to the First Brands merger have been recognized through June 30, 2000.

The Company is restructuring its Asia operations by moving to third-party distributors in various Asian countries. Asia restructuring activities include the reduction in employee headcount, the termination of lease obligations, charges for professional services and the write off of certain assets.

(MILLIONS OF DOLLARS, EXCEPT SHARE AND PER-SHARE AMOUNTS)

3. ACQUISITIONS

Acquisitions made in years 2000, 1999 and 1998 were accounted for by the purchase method and are summarized below.

International acquisitions in 2000 totaled $120. These acquisitions included the Bon Bril cleaning utensil business in Colombia, Venezuela and Peru, the Agrocom S.A. distribution business in Argentina, an increase in ownership to 100% in Clorox de Colombia S.A., formerly Tecnoclor, S.A., (previously 72% owned and fully consolidated), and the ASTRA rubber glove business purchased in Australia. Net assets, acquired at fair value, included net working capital assets of $6, property, plant and equipment of $12, and brands, trademarks and other intangibles of $94 to be amortized over estimated lives not to exceed 40 years. In addition, approximately $8 was paid to acquire minority interests in Clorox de Colombia S.A.

Acquisitions in 1999 totaled $116. These acquisitions included the domestic purchase of the HANDI WIPES and WASH 'N DRI businesses and the international purchases of the MISTOLIN bleach and household cleaner business in Venezuela, the HOMEKEEPER insecticide business in Korea, the GUMPTION household cleaner business in Australia, as well as a 12% increase in ownership in the Company's joint venture in Colombia, Clorox de Colombia S.A. Approximately $105 of the acquisition cost has been allocated to brands, trademarks and other intangibles to be amortized over estimated lives not to exceed 40 years, with the remainder of $11 allocated to the fair value of other assets acquired.

International acquisitions in 1998 totaled $149 and included the CLOROSUL bleach business, the SUPER GLOBO bleach and cleaner business and the X-14 cleaner business, all in Brazil, the ARELA cleaner business in Chile, three smaller acquisitions in Southeast Asia, Australia and New Zealand, and an additional investment in Mexico. Approximately $144 of the acquisition cost has been allocated to brands, trademarks and other intangibles to be amortized over estimated lives not to exceed 40 years, with the remainder of $34 allocated to the fair value of other assets acquired, net of liabilities of $29 assumed.

Operating results of acquired businesses are included in the consolidated net earnings from the date of acquisition. All acquisitions were funded from cash provided by operations, long-term debt or commercial paper. In any year presented, the operating results of businesses acquired were not significant to the consolidated results.

4. TRADE RECEIVABLE FINANCING PROGRAM

During the fourth quarter of 1999, the Company terminated First Brands' program to sell up to $100 in fractional ownership interest in a defined pool of eligible trade accounts receivable. Accounts receivable in the accompanying consolidated balance sheets were reported net of amounts sold pursuant to this program and related costs were charged to earnings as interest expense when the receivables were sold. The effective interest rate for this program was approximately 5.5% in 1999 and 5.9% in 1998.

5. INVENTORIES

The major classes are:

	2000	1999
Finished goods and work in process	$250	$220
Raw materials and supplies	126	99
Total	$376	$319

(MILLIONS OF DOLLARS, EXCEPT SHARE AND PER-SHARE AMOUNTS)

5. INVENTORIES (CONTINUED) Had the cost of LIFO inventories been determined using the FIFO method, inventory amounts would have been higher by approximately $10 at June 30, 2000 and $12 at June 30, 1999. The LIFO method was used to value approximately 42% of inventory at June 30, 2000 and 38% at June 30, 1999. Liquidation of LIFO layers was not material at June 30, 2000 and June 30, 1999.

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 for the year ended June 30, 2000 and $8 for the year ended June 30, 1999.

6. PROPERTY, PLANT AND EQUIPMENT -- NET

The major classes are:

	2000	1999
Land and improvements	$ 91	$ 91
Buildings	418	391
Machinery and equipment	1,313	1,198
Construction in progress and other	135	161
Total	1,957	1,841
Less accumulated depreciation	878	787
Net	$1,079	$1,054

Depreciation expense was $121 in 2000, $115 in 1999 and $109 in 1998.

7. BRANDS, TRADEMARKS, PATENTS AND OTHER INTANGIBLES -- NET

The major classes are:

	2000	1999
Brands and trademarks	$1,771	$1,681
Patents and other intangibles	320	316
Total	2,091	1,997
Less accumulated amortization	555	500
Net	$1,536	$1,497

At June 30, 2000 and 1999, respectively, brands and trademarks totaling $1,484 and $1,480 are amortized over 40 years, $39 and $27 are amortized over 30 years, $202 and $132 are amortized over 20 years and $4 (none in 1999) are amortized over 10 years. Amounts totaling $42 relating to transactions prior to October 31, 1970 are not amortized. Patents and other intangibles are amortized over lives ranging from 2 to 20 years.

8. ACCRUED LIABILITIES

Advertising costs included in accrued liabilities at June 30, 2000 and 1999 were $138 and $157, respectively.

(MILLIONS OF DOLLARS, EXCEPT SHARE AND PER-SHARE AMOUNTS)

9. DEBT

Short-term debt and notes payable include:

	2000	1999
Commercial paper	$613	$726
Notes payable and other	155	8
Total	$768	$734

In 2000, the Company issued $236 of Canadian dollar denominated commercial paper that is hedged with a forward currency contract for the same amount. Also in 2000, the Company entered into a 7.38% bank loan totaling $142 with principal and interest due in March 2001.

In 1999, the Company redeemed preference shares totaling $388, which had been classified as other short-term debt. These shares were issued in 1998 and 1997 when the Company entered into sterling denominated agreements for the issuance of redeemable subsidiary preference shares to private investors. The Company also terminated related swap agreements that covered both foreign currency and interest rate exposures. Costs to terminate the swap agreements were approximately $7 and are included in other expense, net. Dividend payments on the preference shares were classified as interest expense.

Long-term debt includes:

	2000	1999
8.8% Non-callable notes due August 2001(a)	$200	$200
Preferred interest transferable securities due July 2003 with a preferred dividend rate of 2.9%(b)	200	200
7 1/4% senior notes due 2007(c)	150	150
Bank loans due through March 2007, at a rate of 5.9% in 2000 and rates ranging from 5.9% to 7.9% in 1998	13	98
Australian and New Zealand credit facility, $32 seven-year term, expiring March 2004, interest at local "Bill Rate" plus .7%(d)	10	35
Other	17	19
Total	$590	$702

(a) At June 30, 2000 and June 30, 1999, the Company had interest rate swaps that converted $50 of the 8.8% note from a fixed to a floating rate resulting in effective borrowing rates of 8.6% in 2000, 8.1% in 1999 and 8.3% in 1998.

(b) In 1999, the Company entered into a Deutsche mark denominated financing arrangement with private investors. The Company also entered into a series of swaps with notional amounts totaling $200 to eliminate foreign currency exposure risks. The swaps effectively convert the Company's 2.9% fixed Deutsche mark obligation to a floating U.S. dollar rate of 90 day LIBOR less 278 basis points (effective rate of approximately 4.1%). Dividend payments on preference shares are classified as interest expense.

9. DEBT (CONTINUED)
(c) The 7 1/4% Note Indenture contains certain restrictive covenants and limitations, the most significant of which relates to the Company's right to incur debt and to engage in certain sale and leaseback transactions.

(d) The seven-year $32 Australian and New Zealand credit facility is composed of
(1) amounts used to acquire Clorox Australia Pty. Limited, formerly NationalPak Pty. Limited, and Clorox New Zealand Limited, formerly NationalPak New Zealand Limited (the acquisition borrowing for New Zealand was repaid in 2000) and (2) amounts used for working capital needs. There are fixed periodic payments associated with the acquisition borrowing. The working capital borrowing can be drawn on and repaid at Clorox Australia Pty. Limited and Clorox New Zealand Limited's discretion. The facility is secured by the accounts receivable, inventory and fixed assets of Clorox Australia Pty. Limited and Clorox New Zealand Limited (approximately $10 at June 30, 2000). At June 30, 2000 and June 30, 1999, the Company had interest rate swaps totaling $9 and $26, respectively, that converted the Company's variable rate debt into fixed obligations.

The weighted average interest rate for short-term debt outstanding was 6.4%, 5.2% and 5.1% for 2000, 1999 and 1998, respectively. At June 30, 2000 and 1999, net of foreign currency swap agreements, the fair value of long-term debt was $600 and $723, respectively, and the fair values of short-term debt approximate the carrying value for those years.

The Company has credit agreements totaling up to $900 that expire on dates through April 2002. There are no borrowings under any of these agreements. They are available for general corporate purposes and for the support of additional commercial paper issuance. The credit agreements require maintenance of minimum net worth of $704.

Long-term debt maturities as of June 30, 2000 are $5, $207, $10, $216, $2 and $155 in 2001, 2002, 2003, 2004, 2005 and thereafter, respectively.

10. DERIVATIVE INSTRUMENTS

The Company utilizes derivative instruments, principally swaps, forward contracts and options to enhance its ability to manage risk, including interest rate, foreign currency, commodity prices and share repurchases which exist as part of its ongoing business operations. These contracts hedge transactions and balances for periods consistent with the related exposures and do not constitute investments independent of these exposures. The Company is not a party to any leveraged contracts.

Interest rate swap agreements are used to manage interest rate exposure and to achieve a desired proportion of variable and fixed rate debt. Amounts paid or received on hedges related to debt are included in interest expense. At June 30, 2000 and June 30, 1999, the notional amount of interest rate swaps was $261 and $278, and the unrealized losses were approximately $11 and $4, respectively. (See Note 9).

The Company uses foreign exchange contracts, including forward currency contracts, a call option contract and swap contracts, to hedge existing foreign-exchange exposures. Foreign currency contracts require the Company, at a future date, either to buy or sell foreign currency in exchange for U.S. dollars to offset an underlying exposure. Such currency contracts existed at June 30, 2000 and 1999 for Canadian dollars, Japanese yen, Australian dollars and certain other currencies. The call option contract is for purchases

10. DERIVATIVE INSTRUMENTS (CONTINUED) denominated in Deutsche marks. Foreign exchange contracts with notional amounts totaling $262 and $67 were outstanding at June 30, 2000 and 1999, respectively. Unrealized losses related to these contracts were approximately $2 at June 30, 1999 (none at June 30, 2000). Contracts outstanding as of June 30, 2000 will mature over the next year. The Company manages its future Deutsche mark exposure with foreign currency swap agreements (see Note 9). These agreements provide for an exchange of notional amounts at a future date, enabling the Company to offset future foreign currency cash exposures and converting Deutsche mark liability to U.S. dollar liability, thus mitigating exposure to increasing costs associated with foreign currency movements. The Company also holds Argentine foreign currency contracts which are not accorded hedge accounting treatment. The notional amounts on these contracts totaled $38 at June 30, 2000. Losses recognized in 2000 on the Company's Argentine foreign currency contract were insignificant.

The Company uses commodity futures contracts to hedge the price on a portion of raw material purchases used in the manufacturing process and swap contracts to hedge the market risk of diesel fuel included as part of carrier contracts. Contract maturities are correlated to actual purchases and contract gains and losses are reflected as adjustments of the cost of the related item. The Company also uses swap contracts and an option contract with various maturities partially to stabilize the cost of its polyethylene resin requirements. These contracts cover a portion of the Company's domestic and foreign resin requirements. Unrealized (gains) or losses on open contracts at June 30, 2000 and June 30, 1999 were approximately $(14) and $6, respectively.

Equity put options and forward contracts are used in connection with the Company's common share repurchase programs (see Note 11).

The carrying values of cash, short-term investments, accounts and notes receivable, notes payable, accounts payable, forward purchase financing agreements and other derivative financial instruments approximate their fair values at June 30, 2000 and 1999. The Company has used market information for similar instruments and applied judgment in estimating fair values. See Note 9 for fair values of short-term and long-term debt.

Exposure to counterparty credit risk is considered low because these agreements have been entered into with major credit worthy institutions with strong credit ratings, and they are expected to perform fully under the terms of the agreements.

11. STOCKHOLDERS' EQUITY

In addition to common stock, the Company is authorized to issue 5 million shares of preferred stock with a par value of $1 per share, none of which is outstanding.

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. The Company repurchased a total of 3,123,000 shares for $135 from inception of the new program through June 30, 2000 and, under the prior program, 800,000 shares for $33 in 1999, and 1,694,000 shares for $83 in 1998.

11. STOCKHOLDERS' EQUITY (CONTINUED)

On September 15, 1999, the Company settled share repurchase agreements and options contracts realizing net cash proceeds of approximately $76 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.

12. STOCK COMPENSATION PLANS

At June 30, 2000, the Company had stock-based compensation plans that include the pre-merger plans of First Brands, including various stock option plans that provide for the granting of stock options to officers, key employees and directors. The 1996 Stock Incentive Plan ("1996 Plan") and the 1993 Directors' Stock Option Plan are the only plans with stock option awards currently available for grant; the 1996 Plan, the 1993 Directors' Stock Option Plan and prior plans have shares exercisable at June 30, 2000. The Company is authorized to grant options for up to 14 million common shares under the 1996 Plan, of which 9 million have been granted. Options outstanding under the Company's plans (except First Brands options which became exercisable upon the merger) have been granted at prices which are either equal to or above the market value of the stock on the date of grant, vest over a one to seven-year period, and expire no later than ten years after the grant date.

The status of the Company's stock option plans at June 30 is summarized below:

	NUMBER OF SHARES (IN THOUSANDS)	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at June 30, 1997	14,226	$18
Granted	1,282	36
Exercised	(2,630)	14
Cancelled	(438)	25
Outstanding at June 30, 1998	12,440	21
Granted	4,590	60
Exercised	(3,174)	20
Cancelled	(216)	35
Outstanding at June 30, 1999	13,640	34
Granted	3,104	40
Exercised	(1,381)	20
Cancelled	(301)	44
Outstanding at June 30, 2000	15,062	$36
Options exercisable at:		
June 30, 2000	7,687	$21
June 30, 1999	7,618	19
June 30, 1998	8,204	17

12. STOCK COMPENSATION PLANS (CONTINUED) Had compensation expense for the Company's various stock-based compensation plans been determined based upon fair values at the grant dates for awards under those plans in accordance with SFAS No. 123, "Accounting for Stock-Based Compensation," the Company's net earnings and earnings per share would have been reduced to the following pro forma amounts. The pro forma effects of applying SFAS No. 123 are not indicative of future amounts because this statement does not apply to awards granted prior to 1996.

	2000	1999	1998
Earnings before cumulative effect of change in accounting principle			
As reported	$ 394	$ 246	$ 350
Pro forma	373	235	343
Earnings per share before cumulative effect of change in accounting principle			
Basic			
As reported	$1.67	$1.05	$1.49
Pro forma	1.58	1.00	1.46
Diluted			
As reported	$1.64	$1.03	$1.46
Pro forma	1.56	0.98	1.43

The weighted average fair value of each option granted during 2000, 1999 and 1998, estimated on the grant date using the Black-Scholes option pricing model, was $12.43 per share, $13.16 per share and $8.83 per share, respectively. The following assumptions were used to estimate the fair value of the 2000, 1999 and 1998 option grants:

	COMBINED 2000	COMBINED 1999	CLOROX 1998	FIRST BRANDS 1998
Dividend yield	1.8%	1.3%	2%	1.5%
Expected volatility	36.5%	29.5%	21%	42.6%
Risk-free interest rate	5.7% to 6.8%	4.4% to 5.7%	5.3% to 6.5%	5.5%
Expected life	3 to 6 years	3 to 6 years	3 to 5 years	7.7 years

Summary information about the Company's stock options outstanding at June 30, 2000 is as follows (number of shares in thousands):

RANGE OF EXERCISE PRICE	OUTSTANDING AT 6/30/00	WEIGHTED AVERAGE CONTRACTUAL PERIODS IN YEARS	WEIGHTED AVERAGE EXERCISE PRICE	EXERCISABLE AT 6/30/00	WEIGHTED AVERAGE EXERCISE PRICE
$ 9 - $20	4,621	3.7	$16	4,621	$16
21 - 32	2,004	6.2	23	2,001	23
32 - 44	4,465	9.0	37	1,021	37
44 - 55	590	9.0	52	40	48
56 - 67	3,382	8.9	66	4	59
$ 9 - $67	15,062	8.0	$36	7,687	$21

(MILLIONS OF DOLLARS, EXCEPT SHARE AND PER-SHARE AMOUNTS)

13. LEASES

The Company leases transportation equipment and various manufacturing, warehousing and office facilities. Most leases are classified as operating leases and will expire over the next 16 years. Future total minimum lease payments are $59, and do not exceed $19 in any one year. Rental expense was $49 in 2000, $36 in 1999 and $40 in 1998.

Space not occupied by the Company in its headquarters building is let to other tenants under operating leases expiring by 2008. Future minimum rentals to be received total $4 and do not exceed $2 in any one year.

14. OTHER (INCOME) EXPENSE, NET

The major components are:

	2000	1999	1998
Amortization of intangibles	$ 55	$ 61	$ 57
Equity in earnings of affiliates	(16)	(21)	(17)
Interest income	(10)	(7)	(5)
Royalty income	(6)	(7)	(11)
Other, net	1	(2)	(14)
Total	$ 24	$ 24	$ 10

15. INCOME TAXES

The provision for income taxes is:

	2000	1999	1998
Current			
Federal	$193	$175	$119
State	25	25	16
Foreign	25	13	19
Total current	243	213	154
Deferred			
Federal	(11)	(26)	43
State	-	(2)	7
Foreign	(4)	(1)	2
Total deferred	(15)	(29)	52
Total	$228	$184	$206

The effective income tax rates were 36.7%, 42.8% and 37.1% in 2000, 1999 and 1998, respectively. The primary differences between the U.S. statutory rate of 35% and the effective tax rate in each year are due to state income taxes, net of federal benefits, of 2.7%, 3% and 2.9%, in 2000, 1999 and 1998, respectively, and merger-related and restructuring costs of 5.9% in 1999.

(MILLIONS OF DOLLARS, EXCEPT SHARE AND PER-SHARE AMOUNTS)

15. INCOME TAXES (CONTINUED) Undistributed earnings of foreign subsidiaries that are considered to be reinvested indefinitely totaled $163 at June 30, 2000.

The net deferred income tax assets (liabilities), both current and non-current at June 30, result from the tax effects of the following temporary differences:

	2000	1999
Amortization and depreciation	$(183)	$(190)
Safe harbor lease agreements	(16)	(18)
Unremitted foreign earnings	(37)	(41)
Post employment benefits	29	36
Merger related and restructuring costs	24	20
Income previously recorded for book purposes	(19)	(13)
Other	3	(5)
Deferred tax liabilities -- Net	$(199)	$(211)

16. EMPLOYEE BENEFIT PLANS

RETIREMENT INCOME PLANS

The Company has defined benefit pension plans for substantially all its domestic employees and certain of its international subsidiaries. Benefits are based on either employee years of service and compensation or a stated dollar amount per year of service. The Company is the sole contributor to the plans in amounts deemed necessary to provide benefits and to the extent deductible for federal income tax purposes. Assets of the plans consist primarily of stocks and bonds.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for those pension plans with accumulated benefit obligations in excess of plan assets were $35, $28 and $27, respectively, as of June 30, 2000 and $2, $1 and $0, respectively, as of June 30, 1999.

The $1 curtailment gain in 2000 relates to the closure of certain facilities associated with the First Brands merger. The $7 cost of special termination benefits in 1999 relates to termination benefits related to the First Brands merger.

RETIREMENT HEALTH CARE

The Company provides certain health care benefits for employees who meet age, participation and length of service requirements at retirement. The plans pay stated percentages of covered expenses after annual deductibles have been met. Benefits paid take into consideration payments by Medicare. The plans are unfunded and the Company has the right to modify or terminate certain of these plans.

The assumed health care cost trend rate used in measuring the accumulated post-retirement benefit obligation ("APBO") was 9% for years 2000 and 2001. These rates were assumed to gradually decrease to 6% for 2003 and remain at that level for years thereafter. Changes in these rates can have a significant effect on amounts reported. A one percentage point increase in the trend rates would increase the June 30,

(MILLIONS OF DOLLARS, EXCEPT SHARE AND PER-SHARE AMOUNTS)

16. EMPLOYEE BENEFIT PLANS (CONTINUED) 2000 APBO by $8 and increase expense in 2000 by $2. The discount rate used to determine the APBO was 8.25%.

Summarized information for the Company's retirement income and retirement health care plans are as follows:

	RETIREMENT INCOME PLANS		RETIREMENT HEALTH CARE	
	2000	1999	2000	1999
Change in benefit obligations				
Benefit obligation at beginning of year	$247	$267	$ 77	$ 73
Service cost	10	12	3	3
Interest cost	19	19	5	5
Plan amendments	-	(9)	-	-
Reduction in prior service cost due to remeasurement	2	(1)	-	-
Actuarial (gain)/loss	(6)	(21)	(2)	-
Benefits paid	(20)	(27)	(4)	(4)
Special termination benefits	-	7	-	-
Benefit obligation at end of year	252	247	79	77
Change in plan assets				
Fair value of assets at beginning of year	324	307	-	-
Actual return on plan assets	23	36	-	-
Employer contribution	-	8	4	4
Benefits paid	(21)	(27)	(4)	(4)
Effect of foreign currency changes	-	-	-	-
Fair value of plan assets at end of year	326	324	-	-
Funded (unfunded) status	74	77	(79)	(77)
Unrecognized transition obligation/(asset)	-	(2)	7	7
Unrecognized prior service cost	(9)	(14)	2	2
Unrecognized (gain)/loss	(49)	(54)	(8)	(7)
Prepaid/(accrued) benefit cost	$ 16	$ 7	$(78)	$(75)
Amount recognized in the balance sheets consists of:				
Prepaid benefit cost	$ 31	$ 25	$ -	$ -
Accrued benefit liability	(15)	(18)	(78)	(75)
Accumulated other comprehensive income	-	-	-	-
Net amount recognized	$ 16	$ 7	$(78)	$(75)

	2000	1999	2000	1999
Weighted average assumptions as of June 30:				
Discount rate	6% to 8.25%	6% to 7.75%	8.25%	7.75%
Rate of compensation increase	3% to 8.25%	3% to 7%	N/A	N/A
Expected return on plan assets	7% to 9.5%	7% to 9.5%	N/A	N/A

(MILLIONS OF DOLLARS, EXCEPT SHARE AND PER-SHARE AMOUNTS)

16. EMPLOYEE BENEFIT PLANS (CONTINUED)

	RETIREMENT INCOME PLANS			RETIREMENT HEALTH CARE		
	2000	1999	1998	2000	1999	1998
Components of net periodic benefit cost						
Service cost	$ 10	$ 12	$ 10	$ 3	$ 3	$ 3
Employee contributions	-	-	-	-	-	-
Interest cost	19	19	18	5	5	5
Expected return on plan assets	(30)	(26)	(23)	-	-	-
Amortization of unrecognized items						
Transition obligation/(asset)	(2)	(2)	(2)	1	1	1
Prior service cost	(1)	-	(1)	-	-	-
Net (gain)/loss	(3)	3	-	(1)	-	(1)
Total net periodic benefit cost (income)	(7)	6	2	8	9	8
Termination benefits and curtailment (gains)/ losses	(1)	1	(1)	-	1	-
Termination benefits related to First Brands merger	-	6	-	-	-	-
Total expense (income)	$ (8)	$ 13	$ 1	$ 8	$10	$ 8

The expenses of employee termination related to the First Brands merger were charged to merger, restructuring and asset impairment costs. The Company has defined contribution plans for most of its domestic employees not covered by collective bargaining agreements. Cost is based on the Company's profitability and on participants' deferrals. The aggregate cost of the defined contribution plans was $16 in 2000, $21 in 1999 and $26 in 1998.

17. INDUSTRY SEGMENT INFORMATION

Information regarding the Company's operating segments is shown below. Each segment is individually managed with separate operating results that are reviewed regularly by the chief operating decision maker. The operating segments include:

- U. S. Household Products and Canada: Includes cleaning, bleach and other home care products, and water filtration products, and all products marketed in Canada.

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

- International Operations: Includes operations outside the United States and Canada.

- Corporate, Interest and Other: Includes certain non-allocated administrative costs, goodwill amortization, interest income, interest expense, merger-related costs, and other income and expense. Corporate assets include cash, marketable securities, the Company's headquarters and research and development facilities.

(MILLIONS OF DOLLARS, EXCEPT SHARE AND PER-SHARE AMOUNTS)

17. INDUSTRY SEGMENT INFORMATION (CONTINUED) The following table represents operating segment information. Operating segment information for years ending June 30, 1999 and June 30, 1998 has been restated to reflect the Company's current organizational structure and management responsibilities.

	FISCAL YEAR	U.S. HOUSEHOLD PRODUCTS AND CANADA	U.S. SPECIALTY PRODUCTS	INTERNATIONAL	CORPORATE INTEREST & OTHER	TOTAL COMPANY
Net Sales	2000	$1,629	$1,826	$ 628	-	$4,083
	1999	1,545	1,856	602	-	4,003
	1998	1,489	1,796	613	-	3,898
Earnings before Tax	2000	500	506	81	$(465)	622
	1999	510	461	60	(601)	430
	1998	454	431	101	(430)	556
Identifiable Assets	2000	1,048	1,510	1,037	758	4,353
	1999	1,322	1,220	922	668	4,132
	1998	1,267	1,138	950	710	4,065
Capital Spending	2000	49	52	21	36	158
	1999	59	64	23	30	176
	1998	36	99	29	26	190
Depreciation and Amortization	2000	48	69	36	48	201
	1999	45	68	38	51	202
	1998	46	61	37	38	182
Interest Expense	2000	-	-	-	98	98
	1999	-	-	-	97	97
	1998	-	-	-	104	104

Sales to the Company's largest customer, Wal-Mart Stores, Inc. and its affiliates, were 18%, 18% and 15% of consolidated net sales in 2000, 1999 and 1998, respectively.

18. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has obligations to certain suppliers to purchase raw materials, at various prices for estimated annual requirements for periods through September 2010. Estimated purchase commitments based on estimated annual requirements and current market prices are no greater than $6 in any year for the next five years.

The Company is subject to various lawsuits and claims, which include contract disputes, environmental issues, product liability, patent and trademark matters, advertising and taxes. Although the results of litigation cannot be predicted with certainty, it is the opinion of management, after consultation with counsel, that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, individually or in the aggregate, on the Company's consolidated financial statements taken as a whole.

19. EARNINGS PER SHARE

A reconciliation of the weighted average number of shares outstanding (in thousands) used to calculate basic and diluted earnings per share is as follows:

	2000	1999	1998
Basic	236,108	235,364	234,666
Stock options and other	3,506	4,638	4,874
Diluted	239,614	240,002	239,540

RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Company's management is responsible for the integrity and objectivity of the above financial statements. In fulfilling this responsibility, management maintains an effective system of internal accounting controls and supports a comprehensive internal audit program.

The Board of Directors has an Audit Committee consisting of independent directors. The Audit Committee meets regularly with management, internal auditors and Deloitte & Touche LLP, independent auditors. Deloitte & Touche LLP and the internal auditors have full authority to meet with the Audit Committee, either with or without management representatives present.

Deloitte & Touche LLP have completed their audit of the accompanying consolidated financial statements. Their report appears below.

INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors of The Clorox Company:

We have audited the accompanying consolidated balance sheets of The Clorox Company and its subsidiaries (the "Company") as of June 30, 2000 and 1999, and the related consolidated statements of earnings, stockholders' equity and cash flows for the years ended June 30, 2000, 1999 and 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The consolidated financial statements give retroactive effect to the merger of the Company and First Brands Corporation, which has been accounted for as a pooling of interests as described in Note 1 to the consolidated financial statements. We did not audit the statements of earnings, stockholders' equity and cash flows of First Brands Corporation for the year ended June 30, 1998, which statements reflect total revenues of $1,203,670,000 and net income of $45,408,000. These statements were audited by other auditors whose report (which contains an explanatory paragraph as to the change in accounting principle described in Note 1 to the consolidated financial statements) has been furnished to us, and our opinion, insofar as it relates to the amounts included for First Brands Corporation for 1998, is based solely on the report of such other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors referred to above provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors referred to above, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company at June 30, 2000 and 1999, and the results of its operations and its cash flows for the years ended June 30, 2000, 1999, and 1998 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Oakland, California
August 25, 2000

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
of First Brands Corporation:

We have audited the accompanying consolidated statements of income, stockholders' equity, and cash flows of First Brands Corporation and subsidiaries for the year ended June 30, 1998. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and the cash flows of First Brands Corporation and subsidiaries for the year ended June 30, 1998, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for business process re-engineering costs effective October 1, 1997.

/s/ KPMG LLP
KPMG LLP

New York, New York
August 6, 1998

QUARTERLY DATA
THE CLOROX COMPANY

IN MILLIONS, EXCEPT PER-SHARE AMOUNTS.	1ST QUARTER	2ND QUARTER	3RD QUARTER(2)	4TH QUARTER(2)	YEAR
Year ended June 30, 2000					
Net Sales	$ 942	$ 954	$ 1,034	$ 1,153	$ 4,083
Cost of Products Sold	517	535	573	625	2,250
Net Earnings	87	76	106	125	394
Per Common Share (1)					
Net Earnings					
Basic	$ 0.37	$ 0.32	$ 0.45	$ 0.53	$ 1.67
Diluted	0.36	0.32	0.44	0.52	1.64
Dividends	0.20	0.20	0.20	0.20	0.80
Market Price (NYSE)					
High	58 1/4	56	56 3/8	47	58 1/4
Low	37 9/16	37 1/2	29 1/16	32 3/8	29 1/16
Year-end					44 13/16
Year ended June 30, 1999					
Net Sales	$ 964	$ 947	$ 992	$ 1,100	$ 4,003
Cost of Products Sold(3)	519	517	533	612	2,181
Net Earnings	100	74	22	50	246
Per Common Share(1)					
Net Earnings					
Basic	$ 0.42	$ 0.32	$ 0.09	$ 0.21	$ 1.05
Diluted	0.42	0.31	0.09	0.21	1.03
Dividends	0.17	0.18	0.18	0.18	0.71
Market Price (NYSE)					
High	55 15/16	58 11/16	66 15/32	62 7/8	66 15/32
Low	39 11/16	40	53 29/32	46 1/4	39 11/16
Year-end					53 13/32

(1) Due to rounding, EPS for the year may not equal the sum of the quarterly EPS.

(2) Net earnings for the fourth quarter of 2000 include Asia restructuring costs. Net earnings for the third and fourth quarters of 1999 include the effect of significant merger, restructuring, and asset impairment costs.

(3) Delivery costs, previously reported as part of selling, delivery and administration, are now included in cost of products sold. Selling, delivery and administration expense and cost of products sold for prior periods have been restated to conform to the current presentation.

FIVE-YEAR FINANCIAL SUMMARY
THE CLOROX COMPANY

YEARS ENDED JUNE 30	2000	1999	1998	1997	1996
IN MILLIONS, EXCEPT SHARE AND PER-SHARE DATA.					
OPERATIONS					
Net sales	$ 4,083	$ 4,003	$ 3,898	$ 3,623	$ 3,265
Percent change	2.0	2.7	7.6	11.0	9.0
Cost of products sold(1)	2,250	2,181	2,124	1,976	1,817
Operating expenses(1)	1,053	1,091	1,101	1,045	893
Other	122	121	114	84	76
Merger, restructuring and asset impairment	36	180	3	19	-
Total costs and expenses	3,461	3,573	3,342	3,124	2,786
Earnings before income taxes and cumulative effect of change in accounting principle	622	430	556	499	479
Income taxes	228	184	206	199	192
Earnings before cumulative effect of change in accounting principle	394	246	350	300	287
Cumulative effect of change in accounting principle	-	-	(7)	-	-
Net earnings	$ 394	$ 246	$ 343	$ 300	$ 287
Percent change	60.2	(28.3)	14.3	4.5	19.6
COMMON STOCK					
Weighted average shares outstanding (in thousands)					
Basic	236,108	235,364	234,666	235,042	236,818
Diluted	239,614	240,002	239,540	239,346	239,746
Net earnings per common share					
Basic	$ 1.67	$ 1.05	$ 1.46	$ 1.27	$ 1.21
Diluted	1.64	1.03	1.43	1.25	1.20
Dividends per common share	0.80	0.71	0.63	0.56	0.51
Stockholders' equity per common share at end of year	7.62	6.67	6.32	6.10	5.74
OTHER DATA					
Property, plant and equipment -- Net	1,079	1,054	1,016	948	871
Property additions	158	176	190	161	137
Long-term debt	590	702	704	946	556
Percent return on net sales	9.6	6.1	8.8	8.3	8.8
Total assets	4,353	4,132	4,065	3,799	3,017
Stockholders' equity	1,794	1,570	1,473	1,430	1,349
Percent return on average stockholders' equity	23.4	16.1	23.9	21.7	21.9

(1) Delivery costs, previously included above in operating expense, are now included in cost of products sold. Prior period amounts have been reclassified to conform to the current period presentation.