CLOROX CO /DE/

FORM 10-K
(Annual Report)

Filed 9/25/1997 For Period Ending 6/30/1997

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, 1997

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)

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   DELAWARE                                          31-0595760
(State or other jurisdiction of                   (I.R.S. Employer
 incorporation or organization)                   Identification No.)

1221 Broadway, Oakland, CA                           94612-1888
(Address of principal executive offices)             (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:
                                          Name of each exchange
Title of each class                         on which registered
-----------------------                   ------------------------
Common Stock, $1 par value                New York Stock Exchange
                                          Pacific Exchange
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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, 1997: $5,023,617,408. Number of shares of common stock outstanding at July 31, 1997: 51,597,992 (prior to giving effect to the 2:1 stock split effected in the form of a dividend payable on September 2, 1997).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Annual Report to Stockholders for the Year Ended June 30, 1997 are incorporated by reference into Parts I, II and IV of this Report. Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on November 19, 1997, 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, 1997, are incorporated by reference into Part III 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.

Portions of The Clorox Company Annual Report for the Year Ended June 30, 1997 ("Annual Report") to its stockholders are incorporated herein by specific reference.

During fiscal year 1997, the Company continued to focus on expanding its domestic business, through internal development of new products and line extensions of existing products. The Company introduced 15 new products in the U.S. during fiscal year 1997. It also continued its strategy of considering strategic acquisitions and, in that regard, entered the automotive appearance product market with its acquisition of Armor All Products Corporation during fiscal year 1997.

Internationally, the Company continued the implementation of its strategy of expanding its laundry, household cleaning and insecticide businesses to markets where these categories are not yet fully developed, but where it believes high potential exists. The Company made three international acquisitions in fiscal year 1997, consisting of the "Limpido" brand of liquid bleach in Colombia, the "Pinoluz" brand of pine cleaner in Argentina, and the Shell Group's insecticides and cleaning products business in Chile. In addition, the Company introduced 24 new products or line extensions in previously established international operations.

(b) FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS. The Company's operations are predominantly in one segment -- non-durable household consumer products. Such operations include the production and marketing of non-durable consumer products sold primarily through grocery and other retail stores. Financial information for the last three fiscal years attributable to the Company's operations is set forth in the Consolidated Financial Statements, pages 24 through 37 of the Annual Report, incorporated herein by this reference.

Unless otherwise stated, all share numbers and stock prices in this Form 10-K give effect to the 2:1 stock split declared July 15, 1997, effected in the form of a stock dividend payable September 2, 1997 on all shares of Common Stock outstanding as of the close of business on July 28, 1997.

(c) NARRATIVE DESCRIPTION OF BUSINESS.

PRINCIPAL PRODUCTS. Products currently marketed in the United States and certain foreign countries are listed on the inside back cover (page 44) of the Annual Report, incorporated herein by this 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 1997. Contingency plans have been developed for 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 only portions of the operations of the Company which have any significant degree of seasonality are the marketing of charcoal briquets, insecticides, and automotive appearance products. Most sales of these product lines occur in the third and fourth fiscal quarters. 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 1995, 1996 and 1997, revenues from the Company's sales of its products to Wal-Mart Stores, Inc. and its affiliated companies were 13%, 14% and 15%, respectively, of the Company's gross consolidated revenues.

Except for this relationship, the Company is not dependent upon any other single customer or a few 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 Federal 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 competitor, the Company's products compete with competitive products 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 relative market position.

RESEARCH AND DEVELOPMENT. The Company's operations incurred expenses of approximately $50,489,000 in fiscal year 1997, $45,821,000 in fiscal year 1996 and $44,819,000 in fiscal year 1995 on research activities relating to the development of new products or the maintenance and improvement of existing products. None of such 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 1997 and is not expected to be material in the next fiscal year.

In addition, the Company is involved in certain other environmental matters, including:

(i) The Company sold its architectural coatings business in fiscal year 1990. In connection with the disposition of those manufacturing facilities, the Company retained responsibility for certain environmental obligations. The financial reserve established at the time of the sale is expected to be adequate to cover the financial responsibilities for environmental matters which may arise in the future.

(ii) The Company was named as a potentially responsible party ("PRP") by the Environmental Protection Agency pursuant to the Spill Compensation and Control Act, the Sanitary Landfill Closure and Contingency Fund Act, and a section of the Solid Waste Management Act, for a site in New Jersey. Based on the Company's experience and because the Company's level of involvement is extremely limited, the Company does not expect that this matter will represent a material cost to the Company in the future.

(iii) The Company continues to operate a water treatment operation at its former Oakland, California manufacturing location. A financial reserve established in an earlier year is considered by management to be adequate to cover the future costs or liability in connection with this manufacturing location.

(iv) An explosion attributed to methane caused property damage and personal injury in a residential area near a site formerly operated by a subsidiary of the Company in Kingsford, Michigan. The Company was named as a PRP and jointly with other PRPs and the Environmental Protection Agency is investigating the site. The investigation is ongoing and the Company's potential liability is not expected to be material in the future.

(v) The Company was named as a PRP by the State of Wisconsin for a site in Rice Lake, Wisconsin in connection with the Company's former frozen foods business. Based on the Company's experience and because the Company's level of involvement was limited, the Company does not expect that this matter will represent a material cost to the Company in the future.

(vi) The Company was named as a PRP by the Environmental Protection Agency for a landfill site in Whittier, California. Based on the Company's experience and because the Company's level of involvement was extremely limited, the Company does not expect that this matter will represent a material cost to the Company in the future.

(vii) The Company was served with a Notice of Violation by the Environmental Protection Agency pursuant to the Clean Air Act for a site operated by its subsidiary in Beryl, West Virginia. Based on the Company's experience, the Company does not expect that this matter will represent a material cost to the Company in the future.

(viii) The Company was served with a Notice of Violation by the Environmental Protection Agency pursuant to the Clean Air Act for a site in Chicago, Illinois. Based on the Company 's experience, the Company does not expect that this matter will represent a material cost to the Company in the future.

Although 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 governmental 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 1997, approximately 5,500 persons were employed by the Company.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS. This Form 10-K contains "forward-looking" statements under applicable securities laws. In addition, from time to time, the Company may publish forward-looking statements relating to such matters as anticipated financial performance, business prospects, new products, research and development activities, plans for international expansion, 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. The risks and uncertainties that may affect operations, performance, product development, and results of the Company's business include those discussed elsewhere in this Form 10-K and the following:

Fluctuations in Quarterly Operating Results and Stock Price. Although the Company's recent historical operating results have improved when compared with the same quarter in the previous fiscal year, there can be no assurance that such quarter-to-quarter comparisons will continue to improve, or that if any improvement is shown, the degree of improvement will meet investors' expectations. 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 which, in turn, can have a negative impact on operating results. The Company's quarterly operating results will be influenced by a host of factors which include the following: the seasonality of its brands; the extent of competition; the degree of market acceptance of new products and line extensions; the mix of products sold in a given quarter; changes in pricing policies by the Company and by its competitors; acquisition costs and restructuring and other charges associated with acquisitions; the ability of the Company to develop, introduce, and market successful new products and line extensions; the ability of the Company to control its internal costs and the costs of its raw materials and packaging materials; the Company's success in expanding its international operations; changes in the Company's strategy; personnel changes; and general economic conditions. To a certain extent, the Company bases its expense levels in anticipation of future revenues. If revenue levels come in below such 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.

Future announcements concerning the Company or its competitors, quarterly variations in operating results, the introduction of new products and line extensions or changes in product pricing policies by the Company or its competitors, changes in earning estimates by analysts, or changes in accounting policies, among other factors, could cause the market price of the Company's common stock to fluctuate substantially and have an adverse effect on the price of the Company's common stock. In addition, stock markets have experienced price and volume volatility and such volatility in the future could have an adverse impact on the Company's market price.

International Operations. The Company believes that its international sales including exports, which were 16% of net sales in fiscal year 1997, are likely to comprise an increasing percentage of its total sales. As a result, the Company will be increasingly subject to the risks associated with foreign operations including economic or political instability in its overseas markets, shipping delays and fluctuations in foreign currency exchange rates that may make its products more expensive in its foreign markets, all of which 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 materially adverse effect on the Company's results of operations or financial position. The Company seeks to limit foreign currency exchange risks through the use of foreign currency forward contracts when practical, but there can be no assurance that this strategy will be successful. In addition, the Company's international operations 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.

Importance of New Products and Line Extensions. In most categories in which the Company competes, there are frequent introductions of new products and line extensions. Accordingly, 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. However, there can be no assurance that the Company will successfully achieve those goals. Continued product development and marketing efforts are subject to 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, as well as the cost of failed product introductions.

Integration of Acquisitions. One of the Company's strategies is to increase its revenues and the markets it serves through the acquisition of other businesses both in the United States and overseas. 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 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.

Environmental Matters. The Company is subject to 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 such laws and regulations in both the United States and abroad. The Company is currently involved in or has potential liability with respect to the remediation of past contamination in the operation of certain of its present and formerly owned and leased facilities. In addition, certain of the Company's present and former facilities have been or had been in operation for many years, and over such 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 such 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. Accordingly, although the Company believes that it is currently in substantial compliance with applicable environmental requirements, it is possible the Company could become subject to additional environmental liabilities in the future which could result in a material adverse effect on the Company's results of operations or financial condition.

Intellectual Property. The Company relies on trademark, trade secret, patent, and copyright law to protect its intellectual property. There can be no assurance that such intellectual property rights can be successfully asserted in the future or will not be invalidated, circumvented, or challenged. In addition, laws of certain 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 have a material adverse effect on the Company's business, operating results, and financial condition.

Government Regulation. The manufacture, packaging, storage, distribution, and labeling of the Company's products are all subject to extensive federal, state, and foreign laws and regulations. For example, in the United States, many of the Company's products are subject to regulation by the Environmental Protection Agency, the Food and Drug Administration, and the Consumer Product Safety Commission. Most states have agencies which regulate in parallel to these federal agencies. The failure to comply with applicable laws and regulations could subject the Company to civil remedies, including fines, injunctions, recalls or 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 effect operating results.

(d) FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES.

Net sales, pretax earnings and identifiable assets related to foreign operations and export sales are 16%, 8% and 27%, respectively, for fiscal year 1997. See Note 17 of Notes to Consolidated Financial Statements, page 35 of the Annual Report, incorporated herein by this reference.

ITEM 2. PROPERTIES

PRODUCTION FACILITIES. The Company operates production and major warehouse facilities for its operations in 17 locations throughout the United States, and in 24 locations internationally. Most of the space is owned. Some space, mainly for warehousing, is leased. No facilities were either closed or sold during fiscal year 1997. The Company considers its manufacturing and warehousing facilities to be adequate to support its business.

OFFICES AND TECHNICAL CENTER. The Company's general office building is owned and is located in Oakland, California. The Company's Technical Center and Data Center are owned and are located in Pleasanton, California. Leased sales and other office facilities are located at a number of manufacturing and other locations.

ENCUMBRANCES. None of the Company's owned facilities are encumbered to secure debt owed by the Company, except that the manufacturing facilities in Wheeling, Illinois and Belle, Missouri secure industrial revenue bond indebtedness incurred in relation to the construction or 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	(57)	1992	Chairman of the Board, Chief Executive Officer and President
W. F. Ausfahl	(57)	1983	Group Vice President and Chief Financial Officer
E. A. Cutter	(58)	1992	Senior Vice President-General Counsel and Secretary
G. E. Johnston	(50)	1996	Group Vice President
P. N. Louras, Jr.	(47)	1992	Group Vice President

D. C. Murray	(61)	1996	Group Vice President
C. T. Alcantara	(47)	1996	Vice President-Latin America
A. W. Biebl	(47)	1992	Vice President-Product Supply
R. H. Bolte	(57)	1995	Vice President-Corporate Marketing Services
J. M. Brady	(43)	1993	Vice President-Human Resources
R. T. Conti	(42)	1996	Vice President-Kingsford Products
C. M. Couric	(50)	1995	Vice President and General Manager-Brita Products
L. Griffey	(61)	1993	Vice President-International Manufacturing
R. C. Klaus	(52)	1996	Vice President-Corporate Administration
L. S. Peiros	(42)	1995	Vice President-Food Products Division
K. M. Rose	(48)	1993	Vice President-Treasurer
H. J. Salvo, Jr.	(49)	1991	Vice President-Controller
B. A. Sudbury	(50)	1992	Vice President-Research and Development
F. A. Tataseo	(43)	l994	Vice President-Sales
C. E. Williams	(48)	1993	Vice President-Information Services

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, W. F. Ausfahl, E. A. Cutter, P. N. Louras, Jr., L. Griffey, K. M. Rose, H. J. Salvo, and B. A. Sudbury have been employed by the Company for at least 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 Group Vice President effective July 1, 1996, he was Vice President-Kingsford Products from November 17, 1993 through June 1996, Vice President-Corporate Development from June 1992 through November 16, 1993, Director of Corporate Development from 1991 through May 1992, and Director of Business Development from September 1989 through 1991.

D. C. Murray joined the Company in February 1978 as Regional Manager-Latin America and Asia. Prior to his election as Group Vice President effective July 1, 1996, he was Vice President-Household Products Division from April 1989 through June 30, 1996, Vice President-International from November 1984 through April 1989, and Vice President-Latin America and Asia from April 1982 through November 1984.

C. T. Alcantara joined the Company in 1992 as Area General Manager-Latin America. Prior to his election as Vice President-Latin America effective July 1, 1996, he left the Company briefly from December 8, 1995 through March 31, 1996, when he returned as Area General Manager-Latin America.

A. W. Biebl joined the Company in 1981 as Manufacturing Manager, Food Service. Prior to his election as Vice President-Manufacturing, Engineering and Distribution effective June 1, 1992 (which title changed to Vice President-Product Supply effective January 1997), he was Vice President-Kingsford Products from 1989 through May 1992 and Vice President-Food Service Products from 1985 through 1989.

R. H. Bolte joined the Company in April 1982. Prior to his election as Vice President-Corporate Marketing Services in July 1995, he was Director of Advertising and Promotion from June 1993 through June 1995 and Director of Media Services from May 1982 through May 1993.

J. M. Brady joined the Company in 1976 as a brand assistant in Marketing, Household Products. From November 1991 until her election as Vice President-Human Resources in September 1993, she was Vice President-Corporate Marketing Services. She was director of Corporate Marketing Services from August 1991 through November 1991, Director of Marketing, Kingsford Products from 1989 through August 1991 and held various marketing positions for Household Products and Kingsford Products from 1987 through 1989.

R. T. Conti joined the Company in 1982 as Associate Region Sales Manager, Household Products. Prior to his election as Vice President-Kingsford Products effective July 1, 1996, he was Vice President-International from June 1992 through June 1996, Area General Manager-International for Europe, Middle East and Africa from 1990 through May 1992 and Manager of Sales Planning for Household Products from 1987 through 1990.

C. M. Couric joined the Company in 1973 as a brand assistant in the Household Products marketing organization. Prior to his election in July 1995 as Vice President-Brita Products, he had served as Director, Brita Operations from 1988 through June 1995 and as a Manager of Business

Development from 1984 through 1988.

R. C. Klaus joined the Company in 1977 as Regional Sales Manager (Baltimore) for the Company's Household Products Business. 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.

L. S. Peiros joined the Company in 1982 and was elected Vice President-Food Products Division effective July 1995. From September 1993 until his election to his current position he was Vice President-Corporate Marketing Services. From June 1992 through August 1993 he was Director of Marketing-Household Products and from August 1991 through June 1992 he was Director of Marketing-Kingsford Products. Prior to that he had served in various marketing positions in both Household Products and Kingsford Products.

F. A. Tataseo joined the Company in October 1994 as Vice President-Sales. Previously, he was employed by The Pillsbury Company (Division of Grand Metropolitan Inc.) as Vice President, Sales (March - September 1994), and as Vice President, Direct Sales Force (June 1993 - February 1994); and by The Procter & Gamble Company as Sales Merchandising Division Manager, Soap Sector (May 1992 - May 1993); as Division Sales Manager, Laundry Products Category (November 1990 - April 1993); and as Division Sales Manager, Fabric Care Category (July 1988 - October 1990).

C. E. Williams joined the Company in May 1993 as Vice President-Information Services. From 1987 until he joined the Company, Mr. Williams was Director of Information Services of the Fritz Companies, Inc.

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," page 38 of the Annual Report, incorporated herein by this reference, and on July 31, 1997, the closing price for the Company's stock was $69.906 per share.

(b) HOLDERS.

The approximate number of record holders of Clorox Common Stock as of July 31, 1997 was 13,354 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," page 38 of the Annual Report, incorporated herein by this reference.

ITEM 6. SELECTED FINANCIAL DATA

This information appears under "Financial Summary," pages 40 and 41 of the Annual Report, incorporated herein by this reference.

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

This information appears under "Management's Discussion and Analysis," pages 22 and 23 of the Annual Report, incorporated herein by this reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This information appears under "Quantitative and Qualitative Disclosures about Market Risk," page 39 of the Annual Report, incorporated herein by this reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

These statements and data appear on pages 24 through 37 and 38 of the Annual Report, incorporated herein by this 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 definitive Proxy Statement 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, 1997 ("Proxy Statement"), incorporated herein by this 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 this 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," "Long-Term Incentive Plans -- Awards in Last Fiscal Year," "Comparative Stock Performance," "Compensation Interlocks and Insider Participation," and "Pension Benefits" of the Proxy Statement, all incorporated herein by this 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 this 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 this 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 this reference.

PART IV

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

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(a)(1) Financial Statements:                         Page

         Financial Statements and Independent         Copy
         Auditors' Report                           Included
         included in the Annual Report,
         incorporated herein by this
         reference:

           Statements of Consolidated Earnings for
           the years ended June 30, 1997, l996 and
           l995

           Consolidated Balance Sheets, June 30, 1997
           and l996

           Statements of Consolidated Stockholders'
           Equity for the years ended June 30, 1997,
           l996 and l995
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Statements of Consolidated Cash Flows for the years ended June 30, 1997, l996 and l995

Notes to Consolidated Financial Statements

Independent Auditors' Report

Quarterly Data

(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:

Stock Option Plan (1977), amended 10/16/80, 7/21/82, 6/21/83, 10/19/83, 9/18/85, 11/20/85, 7/15/87 and 11/17/93 (Exhibit 10(i) to Annual Report on Form 10-K for the year ended June 30, 1994)

Long-Term Compensation Program dated October 21, 1987, amended 11/17/93 (Exhibit 10(ii) to 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 dated July 17, 1991 (Exhibit 10(x) to Annual Report on Form 10-K for the year ended June 30, 1993)

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)

The Clorox Company Value Sharing Plan, formerly The Clorox Company Tax Reduction Investment 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)

The Clorox Company Value Sharing Plan for Puerto Rico (Exhibit 4 to Registration Statement on Form S-8 No.

333-16969 dated November 27, 1996)

The Clorox Company Independent Directors' Stock-Based Compensation Plan (filed as Exhibit 10 (xix) to this 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 1997:

None.

(c) Exhibits:

Index to Exhibits follows.

(d) (Not applicable)

Index to Exhibits

(2) (Not applicable)

(3)(i) Restated Certificate of Incorporation and Certificate of Correction to Restated Certificate of Incorporation of the Registrant (filed as Exhibit 4.1 to Registration Statement on Form S-8 No. 333-16969 dated November 27, 1996, incorporated herein by this reference)

(ii) Bylaws (restated) of the Company (filed as Exhibit 3(ii) to Quarterly Report on Form 10-Q for the quarter ended December 31, 1992, incorporated herein by this reference)

(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 Registration Statement on Form S-3 No. 33-4083 dated May 24, 1991, incorporated herein by this 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 this reference)

(9) (Not applicable)

(10) Material contracts:

(i) Stock Option Plan (1977) (Amended l0/l6/80, 7/2l/82, 6/2l/83, l0/l9/83, 9/18/85, 11/20/85, 7/15/87 and 11/17/93) (filed as Exhibit 10(i) to Annual Report on Form 10-K for the year ended June 30, 1994, incorporated herein by this reference)

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

(iii) 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 this reference)

(iv) 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 this reference)

(v) Agreement between Henkel KGaA and the Company dated November l6, 1981 (filed as Exhibit (l0)(vii) to Form 8 dated August 11, l983, incorporated herein by this reference)

(vi) 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 this reference)

(vii) 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 this reference)

(viii) Agreement between Henkel KGaA and the Company dated January 16, 1992 (filed as Exhibit 10(xi) to Annual Report on Form 10-K for the year ended June 30, 1992, incorporated herein by this reference)

(ix) Supplemental Executive Retirement Plan dated July 17, 1991 (filed as Exhibit 10(x) to Annual Report on Form 10-K for the year ended June 30, 1993, incorporated herein by this reference)

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

(xi) 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 this reference)

(xii) 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 this reference)

(xiii) 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 this reference)

(xiv) 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 this reference)

(xv) 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)

(xvi) 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 this reference)

(xvii) The Clorox Company Value Sharing Plan, formerly The Clorox Company Tax Reduction 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 this reference)

(xviii) The Clorox Company Value Sharing Plan for Puerto Rico (Exhibit 4 to Registration Statement on Form S-8 No. 333-16969 dated November 27, 1996, incorporated herein by this reference)

(xix) The Clorox Company Independent Directors' Stock-Based Compensation Plan

(11) (Not applicable)

(12) (Not applicable)

(13) Excerpt of 1997 Annual Report to Stockholders

(16) (Not applicable)

(l8) (Not applicable)

(21) Subsidiaries of the Company

(22) (Not applicable)

(23) Independent Auditors' Consent

(24) Power of Attorney (see page 17)

(27) Financial Data Schedule

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

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Date:  September 17, 1997    By: /s/G. C. Sullivan
                                ---------------------
                                G. C. Sullivan, Chairman of
                                the Board and Chief Executive
                                Officer
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KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Edward A. Cutter and Henry J. Salvo, Jr., 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 17, 1997
/s/W. F. Ausfahl ------------------ W. F. Ausfahl	Group Vice President & Director (Principal Financial Officer)	September 17, 1997

/s/D. Boggan, Jr. ------------------ D. Boggan, Jr.	Director	September 17, 1997
/s/J. W. Collins ------------------ J. W. Collins	Director	September 17, 1997
/s/U. Fairchild ------------------ U. Fairchild	Director	September 17, 1997
/s/J. Manchot ------------------ J. Manchot	Director	September 17, 1997
/s/D. O. Morton ------------------ D. O. Morton	Director	September 17, 1997
/s/K. Morwind ------------------ K. Morwind	Director	September 17, 1997
/s/E. L. Scarff ------------------ E. L. Scarff	Director	September 17, 1997
/s/L. R. Scott ------------------ L. R. Scott	Director	September 17, 1997
/s/F. N. Shumway ----------------- F. N. Shumway	Director	September 17, 1997
/s/J. A. Vohs ----------------- J. A. Vohs	Director	September 17, 1997
/s/C. A. Wolfe ----------------- C. A. Wolfe	Director	September 17, 1997
/s/H. J. Salvo, Jr. ------------------- H. J. Salvo, Jr.	Vice President-Controller(Principal Accounting Officer)	September 17, 1997

Management's Discussion and Analysis of Operations

Shares and per-share amounts restated to reflect 2-for-1 stock split that was effective September 2, 1997.

Results of Worldwide Operations

The Company's 1997 operations achieved record unit volumes, sales and earnings per share after record years in 1996 and 1995. Volume for the Company's products grew by 15% over 1996 and was the primary driver of the 14% increase in net customer sales. Net customer sales were up due to volume increases from our base businesses, the Armor All acquisition, and other businesses acquired during the current and prior year. Record volumes were achieved by Clorox liquid bleach, Kingsford and Match Light brands of charcoal briquets, Fresh Step and Fresh Step Scoop brands of cat litter, K.C. Masterpiece barbecue sauce and our Brita water filtration systems business. Without Armor All, net customer sales would have grown 11%. The gain in 1996 volume and net customer sales was principally due to acquisition activities in Latin America, and record volumes for Pine-Sol, Clorox toilet bowl cleaner, Clorox liquid bleach, Clorox Clean-Up cleaner, Tilex products, Kingsford charcoal briquets, and the Brita water filtration business in the United States. Also affecting 1996 was the acquisition of Black Flag insecticide in that year and the acquisition of Brita Canada in 1995.

Cost of products sold as a percent of sales in 1997 improved one percentage point from 1996 to 44% primarily due to the implementation of a new manufacturing strategy last year that enables us to achieve cost savings through consolidation of production facilities. Additionally, our businesses in Latin America are beginning to show significant improvement in product costs due to efficiencies from consolidation of production activities and economies of scale achieved from acquisitions.

Research and development expenses increased 10% over 1996 and remain at about 2% of net customer sales. Over the past few years, productivity programs in the R & D function have improved the cycle times for bringing new ideas to market and have enabled us to control and make spending in this area more effective.

Selling, delivery, and administration expenses increased 17% over 1996, and remained at approximately 21% of net sales, principally due to our continued investment in international infrastructure, international acquisitions, and costs related to investments in information technology both domestically and abroad. New information technologies are being installed for our international businesses to achieve future productivity and cost improvements. Additionally, during 1997, we performed a thorough analysis of the impact of modifying our computer software for the Year 2000. We believe that all software necessary to effectively operate and manage our businesses will be replaced, modified or upgraded by the Year 2000, and that any related costs will not have a material impact on the operations, cash flows, or Financial condition of future periods.

Advertising expense increased 22% over 1996. This increase reflects higher levels of media and sales promotion spending to support the introduction of new products, to ensure that our established brand equities remain strong, and in particular to solidify Brita's brand equity and category leadership. Advertising expense in 1996 increased 5% over 1995. This lower rate of increase was due to improved sales promotion efficiency with continued investment in media.

Interest expense increased 45% from a year ago principally due to an increase of approximately $390,000,000 in both short- and long-term borrowing to fund 1997 acquisitions. Interest expense increased $13,168,000 and $6,696,000 in 1996 and 1995, respectively, due to additional borrowings to fund acquisitions and our share-repurchase programs in those years.

The effective tax rate was 40% in 1997 and 1996, 41% in 1995, and is anticipated to remain in this range for the foreseeable future.

Other income (expense) net, is higher this year principally due to a higher level of sales of nonoperating property in 1997, non-recurring 1996 costs for manufacturing strategy implementation, a higher level of investment earnings from tax advantaged investments, offset by higher levels of amortization expense from intangible assets acquired in both 1996 and 1997.

Earnings per share from continuing operations increased $0.27, $0.25, and $0.21 over 1996, 1995, and 1994, respectively, and represented a 13% compound annual growth since 1994. This per- share growth is primarily a function of volume growth described above and also reflects the results of our share repurchase programs.

Foreign Operations

Net sales (excluding exports) increased 29% to $389,132,000 from 1996, and now represent 15% of the Company's revenues. Net sales in 1996 increased 67% over 1995, and represented 14% and 9% of the Company's revenues in those periods, respectively. Growth in net sales is due to growth in the base business and acquisitions in Argentina, Chile, Puerto Rico, and Colombia. The Armor All acquisition resulted in our first presence in Australia and an expanded presence in Japan.

Earnings before income taxes increased 125% over 1996 principally due to unit volume growth, cost savings initiatives and consolidation efforts. Pretax profit margins improved to 8% of net sales from 5% in 1996. Further improvement is anticipated as we grow this part of the business, begin to realize economies of scale from strategic acquisitions, and begin to see the benefits of newly initiated brand strategies.

Identifiable assets grew to $747,944,000 in 1997 from $297,999,000 in 1995, and reflect growth that has come principally from acquisitions of existing businesses abroad.

The local currency is the functional currency in most of our businesses abroad. The Argentine peso and the Canadian dollar represent the majority of our foreign currencies' exposure to exchange rate changes. Movements in these and other foreign currencies' exchange rates may have an impact on future operating results as recorded in the Company's consolidated net sales and earnings. Such movements are also reflected on the balance sheet as changes in deferred translation, and as foreign exchange gains or losses in earnings, both of which were not material in 1997, 1996, and 1995. The Company's risk management strategy has been to hedge certain material foreign currency operating exposures with simple financial instruments such as foreign currency forward contracts. In addition, the Company has hedged certain net investments in foreign investments with similar instruments when economic circumstances warranted a risk averse strategy.

Financial Position and Liquidity

Cash provided by operations was $362,000,000 in 1997, and followed a record $407,000,000 in 1996, and was the result of record earnings in both periods and our continued focus on the efficient utilization of resources driven by our Clorox Value Measure (CVM) economic value measurement system put in place in 1993. CVM increased 10% in 1997 over 1996 despite a high level of acquisition activity this year.

Working capital changes included increases in accounts receivable, inventories, and accrued liabilities due to international base business growth and acquisitions, as well as domestic base business growth and the Armor All Products Corporation acquisition. Accrued expenses grew primarily from higher levels of advertising and sales promotion activities in our domestic household products businesses. Short-term debt and commercial paper increased over a year ago to fund the short- term and seasonal cash needs of the businesses. Long-term debt increased in 1997 and 1996 to help fund our acquisition activities.

During 1997, we invested $469,701,000 in new businesses. Armor All, purchased for $360,144,000, was the major acquisition. Other businesses acquired were in Latin America and included the Shell Group's non-core line of household products in Chile, the Pinoluz brand of pine cleaner in Argentina, and the Limpido brand of liquid bleach and an increase in equity ownership in Tecnoclor S.A. in Colombia.

During 1996, we invested $165,231,000 in new businesses. Foreign acquisitions included the Poett San Juan home products business in Argentina, the largest business acquired, and the Electroquimicas Unidos S.A.C.I. bleach business in Chile. Domestic acquisitions included the Black Flag line of insecticides and the Lestoil brand of home cleaning products. During 1995, $97,651,000 was invested in new businesses, all of which were outside the United States. The largest single investment was Brita International Holdings, Inc. of Canada.

Dividends paid in 1997 were $119,963,000 or $1.16 per share. On July 15,1997, we announced a 10.3% increase in the quarterly dividend rate to $0.32 from $0.29 per share for a new annual rate of $1.28. This is the twenty-first consecutive annual dividend increase. The Company also announced a 2-for-1 stock split distributable September 2 to stockholders of record on July 28, 1997. This action is anticipated to result in higher liquidity and a broader market for our stock. All share and per-share information in the accompanying Consolidated Financial Statements rejects the stock split.

In 1997, 1996, and 1995, cash flow from operations exceeded cash needs for capital expenditures, dividends, and scheduled debt service. We believe that cash flows from operations, supplemented by financing expected to be available from external sources, will provide sufficient liquidity for the foreseeable future. At June 30, 1997, we had available a $350,000,000 credit agreement expiring April 30, 2002 with a syndication of banks as a supplement to internal cashflows. Depending upon conditions in the financial markets and other factors, the Company may from time to time consider the issuance of debt or other securities, the proceeds of which would be used to finance acquisitions, to refinance debt, or for other general business purposes.

In September 1996, the Board of Directors authorized a share repurchase program to offset the dilutive effect of employee stock option exercises. We anticipate issuing 800,000 to 1,000,000 shares of stock each year due to stock-based compensation plans and intend to repurchase approximately that number of shares over time subject to market conditions and business opportunities that may arise. During 1997, we repurchased 927,000 shares at a cost of $54,063,000. During 1996, we completed a stock repurchase program authorized in July 1995 by our Board of Directors under which 2,533,812 shares were repurchased at a cost of $98,112,000. During 1995, we completed a stock repurchase program initiated in 1989 in which 10,000,000 shares were repurchased. Reacquired shares are held as treasury shares and are available for reissuance for corporate uses.

In order to manage the impact of interest rate movements on interest expense and interest income, we have approved the use of interest rate derivative instruments, such as interest rate swaps. These instruments have the effect of converting fixed rate interest to floating, or floating to fixed. Conditions under which derivatives can be used are set forth in a Company Policy Statement. They include a restriction on the amount of such activity to a designated portion of existing debt, a limit on the term of any derivative transaction, and a specific prohibition of the use of any leveraged instrument. Other derivative instruments used to hedge assets and anticipated transactions include foreign currency contracts.

We are committed to an ongoing program of comprehensive, long-term environmental assessment of our 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. Although not material, at June 30, 1997 and 1996, expected costs have been accrued for the probable future costs of environmental liabilities without offset for expected insurance recoveries or discounting for present value.

Quantitative and qualitative disclosures about market risk for financial instruments and derivatives is presented on pg. 39.

Readers are cautioned that any discussion of future business prospects is subject to risks and uncertainty, and actual results could differ materially from those discussed in this Annual Report. We refer readers to the Company's statement entitled "Forward-Looking Statements and Risk Factors" which was contained in its SEC Form 8-K filed on January 7, 1997. It discusses the risk factors that are of particular importance to the Company.

STATEMENTS OF CONSOLIDATED EARNINGS

Years ended June 30 (in thousands, except per-share amounts)	1997	1996	1995
NET SALES	$2,532,651	$2,217,843	$1,984,170
COSTS AND EXPENSES			
Cost of products sold	1,123,459	1,007,200	892,172
Selling, delivery and administration	543,804	464,767	416,392
Advertising	348,521	285,015	271,730
Research and development	50,489	45,821	44,819
Interest expense	55,623	38,288	25,120
Other (income) expense, net	(5,260)	6,365	(3,957)
Total costs and expenses	2,116,636	1,847,456	1,646,276
EARNINGS BEFORE INCOME TAXES	416,015	370,387	337,894
INCOME TAXES	166,573	148,295	137,062
NET EARNINGS	$ 249,442	$ 222,092	$ 200,832
EARNINGS PER COMMON SHARE	$ 2.41	$ 2.14	$ 1.89
WEIGHTED AVERAGE SHARES OUTSTANDING	103,292	103,869	106,295

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

Years ended June 30 (in thousands, except per-share amounts)	1997	1996
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	$ 101,046	$ 90,828
Accounts receivable, less allowance	356,996	315,106
Inventories	170,340	138,848
Prepaid expenses	22,534	18,076
Deferred income taxes	22,581	10,987
Total Current Assets	673,497	573,845
PROPERTY, PLANT AND EQUIPMENT - NET	570,645	551,437
BRANDS, TRADEMARKS, PATENTS AND OTHER INTANGIBLES - NET	1,186,951	704,669
INVESTMENTS IN AFFILIATES	93,004	99,033
OTHER ASSETS	253,855	249,910
TOTAL	$2,777,952	$2,178,894
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 143,360	$ 155,366
Accrued liabilities	358,785	266,192
Short-term debt	369,973	192,683
Income taxes payable	17,049	9,354
Current maturities of long-term debt	3,551	291
Total Current Liabilities	892,718	623,886
LONG-TERM DEBT	565,926	356,267
OTHER OBLIGATIONS	112,539	100,246
DEFERRED INCOME TAXES	170,723	148,408
STOCKHOLDERS' EQUITY		
Common stock - authorized, 375,000,000 shares, $1 par value	110,844	110,844
Additional paid-in capital	66,803	56,360
Retained earnings	1,207,524	1,078,789
Treasury shares, at cost	(289,075)	(251,393)
Cumulative translation adjustments and other	(60,050)	(44,513)
Stockholders' Equity	1,036,046	950,087
TOTAL	$ 2,777,952	$2,178,894

See Notes to Consolidated Financial Statements.

STATEMENTS OF CONSOLIDATED STOCKHOLDERS' EQUITY

In thousands except share and per-share amounts	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Treasury Shares Shares	Treasury Shares Amount	Cumulative Translation Adjustments and Other
BALANCE, June 30, 1994							
As previously reported	55,422,297	$55,422	$106,554	$ 876,832	(2,050,041)	$(107,146)	$(22,245)
2-for-1 stock split effective September 2, 1997	55,422,297	55,422	(55,422)		(2,050,041)		
BALANCE, June 30, 1994	110,844,594	110,844	51,132	876,832	(4,100,082)	(107,146)	(22,245)
Net earnings					200,832		
Dividends ($0.96 per share)					(102,272)		
Employee stock plans and other			1,793	(4,012)	710,422	17,199	(1,187)
Treasury stock acquired					(2,650,970)	(78,270)	
Translation adjustments							413
BALANCE, June 30, 1995	110,844,594	110,844	52,925	971,380	(6,040,630)	(168,217)	(23,019)
Net earnings				222,092			
Dividends ($1.06 per share)				(110,447)			
Employee stock plans and other			3,435	(4,236)	725,500	14,936	(9,949)
Treasury stock acquired					(2,533,812)	(98,112)	
Translation adjustments							(11,545)
BALANCE, June 30, 1996	110,844,594	110,844	56,360	1,078,789	(7,848,942)	(251,393)	(44,513)
Net earnings				249,442			
Dividends ($1.16 per share)				(119,963)			
Employee stock plans and other			10,443	(744)	1,095,886	16,381	(1,213)
Treasury stock acquired					(927,000)	(54,063)	
Translation adjustments							(14,324)
BALANCE, June 30, 1997	110,844,594	$110,844	$66,803	$1,207,524	(7,680,056)	$(289,075)	$(60,050)

See Notes to Consolidated Financial Statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS

Years ended June 30 (in thousands)	1997	1996	1995
OPERATIONS			
Net earnings	$249,442	$222,092	$200,832
Adjustments to reconcile to net cash provided by operations:			
Depreciation and amortization	126,386	116,534	103,866
Deferred income taxes	2,120	2,020	15,386
Other	(3,864)	16,057	7,498
Effects of changes in:			
Accounts receivable	(1,706)	27,447	(58,314)
Inventories	(24,299)	(5,132)	(11,723)
Prepaid expenses	(4,458)	7,653	(1,892)
Accounts payable	(26,024)	17,890	21,771
Accrued liabilities	37,866	2,561	15,630
Income taxes payable	6,625	(457)	(2,205)
Net cash provided by operations	362,088	406,665	290,849
INVESTING ACTIVITIES			
Property, plant and equipment	(95,188)	(84,804)	(62,911)
Businesses purchased	(469,701)	(165,231)	(97,651)
Disposal of property, plant and equipment	6,116	2,671	8,707
Other	(13,871)	(47,312)	(23,299)
Net cash used for investment	(572,644)	(294,676)	(175,154)
FINANCING ACTIVITIES			
Long-term borrowings	199,077	110,000	47,298
Long-term debt and Other Obligations repayments	(22,678)	(14,732)	(2,806)
Forward purchase financing agreements	-	(110,045)	(31,138)
Short-term borrowings	193,926	50,763	62,115
Cash dividends	(119,963)	(110,447)	(102,272)
Treasury stock acquired	(54,063)	(98,112)	(78,270)
Employee stock plans and other	24,475	14,082	10,786
Net cash provided by (used for) financing	220,774	(158,491)	(94,287)
Net increase (decrease) in cash and short-term investments	10,218	(46,502)	21,408
Cash and short-term investments:			
Beginning of year	90,828	137,330	115,922
End of year	$101,046	$ 90,828	$137,330
CASH PAID FOR			
Interest (net of amounts capitalized)	$ 51,813	$ 36,576	$ 25,479
Income taxes	120,223	116,799	106,821
NONCASH TRANSACTIONS			
Liabilities arising from businesses purchased	$107,227	$ 75,690	$ 25,047

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 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 merchandiser and other retail outlets. The consolidated financial statements include the statements of the Company and its majority-owned and controlled subsidiaries. All significant intercompany transactions and accounts are eliminated in consolidation.

STOCK SPLIT 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 the stock split.

ACCOUNTING ESTIMATES The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 and are stated at cost, which approximates market value.

INVENTORIES Inventories are stated at the lower of cost or market. Cost of the majority of inventories is determined on the last-in, first-out (LIFO) method. Cost of the remainder of the inventories is determined generally 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 the estimated useful lives of the depreciable assets. Carrying values are reviewed periodically for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

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 up to a maximum of 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.

INVESTMENTS IN AFFILIATES The Company holds minority investments in foreign entities which are accounted for under the equity method. The most significant investment is a 20% equity ownership in Henkel Iberica, S.A. of Spain.

FORWARD PURCHASE FINANCING AGREEMENTS In connection with the financing of an acquisition in Argentina in 1996 and the acquisition of the Brita water filtration 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. The difference between the purchase price and the subscription price of the preferred stock is being accreted on a straight-line basis over the terms of the agreements.

INCOME TAXES The Company uses the asset and liability method to account for income taxes.

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 stockholders' equity. Transaction gains and losses and foreign currency gains and losses where the U.S. dollar is the functional currency are included in net earnings.

EARNINGS PER COMMON SHARE Earnings per common share are computed by dividing net earnings by the weighted average number of common shares outstanding during each year. The potential dilution from the exercise of stock options is not material.

MAJOR CUSTOMER Sales to the Company's largest customer, Wal-Mart Stores, Inc. and its affiliates, were 15%, 14% and 13% of consolidated net sales in 1997, 1996 and 1995, respectively.

DERIVATIVE FINANCIAL INSTRUMENTS The use of financial instruments is limited to purposes other than trading and includes management of interest rate movements (interest rate swaps) and foreign currency exposure (forward contracts) related to supply contracts, accounts receivable, and net investments in foreign subsidiaries and they are treated as off-balance sheet items. Foreign currency forward contracts are used to hedge certain short-term and long-term debt instruments and are recognized when mark to market adjustments are made for exchange rate changes. 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 deferred and recognized in earnings or as an adjustment of carrying amounts when the hedged transaction occurs. 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.

STOCK-BASED COMPENSATION The Company continues to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board 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 is 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 for stock-based employee compensation plans. The Company has elected to remain on its current method of accounting as described above, and has adopted the disclosure requirements of SFAS No. 123.

IMPACT OF NEW ACCOUNTING STANDARDS In February 1997, the Financial Accounting Standards Board ("FASB") issued SFAS No. 128, "Earnings per Share" ("EPS"). SFAS No. 128 requires dual presentation of basic EPS and diluted EPS on the face of all income statements issued after December 15, 1997 for all entities with complex capital structures. Basic EPS is computed as net earnings divided by the weighted average number of common shares outstanding for the period. Diluted EPS rejects the potential dilution that could occur from common shares issuable through stock options, warrants and other convertible securities. Basic EPS and diluted EPS for 1997, 1996 and 1995 are not materially different than the Earnings per Common Share amounts shown on the Statements of Consolidated Earnings for those years.

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income" which requires that an enterprise report, by major components and as a single total, the change in its net assets during the period from nonowner sources; and No. 131, "Disclosures about Segments of an Enterprise and Related Information" which establishes annual and interim reporting standards for an enterprise's operating segments and related disclosures about its products, services, geographic areas, and major customers. Adoption of these statements will not impact the Company's consolidated financial position, results of operations or cash flows, and any effect will be limited to the form and content of its disclosures. Both statements are effective for fiscal years beginning after December 15, 1997.

NOTE 2 ACQUISITIONS

Acquisitions in 1997 totaled $469,701,000 and included the acquisition of Armor All Products Corporation for $360,144,000 on December 31, 1996. Armor All markets the leading line of automotive cleaning products. Net assets acquired, at fair values, included working capital assets of $51,183,000 and liabilities of $67,485,000, and property, plant and equipment of $7,659,000. Intangible assets of $368,787,000, principally brands and trademarks, will be amortized over 40 years. Other businesses purchased for $109,557,000 included the Shell Group's non-core line of household products in Chile, the Pinoluz brand of pine cleaner in Argentina, and the Limpido brand of liquid bleach and an increase in ownership in Tecnoclor S.A., both in Colombia. Net assets acquired, at fair value, included net working capital of $9,427,000; property, plant and equipment of $2,425,000; and brands, trademarks and intangibles of $97,705,000, which will be amortized over periods of up to 40 years.

Acquisitions in 1996 totaled $165,231,000 and included Black Flag insecticides, Lestoil cleaner, the Poett San Juan home cleaning products business in Argentina, and the Electroquimicas Unidas S.A.C.I. business in Chile. Approximately $143,019,000 of the acquisition cost has been allocated to brands, trademarks and other intangibles to be amortized over estimated lives of up to 40 years. Purchases included, at fair value, assets of $97,902,000, and the assumption of liabilities of $75,690,000.

Acquisitions in 1995, which totaled $97,651,000, included Brita International Holdings, Inc., a Canadian-based manufacturer and marketer of Brita water filtration systems, and eight foreign investments. Approximately $96,337,000 of the acquisition cost was allocated to brands, trademarks, and other intangibles to be amortized over estimated lives of up to 40 years. Acquisitions included, at fair value, assets of $26,361,000 and the assumption of liabilities of $25,047,000. Operating results of acquired businesses are included in consolidated net earnings from the date of acquisition. All acquisitions were accounted for as purchases and were funded from cash provided by operations, long-term debt, and commercial paper.

NOTE 3 INVENTORIES

The major classes are (in thousands):

	1997	1996
Finished goods and work in process	$109,189	$ 82,261
Raw materials and supplies	61,151	56,587
Total	$170,340	$138,848

Had the cost of inventories been determined using the FIFO method, inventories would have been higher by approximately $14,614,000 at June 30, 1997 and $13,320,000 at June 30, 1996. The LIFO method was used to value approximately 60% of the inventory at June 30, 1997 and 1996.

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

The major classes are (in thousands):

	1997	1996
Land and improvements	$ 68,772	$ 63,474
Buildings	292,846	274,895
Machinery and equipment	647,158	577,015
Construction in progress	36,631	45,897
Total	1,045,407	961,281
Less accumulated depreciation	474,762	409,844
Net	$ 570,645	$551,437

Depreciation expense was $72,498,000 in 1997, $72,619,000 in 1996 and $66,886,000 in 1995.

NOTE 5 BRANDS, TRADEMARKS, PATENTS AND

OTHER INTANGIBLES-NET

The major classes are (in thousands):

	1997	1996
Brands and trademarks	$1,204,479	$722,149
Patents and other intangibles	173,437	133,096
Total	1,377,916	855,245
Less accumulated amortization	190,965	150,576
Net	$1,186,951	$704,669

Brands and trademarks include $41,708,000 of continuing value arising from transactions prior to October 31, 1970.

NOTE 6 OTHER ASSETS
The major components are (in thousands):

	1997	1996
Forward purchase financing agreements	$156,919	$146,524
Other	96,936	103,386
Total	$253,855	$249,910

The cost to acquire preferred stock of certain foreign subsidiaries according to terms of forward purchase financing agreements was $141,183,000 during 1996. The difference between cost and the third-party subscription price of the preferred stock is being accreted on a straight-line basis over five years. The amount of accretion included in other income was $10,395,000 in 1997 and $5,341,000 in 1996.

NOTE 7 ACCRUED LIABILITIES

Advertising costs included in accrued liabilities at June 30, 1997 and 1996 were $167,847,000 and $121,877,000, respectively.

NOTE 8 SHORT-TERM DEBT

The major components are (in thousands):

	1997	1996
Commercial paper	$225,167	$167,241
Other	144,806	25,442
Total	$369,973	$192,683

The weighted average borrowing rates on commercial paper outstanding was 5.6% and 5.4%, respectively. Other in 1997 included $136,000,000 of redeemable subsidiary preference shares. This borrowing arrangement was refinanced by commercial paper borrowings in July 1997 at a rate of approximately 5.5%.

NOTE 9 LONG-TERM DEBT

The principal components are (in thousands):

	1997	1996
8.8% Non-callable notes due August 2001, including net unamortized premium of $140 and $173, respectively	$200,140	$200,173
Redeemable subsidiary preference shares due April 2002 with a preferred dividend rate of 5.3%	195,540	-
Bank loans due March 2001, including accrued unpaid interest of $10,955 and $2,325 at rates ranging from 3.5% to 7.9%	154,730	140,562
Other debt	19,067	15,823
	569,477	356,558
Less current maturities	3,551	291
Long-term debt	$565,926	$356,267

In 1997, the Company issued redeemable preference shares of one of its subsidiaries to private investors. These shares have no voting rights and have a preference as to distributions. Simultaneous with the issuance of the shares, the Company and the private investors entered into a series of agreements which effectively enforce redemption of the shares and provide the private investors with no risk of ownership. The agreements are denominated in foreign currencies which have been Fixed at the above dollar values through the use of forward currency agreements. Dividend payments on the preference shares are classified as interest expense.

The Company has a $350,000,000 credit agreement with a syndication of banks which expires on April 30, 2002. The credit agreement requires maintenance of a minimum net worth of $704,000,000. At June 30, 1997, there are no borrowings under the credit agreement and it is available for general corporate purposes and for the support of additional commercial paper issuance.

Long-term debt repayments are scheduled to be $154,730,000, $395,680,000, and $15,516,000 in 2001, 2002, and years thereafter, respectively.

NOTE 10 FINANCIAL INSTRUMENTS

In order to manage the impact of interest rate movements, the Company has various interest rate swap agreements. The transactions effectively convert a portion of the Company's interest rate exposure on its 8.8% Fixed rate non-callable notes to a floating rate. The effect of the swap agreements on the 8.8% Fixed rate notes reduced interest expense by $687,000, $522,000 and $573,000 in 1997, 1996 and 1995, respectively, and resulted in effective borrowing rates of approximately 8.5% in each of these years. Under the terms of these agreements, the Company agreed with other parties to exchange, at specified intervals, the difference between Fixed-rate and floating-rate interest amounts as calculated by reference to agreed upon notional principal amounts. LIBOR is used as the variable rate index for the calculation.

In 1996, the Company entered into a Canadian dollar interest rate swap that converted a portion of the exposure of floating interest rate Canadian debt to a Fixed rate of 6.3%. This swap agreement resulted in an effective borrowing rate of 6.0% and 6.9% in 1997 and 1996.

Exposure to counterparty credit risk has been decreased by entering into these agreements only with major financial institutions that are expected to fully perform under the terms of the swap agreements.

Notional amounts outstanding (in thousands) and weighted average rates at June 30 are:

	1997	1996
Received Fixed/pay floating - notional amounts	$100,000	$100,000
Weighted average		

receive rate	6.3%	6.3%
Weighted average pay rate	6.0%	5.9%
Pay Fixed/received floating notional amounts	$ 25,665	$ 75,665
Weighted average pay rate	6.7%	7.4%
Weighted average receive rate	5.2%	6.4%

Original terms to maturity were from 7 1/2 to 7 3/4 years where Fixed rates are received and at June 30, 1997, the remaining term for these agreements was approximately 4 years. Original terms to maturity where Fixed rates are paid were 1 3/4 to 2 years. Two of these agreements expired during 1997 and the remaining agreement expires during 1998.

Foreign currency forward contracts may be used periodically to manage foreign exchange risks associated with export sales and purchases from foreign suppliers denominated in a foreign currency, net investments in foreign subsidiaries, and other third-party or intercompany foreign currency obligations. These contracts are entered into with major financial institutions thereby decreasing the risk of loss. Foreign currency forward contracts with notional amounts totaling $427,677,000 and $100,900,000 were outstanding at June 30, 1997 and 1996, respectively. Included in 1997 are $331,500,000 of sterling denominated notional amounts, and 1997 and 1996 amounts also include $88,250,000 and $90,000,000, respectively, of Argentine peso contracts. The balance of the 1997 amount and the 1996 amount is Canadian dollar denominated contracts and the majority of these contracts will expire prior to June 30, 1998.

FAIR VALUES The Company has used market information for similar instruments and applied judgment to estimate fair values of financial instruments. The carrying values of cash and short-term investments, accounts receivable and payable approximate fair values due to their short-term nature.

The values of other financial instruments at June 30 are (in thousands):

	1997		1996	
	Book	Fair	Book	Fair
Forward purchase financing agreements	$ 156,919	$ 156,919	$ 146,524	$ 146,524
Short-term debt	(369,973)	(375,455)	(192,683)	(192,683)
Long-term debt	(565,926)	(585,523)	(356,267)	(373,267)
Foreign exchange contracts(1)	-	8,918	-	(211)
Interest rate swaps(1)	-	(2,460)	-	(4,095)

(1) Represents unrealized (gain), loss

NOTE 11 STOCKHOLDERS' EQUITY

In addition to common stock, the Company is authorized to issue 5,000,000 shares of preferred stock with a par value of $1 per share, none of which is outstanding.

The Company sold 1,100,000 and 480,000 put options and purchased 1,100,000 and 480,000 call options during fiscal 1996 and 1997, respectively, with various strike prices (average of $47.87 per share) that expire on various dates through September 30, 2005. Upon exercise, each put option requires the Company to purchase, and each call option allows the Company to purchase one share of its common stock at the strike price. The aggregate exercise price of the put options of $75,638,000 at June 30, 1997 is netted against treasury shares within equity and the aggregate exercise price of the 1996 put options, $17,259,000, which was classified as Other Obligations at June 30, 1996, has been reclassified to treasury shares to conform to the June 30, 1997 presentation as a result of the renegotiation of option terms.

NOTE 12 STOCK COMPENSATION PLANS

The Company has three stock option plans that provide for the granting of stock options to officers and key employees. The objectives of these plans include attracting and retaining the best personnel, providing for additional performance incentives, and promoting the success of the Company by providing employees the opportunity to acquire common stock. The 1996 Stock Incentive Plan ("1996 Plan") is the only plan with stock option awards available for grant; prior plans have shares exercisable at June 30, 1997. The Company is authorized to grant options for up to 7,000,000 common shares under the 1996 Plan, of which 2,000 have been granted. Options outstanding under the Company's three stock option plans 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 three-, four-, or five-year period, and expire ten years after the grant date.

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

	Number of Shares (in thousands)	Weighted Average Exercise Price
Outstanding at June 30, 1994	4,716	$ 22
Granted	774	26
Exercised	(660)	17
Cancelled	(70)	26
Outstanding at June 30, 1995	4,760	23
Granted	2,958	41
Exercised	(834)	19
Cancelled	(116)	30
Outstanding at June 30, 1996	6,768	32
Granted	646	48
Exercised	(1,064)	23
Cancelled	(374)	41
Outstanding (held by 215 optionees) at June 30, 1997	5,976	$ 34
Options exercisable at:		
June 30, 1997	2,760	$ 26
June 30, 1996	2,848	23
June 30, 1995	2,658	20

The Company continues to account for stock-based compensation using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", under which no compensation cost for stock options is recognized for stock option awards granted at or above fair market value. Had compensation expense for the Company's three 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 pro forma amounts indicated at the above right. The pro forma effects of applying SFAS 123 are not indicative of future amounts because this statement does not apply to awards granted prior to fiscal year 1996. Additional stock option awards are anticipated in future years.

	1997	1996
Net earnings (in thousands)		
As reported	$249,442	$222,092
Pro forma	244,357	220,576
Earnings per share		
As reported	$2.41	$2.14
Pro forma	2.37	2.13

The weighted average fair value of options granted during 1997 and 1996 estimated on the date of grant using the Black-Scholes option-pricing model was $11.46 and $9.92, respectively. The fair value of 1997 and 1996 options granted is estimated on the date of grant using the following assumptions: dividend yield of 3%, expected volatility of 19%, risk-free interest rate range of 5.9% to 6.3% depending on grant date, and an expected life ranging from 4 to 9 years.

Summary information about the Company's stock options outstanding at June 30, 1997:

Range of Exercise Price	Outstanding at 6/30/97 (in thousands)	Weighted Average Contractual Periods in Years	Weighted Average Exercise Price	Exercisable at 6/30/97 (in thousands)	Weighted Average Exercise Price
$16-$21	544	1.8	$19	544	$19

21- 29	1,650	6.2	25	1,450	25
29- 38	1,148	7.5	33	764	32
41- 49	2,602	9.2	44	2	48
49- 61	32	9.3	52	-	-
$16-$61	5,976	7.0	$34	2,760	$26

NOTE 13 LEASES

The Company leases transportation equipment and a limited number of its manufacturing, warehousing and office facilities. Most leases are classified as operating leases and will expire over the next five years. Future total minimum lease payments are $10,701,000, and do not exceed $4,511,000 in any one year. Rental expense was $11,234,000 in 1997, $9,899,000 in 1996 and $11,424,000 in 1995.

Space not occupied by the Company in its headquarters building is let to other tenants under operating leases expiring through 2006. Future minimum rentals to be received are $4,117,000 and do not exceed $1,264,000 in any one year.

NOTE 14 OTHER (INCOME) EXPENSE, NET

The major components are (in thousands):

	1997	1996	1995
Amortization of intangibles	$40,193	$30,439	$26,582
Equity in earnings of affiliates	(14,045)	(9,793)	(4,441)
Interest income	(7,724)	(8,132)	(7,796)
Royalty income	(8,391)	(7,622)	(7,110)
Other, net	(15,293)	1,473	(11,192)
Total	$(5,260)	$ 6,365	$(3,957)

NOTE 15 INCOME TAXES

Income tax expenses are (in thousands):

	1997	1996	1995
Current			
Federal	$129,762	$109,964	$ 96,444
State	19,189	22,532	19,778
Foreign	15,502	13,779	5,454
Total current	164,453	146,275	121,676
Deferred			
Federal	501	778	12,232
State	277	709	688
Foreign	1,342	533	2,466
Total deferred	2,120	2,020	15,386
Total expense	$166,573	$148,295	$137,062
Effective income tax rate	40.0%	40.0%	40.6%

The reconciliation between the Company's effective income tax rate and the statutory federal income tax rate is as follows:

	1997	1996	1995
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	3.0	4.0	3.9
Taxes on foreign earnings	1.7	1.8	1.5
Other	0.3	(0.8)	0.2
Effective income tax rate	40.0%	40.0%	40.6%

Undistributed earnings of foreign subsidiaries that are considered to be reinvested indefinitely totaled $35,549,000 at June 30, 1997.

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

	1997	1996
Amortization/depreciation	$ 71,092	$ 64,605
Safe harbor lease agreements	23,170	26,431
Unremitted foreign earnings	44,052	45,096
Post employment benefits	(21,706)	(19,143)
Other	31,534	20,432
Total	$148,142	$137,421

NOTE 16 EMPLOYEE BENEFIT PLANS

RETIREMENT INCOME PLANS The Company has defined benefit pension plans for substantially all its domestic employees. Benefits are based on either employee years of service and compensation or 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 components of pension expense are (in thousands):

	1997	1996	1995
Service cost - benefits earned in current year	$ 5,877	$ 6,238	$ 6,944
Interest on projected benefit obligation	10,162	9,343	8,913
Return on plan assets:			
Actual gain	(30,131)	(25,026)	(19,347)
Deferral of the actual gain in excess of the assumed rate of 8.75% in 1997 and 1996, and 8% in 1995	16,146	12,831	9,702
Other gains, including amortization over 15 years of the net pension transition asset at July 1, 1985	(1,212)	(1,075)	(701)
Total pension expense	$ 842	$ 2,311	$ 5,511

The plans' funded status at June 30 is as follows (in thousands):

	1997	1996
Actuarial present value of the accumulated benefit obligation, including vested benefits of $120,961 in 1997 and $106,508 in 1996	$125,393	$110,435
Plans' assets at market value	188,172	164,080
Projected benefit obligation, determined using a discount rate of 8% and including the effect of an assumed annual increase in future compensation levels of 4.5%	140,389	129,721
Excess of plans' assets over projected benefit obligation	47,783	34,359
Less deferrals:		
Remaining unamortized balance of net pension transition asset at July 1, 1985	(5,397)	(7,044)
Prior service cost	(1,256)	(2,049)
Other net gains	(19,799)	(5,157)
Accrued pension asset included in other assets	$ 21,331	$ 20,109

The Company has defined contribution plans for most of its domestic employees not covered by collective bargaining agreements, to which it has contributed through June 30, 1995 based on its earnings or participants' contributions. Effective July 1, 1995, the Company's contribution is based on the Clorox Value Measure economic value measurement system, defined as net operating earnings after tax less a capital charge for net assets employed. The Company also participates in multi- employer pension plans for certain of its hourly-paid production employees and contributes to those plans based on collective bargaining agreements. The aggregate cost of the defined contribution and multi-employer pension plans was $20,800,000 in 1997, $17,006,000 in 1996, and $12,427,000 in 1995.

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 not prefunded and the Company has the right to modify or terminate certain of these plans.
Postretirement health care expense consists of the following (in thousands):

	1997	1996	1995
Service cost - benefits earned in the current year	$2,038	$2,738	$2,643
Interest on accumulated benefit obligation	3,392	3,365	3,041
Total postretirement health care expense	$5,430	$6,103	$5,684

Benefits paid were $2,437,000, $1,306,000 and $1,191,000 in fiscal years 1997, 1996 and 1995, respectively.

The accumulated postretirement benefit obligation (APBO) includes the following at June 30 (in thousands):

	1997	1996
Retirees	$16,909	$11,892
Active employees	30,150	35,770
Deferral of net gains	9,351	5,755
Total unfunded accrued benefit obligation included in other obligations	$56,410	$53,417

The assumed health care cost trend rate used in measuring the APBO was 6.5% for 1997, gradually declining to 5.5% in 1999 and 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, 1997 accumulated postretirement benefit obligation by $4,041,000 and increase 1997 expense by $599,000. The discount rate used to determine the APBO was 8%.

NOTE 17 INDUSTRY SEGMENT INFORMATION

The Company's operations are predominately in the non-durable consumer products industry and include the manufacture and marketing of products through grocery and other retail stores. Operations include those in the United States, Puerto Rico, and foreign countries. Foreign operations are principally in Latin American countries including Argentina, Brazil, Chile and Mexico. Earnings before income taxes for domestic and foreign operations represent operating profits, while corporate pretax earnings and identifiable assets include interest income and expense and other non-allocable items of earnings, all cash, marketable securities, forward purchase financing agreements and the corporate headquarters facility. Financial information by geographic area for 1997, 1996 and 1995 is summarized as follows:

NET SALES	1997	1996	1995
Domestic	$2,143,519	$1,915,268	$1,802,993
Foreign	389,132	302,575	181,177
Total	$2,532,651	$2,217,843	$1,984,170

EARNINGS BEFORE INCOME TAXES	1997	1996	1995
Domestic	$ 486,836	$ 442,694	$ 412,627
Foreign	32,659	14,525	5,709
Corporate	(103,480)	(86,832)	(80,442)
Net	$ 416,015	$ 370,387	$ 337,894

IDENTIFIABLE ASSETS	1997	1996	1995
Domestic	$1,587,921	$1,210,884	$1,255,574
Foreign	747,944	534,251	297,999
Corporate	442,087	433,759	353,099
Total	$2,777,952	$2,178,894	$1,906,672

NOTE 18 CONTINGENT LIABILITIES

The Company is subject to various lawsuits and claims arising out of its businesses which include contracts, environmental issues, product liability, patent and trademark matters, and taxes. In the opinion of management, after consultation with counsel, the disposition of these matters will not have a material adverse effect, individually or in the aggregate, on the Company's financial position, results of operations, or liquidity.

RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS The management of the Company is responsible for the integrity and objectivity of the financial statements included in this Annual Report. 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 follows.

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, 1997 and 1996, and the related statements of consolidated earnings, consolidated stockholders' equity and consolidated cash flows for the years ended June 30, 1997, 1996, and 1995. 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.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company at June 30, 1997 and 1996, and the results of their operations and their cash flows for the years ended June 30, 1997, 1996 and 1995 in conformity with generally accepted accounting principles.

/s/ DELOITTE & TOUCHE LLP *[LOGO]*
Deloitte & Touche LLP

San Francisco, California
July 30, 1997, except for the second paragraph of
Note 1 as to which the date is September 2, 1997.

QUARTERLY DATA

In thousands, except per-share amounts.	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year
YEAR ENDED June 30, 1997					
Net Sales	$590,773	$530,215	$649,209	$762,454	$2,532,651
Cost of Products Sold	257,361	235,626	287,862	342,610	1,123,459
Net Earnings	65,510	43,915	65,620	74,397	249,442
PER COMMON SHARE					
Net Earnings	$ .64	$ .42	$ .64	$ .72	$ 2.41
Dividends	.29	.29	.29	.29	1.16
Market Price (NYSE)					
High	50 1/4	55 1/8	63 11/16	67 3/32	67 3/32
Low	43 7/16	47 1/2	48 5/8	55	43 7/16

Year-end					66 3/32
Price/earnings ratio, year end					27
YEAR ENDED June 30, 1996					
Net Sales	$518,486	$466,789	$560,091	$672,477	$2,217,843
Cost of Products Sold	231,333	213,171	255,570	307,126	1,007,200
Net Earnings	58,779	37,911	59,599	65,803	222,092
PER COMMON SHARE					
Net Earnings	$ .56	$ .36	$ .58	$ .64	$ 2.14
Dividends	.27	.26	.27	.26	1.06
Market Price (NYSE)					
High	36 11/16	39 5/8	44 11/16	44 9/16	44 11/16
Low	30 7/16	34 5/8	35	39 3/16	30 7/16
Year-end					44 5/16
Price/earnings ratio, year end					21

Share and per share amounts restated to reflect 2-for-1 stock split which was effective September 2, 1997.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The table below provides information about the Company's market sensitive financial instruments and constitutes a "forward- looking statement." The Company's major market risk exposure is changing interest rates, primarily in the United States. The Company's policy is to manage interest rates through use of a combination of fixed and floating rate debt. Interest rate swaps may be used to adjust interest rate exposures when appropriate, based upon market conditions. A portion of the Company's borrowings are denominated in foreign currencies which exposes the Company to market risk associated with exchange rate movements. The Company's policy generally is to hedge major foreign currency cash exposures through foreign exchange forward contracts. These contracts are entered into with major financial institutions thereby minimizing the risk of credit loss. All items described are non-trading and are stated in U.S. dollars.

Expected maturity dates (in thousands)	1998	1999	2000	2001	2002	Thereafter	Total	Fair Value June 30, 1997
ASSETS								
Forward purchase agreements (a)								
US $ denominated				$150,000			$150,000	$120,765
Canadian $ denominated			$ 43,678				43,678	36,154
DEBT								
Current - commercial paper	$233,973						233,973	233,973
Average interest rates	5.4%							
Current - sterling denominated	136,000						136,000	141,482
Average interest rates	5.6%							
Interest rate swaps	25,667			100,000				2,460
Non current - sterling denominated					$195,540		195,540	199,200
Average interest rates					5.3%			
Non current - Canadian $ denominated				20,718			20,718	20,718
Average interest rates				6.3%				
Non current - U.S. $ denominated				134,012	200,000	$ 15,515	349,527	365,605
Average interest rates - fixed				7.8%	8.8%	9.8%		
Average interest rates - variable						4.3%		
FIRM COMMITMENTS, FORWARD CONTRACTS								
Contract notional amount - sterling purchased	136,000				195,540			(8,198)(b)
Average contractual exchange rate	1.60				1.63			

(a) Future maturities include accretion of earnings.
(b) Represents unrealized exchange gains related to hedge of sterling denominated debt.

FINANCIAL SUMMARY

Years ended June 30
(In thousands, except per-share data)

	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
OPERATIONS										
Net sales	$2,532,651	$2,217,843	$1,984,170	$1,836,949	$1,634,171	$1 ,547,057	$1,468,370	$1,309,019	$1,199,293	$1,033,747
Percent change	14.2	11.8	8.0	12.4	5.6	5.4	12.2	9.1	16.0	10.6
Cost of products sold	1,123,459	1,007,200	892,172	820,434	724,753	678,504	672,405	601,322	548,434	450,527
Operating expenses	942,814	795,603	732,941	690,584	613,061	612,074	677,468(d)	498,084	458,085	396,910
Other	50,363	44,653	21,163	19,298	21,172	17,382	21,315	(30,755)	(28,189)	(10,897)
Total costs and expenses	2,116,636	1,847,456	1,646,276	1,530,316	1,358,986	1,307,960	1,371,188	1,068,651	978,330	836,540
Earnings before income taxes	416,015	370,387	337,894	306,633	275,185	239,097	97,182	240,368	220,963	197,207
Income taxes	166,573	148,295	137,062	126,640	107,267	97,903	37,361	87,456	79,718	73,460
Earnings from continuing operations	249,442	222,092	200,832	179,993	167,918	141,194	59,821	152,912	141,245	123,747
Earnings (losses) from discontinued operations	-	-	-	32,064(a)	(867)	(23,429)(b)	(7,075)	714	(17,101)(e)	8,823
Cumulative effect of accounting change	-	-	-	-	-	(19,061)(c)	-	-	-	-
Net earnings	$ 249,442	$ 222,092	$ 200,832	$ 212,057	$ 167,051	$ 98,704	$ 52,746	$ 153,626	$ 124,144	$ 132,570
Percent change, continuing operations	12.3	10.6	11.6	7.2	18.9	136.0	(60.9)	8.3	14.1	25.0
COMMON STOCK(g)										
Weighted average shares outstanding(f)	103,292	103,869	106,295	107,600	109,396	108,732	108,126	109,746	110,666	110,254
Earnings (losses) per common share:										
Earnings from continuing operations	$ 2.41	$ 2.14	$ 1.89	$ 1.68	$ 1.54	$ 1.30	$ .56(d)	$ 1.40	$ 1.28	$ 1.13
Earnings (losses) from discontinued operations	-	-	-	.29(a)	(.01)	(.21)(b)	(.07)	-	(.16)(e)	.08
Cumulative effect of accounting change	-	-	-	-	-	(.18)(c)	-	-	-	-
Net earnings	$ 2.41	$ 2.14	$ 1.89	$ 1.97	$ 1.53	$ .91	$ .49	$ 1.40	$ 1.12	$ 1.21
Dividends(g)	$ 1.16	$ 1.06	$ .96	$ .90	$ .86	$ .80	$ .74	$ .65	$ .55	$ .46
Stockholders' equity at end of year(g)	10.04	9.23	9.01	8.52	8.02	7.46	7.24	7.50	7.10	6.60
OTHER DATA										
Continuing operations										
Working capital (deficiency)	$(219,221)	$ (50,041)	$ 121,008	$ 128,443	$ 160,208	$ (25,322)	$ 115,626	$ 151,602	$ 265,569	$ 145,780
Property, plant and equipment-net	570,645	551,437	524,972	532,600	538,101	508,629	441,794	441,681	348,526	312,068
Property additions	95,188	84,804	62,911	56,627	72,141	114,353	89,009	134,099	66,551	135,702
Long-term debt	565,926	356,267	253,079	216,088	204,000	203,627	405,341	5,807	5,192	20,739
Percent return on net sales	9.8	10.0	10.1	9.8	10.3	9.1	4.1	11.7	11.8	12.0
Current ratio	0.8	0.9	1.3	1.3	1.4	0.9	1.3	1.7	1.9	1.5

Total assets	2,777,952	2,178,894	1,906,672	1,697,569	1,649,230	1,589,993	1,656,872	1,124,147	1,189,894	1,121,232
Stockholders' equity	1,036,046	950,087	943,913	909,417	879,294	813,741	784,276	810,514	786,176	712,854
Percent return on average stockholders' equity	25.4	23.7	21.7	24.2	19.8	12.3	6.4	19.1	16.4	19.9

(a) Includes net gain on the sale of discontinued business of $31,430 or $0.29 per share.

(b) Includes special charges for the revaluation of certain intangible assets.

(c) Nonrecurring charge to recognize the accumulated postretirement health benefit obligation at July 1, 1991, resulting from the adoption of SFAS No. 106. Operating results preceding 1992 were not restated for the adoption of this new standard.

(d) Includes a charge for restructuring of $125,250 or $0.73 per share.

(e) Includes net loss on the disposal of Olympic HomeCare Products of $20,000, or $0.18 per share.

(f) Weighted average shares outstanding and earnings per share from 1988 through 1989 assume full dilution from a note converted during 1989.

(g) Share and per-share amounts restated to reflect 2-for-1 stock split that was effective September 2, 1997.

PRINCIPAL RETAIL BRANDS, PRODUCTS & MARKETS

UNITED STATES

LAUNDRY CLEANING ADDITIVES
Clorox Liquid bleach
Clorox 2 Dry and liquid color-safe bleaches Stain Out Soil and stain remover

HOME CLEANING

```
Clorox Toilet Bowl   Toilet bowl cleanser, automatic toilet
  bowl cleaner
Clorox Clean-Up   Dilutable household cleaner
Formula 409   All-purpose spray cleaner, glass and surface
   cleaner
```

Formula 409 Carpet cleaner
Lestoil Heavy-duty cleaner
Liquid-Plumr Drain opener, buildup remover, septic treatment Pine-Sol Dilutable cleaner, spray cleaner Soft Scrub Mild abrasive liquid cleanser, gel S.O.S Steel wool soap pads, scrubber sponges Tilex Instant mildew remover, soap scum remover Tuffy Mesh scrubber

AUTOMOTIVE APPEARANCE
Armor All Protectants, cleaners, waxes and washes Rain Dance Wax and washes
Rally Wax
No.7 Cleaning compound

CHARCOAL

```
BBQ Bag   Single-use, lightable bag of charcoal briquets
Kingsford   Charcoal briquets
Kingsford   Lighter fluid
Match Light   Instant-lighting charcoal briquets

INSECTICIDES
Black Flag   Ant and roach, flying insect and other aerosols,
```

foggers and Roach Motel Combat Roach bait stations and gel, ant bait stations, stakes and granules

CAT LITTER
Fresh Step Cat litter
Fresh Step Scoop
Scoopable cat litter

DRESSINGS & SAUCES

```
Hidden Valley   Bottled salad dressing, dry salad dressing
                mix, bottled fat-free salad dressing
Hidden Valley   Dry party dip mix
```

Hidden Valley Salad Crispins Seasoned mini-croutons K.C. Masterpiece Barbecue sauce
Kitchen Bouquet Browning and seasoning sauce and gravy aid

WATER FILTRATION SYSTEMS
Brita Water Filtration systems

PROFESSIONAL PRODUCTS

```
Clorox   Germicidal bleach
Clorox   Toilet bowl cleanser
Clorox   Quat sanitizer and disinfectant
Clorox Clean-Up   Dilutable cleaner
Pine-Sol   Cleaner
Formula 409   Cleaners
PowerPack   Professional dilution-control spray cleaners
```

S.O.S Pot & pan detergent, steel wool soap pads Tilex Instant mildew remover, soap scum remover Liquid-Plumr Drain opener

```
Hidden Valley   Salad dressing
K.C. Masterpiece   Barbecue sauce
Kitchen Bouquet   Browning and seasoning sauce and gravy aid
```

Combat Insecticides
Maxforce Professional insecticides

PRINCIPAL INTERNATIONAL MARKETS

Argentina
Australia
Brazil
Canada
Chile
Colombia
Costa Rica
Czech Republic
Dominican Republic
Egypt
Hong Kong
Hungary
Indonesia
Japan
Malaysia
Mexico
Panama
People's Republic of China
Peru
Poland
Puerto Rico
Republic of Korea
Romania
Saudi Arabia/Gulf States
Singapore
Slovak Republic
Spain
Taiwan
Thailand
Uruguay
Venezuela
Yemen Arab Republic

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
American Sanitary Company S.A.	Costa Rica
American Sanitary Company (Overseas) Inc. (51%)	Cayman Islands
Amesco Ltd. (49%)	Cayman Islands
Argus Holdings Inc.	Delaware
Armor All Products Corporation	Delaware
Armor All Products GmbH	Germany
Armor All Products of Canada, Inc.	Canada
Ashlyn Limited	United Kingdom
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
Clorox Argentina S.A.	Argentina
Clorox (Australia) Pty. Ltd.	Australia
Clorox (Barbados) Inc.	Barbados
Clorox do Brasil Ltda.	Brasil
The Clorox Company of Canada, Ltd.	Canada
Clorox (Cayman Islands) Ltd.	Cayman Islands
Clorox Chile S.A.	Chile
The Clorox China Company	Delaware
Clorox Export Company, Inc.	Barbados
The Clorox Far East Company Limited	Hong Kong
The Clorox (Guangzhou) Company Ltd. (95%)	People's Republic of China
The Clorox International Company	Delaware
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

The Clorox Company of New Zealand Limited	New Zealand
Clorox del Pacifico S.A. (80%)	Peru
Clorox de Panama S.A.	Panama
Clorox del Peru S.A.	Peru
Clorox Products Manufacturing Company	Delaware
The Clorox Professional Products Company	Delaware

The Clorox Company of Puerto Rico Delaware

The Clorox Sales Company	Delaware
Clorox Services Company	Delaware
The Clorox South Asia Company	Delaware
Clorox Uruguay S.A.	Uruguay
CLX Realty Co.	Delaware
Corporacion Clorox de Venezuela, S.A.	Venezuela
EcuaClorox S.A.	Ecuador
Electroquimicas Unidas S.A.C.I.	Chile
Henkel Iberica, S.A. (20%)	Spain
The Household Cleaning Products Company of Egypt, Ltd. (49%)	Egypt
The HV Food Products Company	Delaware
HV Manufacturing Company	Delaware

Kingsford Charcoal of Canada, Ltd. Canada

The Kingsford Products Company	Delaware
Lynley Limited	Delaware
The Mexco Company	Delaware
Mohammed Ali Abudawood and Company for Industry (30%)	Saudi Arabia
National Cleaning Products Company Limited (30%)	Saudi Arabia
Productos Del Hogar, C. por A. (49%)	Dominican Republic
Rocha Color S.A.	Uruguay
Sarah Resources Limited	Canada
Tecnoclor S.A.	Colombia

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

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

DELOITTE & TOUCHE LLP

(LOGO)

50 Fremont St.
San Francisco, CA 94105-2230
Telephone (415) 247-4000
Facsimile (415) 247-4329

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in The Clorox Company Registration Statements No. 33-4083 on Form S-3, and Nos. 33-41131, 33-41277, 2-88106 (Post-Effective Amendment No. 2), 33-24582, 33-56565, 33-56563, 333-29375 and 333-16969 on Form S-8 of our report dated July 30, 1997, except for the second paragraph of Note 1 as to which the date is September 2, 1997, incorporated by reference in this Annual Report on Form 10-K of The Clorox Company for the year ended June 30, 1997.

/s/ Deloitte & Touche LLP

September 25, 1997

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION FROM THE FINANCIAL STATEMENTS OF THE CLOROX COMPANY, FOR THE FISCAL YEAR ENDED JUNE 30, 1997, AS PRESENTED IN THE CLOROX COMPANY'S FORM 10-K FOR SUCH PERIOD, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

CIK: 0000021076

NAME: THE CLOROX COMPANY

MULTIPLIER: 1000

PERIOD TYPE	12 MOS
FISCAL YEAR END	JUN 30 1997
PERIOD START	JUL 01 1996
PERIOD END	JUN 30 1997
CASH	62579
SECURITIES	38467
RECEIVABLES	358,517
ALLOWANCES	1521
INVENTORY	170340
CURRENT ASSETS	673497
PP&E	1045407
DEPRECIATION	474762
TOTAL ASSETS	2777952
CURRENT LIABILITIES	892718
BONDS	565926
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	110844
OTHER SE	925202
TOTAL LIABILITY AND EQUITY	2777952
SALES	2532651
TOTAL REVENUES	2532651
CGS	1123459
TOTAL COSTS	2066273
OTHER EXPENSES	(5260)
LOSS PROVISION	0
INTEREST EXPENSE	55623
INCOME PRETAX	416015
INCOME TAX	166573
INCOME CONTINUING	249442
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	249442
EPS PRIMARY	2.41
EPS DILUTED	0

THE CLOROX COMPANY
INDEPENDENT DIRECTORS' STOCK-BASED COMPENSATION PLAN

Table of Contents

ARTICLE I

ESTABLISHMENT AND PURPOSES OF PLAN

1.01 Establishment of Plan

The Company hereby establishes the Clorox Company Independent Directors' Stock-Based Compensation Plan, a nonqualified deferred compensation plan for the Independent Directors of the Company. The Plan shall be an unfunded plan within the meaning of the Internal Revenue Code of 1986, as amended. It is intended that the Plan not cover employees and therefore not be subject to the Employee Retirement Income Security Act of 1974, as amended.

1.02 Purpose of Plan

The purpose of the Plan is to enhance the Company's ability to attract and retain Independent Directors whose training, experience and ability will promote the interests of the Company and to directly align the interests of such Independent Directors with the interests of the Company's shareowners by providing compensation based on the value of Clorox Common Stock. The Plan is designed to permit such Independent Directors to defer the receipt of all or a portion of the cash compensation otherwise payable to them for services to the Company as members of the Board. This Plan replaces the Company's Directors' Deferred Compensation Plan and the Directors' Retirement Plan with respect to persons who are the Independent Directors of the Company on July 1, 1996, or who become such after that date.

1.03 Effective Date of Plan

Except as otherwise provided by Section 3.01, the Plan shall apply only to a Participant's Director's Fees with respect to service on and after July 1, 1996.

ARTICLE II
DEFINITIONS

Unless the context clearly indicates otherwise, the following terms, when used in capitalized form in the Plan, shall have the meanings set forth below:

Account shall mean a bookkeeping account established for a Participant under Section 4.01.

Article shall mean an article of the Plan.

Beneficiary shall mean a Participant's beneficiary, designated in writing and in a form and manner satisfactory to the Board, or if a Participant fails to designate a beneficiary, or if the Participant's designated Beneficiary predeceases the Participant, the Participant's estate.

Board shall mean the Board of Directors of the Company.

Clorox Common Stock shall mean the common stock of the Company.

Closing Price shall mean, with respect to any date specified by the Plan, the closing price of a share of Clorox Common Stock on the composite tape of New York Stock Exchange issues (or if there was no reported sale of Clorox Common Stock on such date, on the next preceding day on which there was such a reported sale).

Company shall mean The Clorox Company.

Deferred Stock Unit shall mean a hypothetical share of Clorox Common Stock as described in Section 4.02.

Director's Fees shall mean the annual retainer and meeting fees payable to a Participant for services to the Company as an Independent Director. Director's Fees do not include amounts credited to a Participant under Section 3.01 or Section 3.02 hereof.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Independent Director means any individual who serves as a member of the Board of Directors of the Company and who is not an employee of the Company or any of its subsidiaries.

Participant means an Independent Director who is participating in the Plan.

Payment Anniversary Date shall mean an anniversary of the Payment Commencement Date.

Payment Commencement Date shall mean the first business day of the Plan Year immediately following the Plan Year in which the Participant terminates service as a member of the Board.

Plan shall mean this Clorox Company Independent Directors' Stock-Based Compensation Plan, as set forth herein and as amended from time to time.

Plan Year shall mean the calendar year.

Section shall mean a section of the Plan.

ARTICLE III
CREDITS

3.01 Transition Credits

(a) Retirement Plan Credits. As soon as practicable on or after July 1, 1996, the Company shall credit to the Account of each Participant a number of Deferred Stock Units determined in accordance with the schedule set forth in Appendix I to the Plan. The credits set forth in Appendix I shall be provided in lieu of any benefits to which the Participant otherwise would have been entitled under The Clorox Company Directors' Retirement Plan as of its termination on June 30, 1996.

(b) Deferred Compensation Plan Credits.

(1) Each Participant who has a balance standing to his or her credit in the Directors' Deferred Compensation Plan as of July 1, 1996, shall be permitted a one-time election, on or before December 31, 1996, to convert all or a portion of the balance standing to his or her credit in the Directors' Deferred Compensation Plan to Deferred Stock Units as of December 31, 1996. A Participant who elects to convert all or a portion of his or her account in the Directors' Deferred Compensation Plan to Deferred Stock Units shall be credited with the number of Deferred Stock Units determined by dividing the portion of his or her account in the Directors' Deferred Compensation Plan on December 31, 1996, for which such election is made by the average of the daily Closing Price for the month of December 1996.

(2) A Participant who does not elect to convert all of the balance standing to his or her credit in the Directors' Deferred Compensation Plan to Deferred Stock Units shall have the balance not converted transferred to a Deferred Cash Account which, thereafter, shall be administered under the terms of this Plan.

3.02 Automatic Credits

As of the last day of each Plan Year, the Company shall credit Deferred Stock Units to each Participant's Deferred Stock Unit Account equal to the number of Deferred Stock Units determined by dividing Ten Thousand Dollars ($10,000) by the average of the Closing Prices for the trading days in the month of December. In the case of a Participant whose service as an Independent Director terminates during the Plan Year, the applicable dollar amount shall be determined by multiplying Ten Thousand Dollars ($10,000) by a fraction, the numerator of which shall be the number of full calendar quarters of service as an Independent Director completed by the Participant during the Plan Year and the denominator of which shall be four.

3.03 Elective Credits

(a) Subject to the provisions of this Section 3.03, a Participant may make an irrevocable election, with respect to each Plan Year, to receive all or a portion of his or her Director's Fees for the year in the form of cash, shares of Clorox Common Stock, deferred cash or Deferred Stock Units, provided that an individual who becomes a Participant on the Effective Date may elect to receive Director's Fees for the first quarter of the Company's fiscal year 1997 only in the form of cash or shares of Clorox Common Stock. An election under this Section 3.03 shall be made in a form and manner satisfactory to the Board and shall be effective for a Plan Year only if made before the beginning of the Plan Year; provided that (i) an individual who becomes a Participant on the Effective Date may make an election to receive Director's Fees in the form of cash, shares of Clorox Common Stock, deferred cash or Deferred Stock Units for the second quarter of the Company's fiscal year 1997 on or before September 30, 1997, and (ii) any other individual who becomes a Participant after the first day of a Plan Year may make the election for that Plan Year within 30 days of becoming a Participant. A Participant who does not file a timely election for a Plan Year shall receive his or her Director's Fees in cash.

(b) A Participant who elects to receive his or her Director's Fees in the form of shares of Clorox Common Stock, deferred cash, and/or Deferred Stock Units shall specify the percentage of such Director's Fees (in multiples of 10%, with an aggregate minimum of 50%) to be paid in the form of shares of Clorox Common Stock, deferred cash or Deferred Stock Units.

(c) A Participant who elects to receive shares of Clorox Common Stock shall be distributed shares of Clorox Common Stock as of the last day of each calendar quarter equal to his or her accrued Director's Fees for the quarter, multiplied by the percentage of such Director's Fees previously selected by the Participant to be applied to the purchase of shares of Clorox Common Stock, and divided by the Closing Price as of the last trading day in such calendar quarter. Cash shall be distributed in lieu of fractional shares of Clorox Common Stock.

(d) A Participant who elects to receive deferred cash shall have credited to his or her Deferred Cash Account as of the last day of each calendar quarter an amount determined by multiplying his or her accrued Director's Fees for the quarter by the percentage of such Director's Fees previously selected by the Participant to be received as deferred cash.

(e) A Participant who elects to receive Deferred Stock Units shall have credited to his or her Deferred Stock Unit Account as of the last day of each calendar quarter the number of Deferred Stock Units determined by multiplying his or her accrued Director's Fees for the quarter by the percentage of such Director's Fees previously selected by the Participant to be applied to the purchase of Deferred Stock Units, and dividing the product thereof by the Closing Price as of the last trading day in such calendar quarter.

ARTICLE IV
ACCOUNTS AND INVESTMENTS

4.01 Accounts

A separate Account under the Plan shall be established for each Participant. Such Account shall be (a) credited with the amounts credited in accordance with Article III,
(b) credited (or charged, as the case may be) with the investment results determined in accordance with Sections 4.02 and 4.03, and (c) charged with the amounts paid by the Plan to or on behalf of the Participant in accordance with Article V. Within each Participant's Account, separate subaccounts (including, as necessary, a Deferred Stock Unit Account and a Deferred Cash Account) shall be maintained to the extent the Board determines them to be necessary or useful in the administration of the Plan.

4.02 Deferred Stock Units

(a) Deemed Investment in Clorox Common Stock. Except as provided in subsection (b), below, a Participant's Deferred Stock Unit Account shall be treated as if it were invested in Deferred Stock Units that are equivalent in value to the fair market value of shares of Clorox Common Stock in accordance with the following rules:

(1) Deemed Reinvestment Of Dividends. The number of Deferred Stock Units credited to a Participant's Deferred Stock Unit Account shall be increased on each date on which a dividend is paid on Clorox Common Stock. The number of additional Deferred Stock Units credited to a Participant's Deferred Stock Unit Account as a result of such increase shall be determined by (i) multiplying the total number of Deferred Stock Units (excluding fractional Deferred Stock Units) credited to the Participant's Deferred Stock Unit Account immediately before such increase by the amount of the dividend paid per share of Clorox Common Stock on the dividend payment date, and (ii) dividing the product so determined by the Closing Price on the dividend payment date.

(2) Conversion Out of Deferred Stock Units. The dollar value of the Deferred Stock Units credited to a Participant's Deferred Stock Unit Account on any date shall be determined by multiplying the number of Deferred Stock Units (including fractional Deferred Stock Units) credited to the Participant's Deferred Stock Unit Account by the Closing Price on that date.

(3) Effect of Recapitalization. In the event of a transaction or event described in this paragraph (3), the number of Deferred Stock Units credited to a Participant's Deferred Stock Unit Account shall be adjusted in such manner as the Board, in its sole discretion, deems equitable. A transaction or event is described in this paragraph (3) if
(i) it is a dividend (other than regular quarterly dividends) or other distribution (whether in the form of cash, shares, other securities, or other property), extraordinary cash dividend, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, repurchase, or exchange of shares or other securities, the issuance or exercisability of stock purchase rights, the issuance of warrants or other rights to purchase shares or other securities, or other similar corporate transaction or event and (ii) the Board determines that such transaction or event affects the shares of Clorox Common Stock, such that an adjustment pursuant to this paragraph (3) is appropriate to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(b) Change in Deemed Investment Election. A Participant who elects to receive distribution of his or her Accounts in annual installments will continue to have his or her Deferred Stock Unit Account credited with Deferred Stock Units during the installment period.

4.03 Deferred Cash Accounts

Deferred Cash Accounts shall be credited with interest at an annual rate for each Plan Year equal to the Prime Lending Rate of Wells Fargo Bank as in effect on January 1 of such year. Interest shall be accrued to the date of the actual payment and shall be compounded on a calendar quarter basis.

4.04 Hypothetical Nature of Accounts and Investments

Each Account established under this Article IV shall be maintained for bookkeeping purposes only. Neither the Plan nor any of the Accounts established under the Plan shall hold any actual funds or assets. The Deferred Stock Units established hereunder shall be used solely to determine the amounts to be paid hereunder, shall not be or represent an equity security of the Company, shall not be convertible into or otherwise entitle a Participant to acquire an equity security of the Company and shall not carry any voting or dividend rights.

ARTICLE V
PAYMENTS

5.01 Entitlement to Payment

(a) Credits to a Participant's Account under Section 3.03 shall be in lieu of payment to the Participant of the related Director's Fees. Any payment under the Plan with respect to an Account shall be made as provided in this Article V. The right of any person to receive one or more payments under the Plan shall be an unsecured claim against the general assets of the Company.

(b) Amounts credited to a Participant's Deferred Cash Account shall be paid in cash and amounts credited to a Participant's Deferred Stock Unit Account shall be paid in shares of Clorox Common Stock, except that a cash payment will be made with any final installment for any fraction of a Deferred Stock Unit remaining in the Participant's Account. Such fractional Deferred Stock Unit shall be valued at the Closing Price on the date of settlement.

5.02 Payment Commencement Date

Payments to a Participant with respect to the Participant's Account shall begin as of the Participant's Payment Commencement Date; provided that if a Participant dies before the Participant's Payment Commencement Date, payment of the entire value of the Participant's Account shall be made to the Participant's Beneficiary in accordance with the provisions of Section 5.03 after the Board receives all documents and other information that it requests in connection with the payment.

5.03 Form and Amount of Payment

(a) Five Annual Installments. A Participant shall receive his or her Account in five annual installments unless the Participant elects to receive his or her benefits under the Plan in the form of a lump-sum payment in accordance with subsection (b), below. Annual installments shall be payable to the Participant beginning as of the Payment Commencement Date and continuing as of each Payment Anniversary Date thereafter until all installments have been paid. The first annual installment shall equal one-fifth (1/5th) of the value of the Participant's Account(s), determined as of the Payment Commencement Date. Each successive annual installment shall equal the value of the Participant's Account(s), determined as of the Payment Anniversary Date, multiplied by a fraction, the numerator of which is one, and the denominator of which is the excess of five over the number of installment payments previously made (i.e., 1/4th, 1/3rd, etc.). If the Participant dies before the Participant's Payment Commencement Date, or after the Participant's Payment Commencement Date but before all five installments have been paid, the remaining installments shall be paid to the Participant's Beneficiary in accordance with the schedule in this subsection (a).

(b) Lump Sum. A Participant may elect to receive his or her Account under the Plan in the form of a lump-sum payment in lieu of the five installment payments determined under subsection (a), above. The lump sum shall be payable to the Participant in cash and shares of Clorox Common Stock on the Payment Commencement Date. An election under this subsection
(b) shall be made in a form and manner satisfactory to the Board and shall be effective as to the Participant only if made prior to termination of service with the Board of Directors. If the Participant dies before his or her Payment Commencement Date having elected to receive benefits in the form of a lump sum, a lump sum payment shall be made to the Participant's Beneficiary on the Payment Commencement Date.

ARTICLE VI
ADMINISTRATION

6.01 In General

(a) The Plan shall be administered by the Board. The Board shall act by vote or written consent of a majority of its members.

(b) The Board shall have the discretionary authority to interpret the Plan and to decide any and all matters arising under the Plan, including without limitation the right to determine eligibility for participation, benefits, and other rights under the Plan; the right to determine whether any election or notice requirement or other administrative procedure under the Plan has been adequately observed; the right to determine the proper recipient of any distribution under the Plan; the right to remedy possible ambiguities, inconsistencies, or omissions by general rule or particular decision; and the right otherwise to interpret the Plan in accordance with its terms. The Board's determination on any and all questions arising out of the interpretation or administration of the Plan shall be final, conclusive, and binding on all parties.

6.02 Plan Amendment and Termination

The Board may amend, suspend, or terminate the Plan at any time; provided that no amendment, suspension, or termination of the Plan shall, without a Participant's consent, reduce the Participant's benefits accrued under the Plan before the date of such amendment, suspension, or termination. If the Plan is terminated in accordance with this Section 6.02, the terms of the Plan as in effect immediately before termination shall determine the right to payment in respect of any amounts that remain credited to a Participant's Account upon termination.

6.03 Reports to Participants

The Board shall furnish an annual statement to each Participant or, if the Participant is deceased, the Participant's Beneficiary) reporting the value of the Participant's Account as of the end of the most recent Plan Year.

6.04 Delegation of Authority

The Board may delegate to officers of the Company any and all authority with which it is vested under the Plan, and the Board may allocate its responsibilities under the Plan among its members.

ARTICLE VII
CHANGE OF CONTROL

7.01 Change of Control Defined

A Change of Control shall be deemed to occur on

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20%, or in the case of Henkel KGaA, or any person controlled by it ("Henkel"), more than the percentage unit of the Company's issued common stock agreed to in paragraph 4(a) of the June 18, 1981, agreement between the Company and Henkel, as amended, of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company;
(2) any acquisition by the Company, including any acquisition which, by reducing the number of shares outstanding, is the sole cause for increasing the percentage of shares beneficially owned by any such Person or by Henkel to more than the applicable percentage set forth above; (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or by any corporation controlled by the Company; or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of Section 7.01(c); or

(b) Individuals who, as of July 1, 1996, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board, and if Henkel is not the acquiring person, any individual nominated as a representative of Henkel pursuant to the agreement between Henkel and the Company dated July 16, 1986, shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation by the Company of a reorganization, merger or consolidation or sale or other disposition of a ll or substantially all of the assets of the Company or the acquisition of assets of another corporation (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all of substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (ii) no Person
(excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

7.02 Effect of Change of Control

(a) Notwithstanding any other provision in any other Article of this Plan to the contrary, other than Section 8.08(b), (i) the value of all amounts

deferred by a Participant which have not yet been credited to the Participant's Account and (ii) the value of such Participant's Account shall be paid to such Participant in each case in a lump-sum cash payment on the occurrence of a Change in Control or as soon thereafter as practicable, but in no event later than five days after the Change in Control. The amount of cash credited to each Participant's Account prior to determining the amount of cash to be paid from the Account shall be determined by the Board (which, for this purpose, shall be comprised of employee members of the Board prior to the Change in Control) so as to reflect fairly and equitably appropriate interest and dividends and so as to reflect fairly and equitably such other facts and circumstances as the Board deems appropriate, including, without limitation, the recent price of shares of Clorox Common Stock. For purposes of payments under this Article VII, the value of a Deferred Stock Unit shall be computed as the greater of (1) the Closing Price on or nearest the date on which the Change of Control is deemed to occur, or
(2) the highest per share price for shares of Clorox Common Stock actually paid in connection with the Change of Control.

ARTICLE VIII
MISCELLANEOUS

8.01 Rights Not Assignable

No payment due under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge in any other way. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge such payment in any other way shall be void. No such payment or interest therein shall be liable for or subject to the debts, contracts, liabilities, or torts of any Participant or Beneficiary. If any Participant or Beneficiary becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge in any other way any payment under the Plan, the Board may direct that such payment be suspended and that all future payments to which such Participant or Beneficiary otherwise would be entitled be held and applied for the benefit of such person, the person's children or other dependents, or any of them, in such manner and in such proportions as the Board may deem proper.

8.02 Certain Rights Reserved

Nothing in the Plan shall confer upon any person the right to continue to serve as a member of the Board or to participate in the Plan other than in accordance with its terms.

8.03 Withholding Taxes

The Board may make any appropriate arrangements to deduct from all credits and payments under the Plan any taxes that the Board reasonably determines to be required by law to be withheld from such credits and payments.

8.04 Incompetence

If the Board determines, upon evidence satisfactory to the Board, that any Participant or Beneficiary to whom a benefit is payable under the Plan is unable to care for his or her affairs because of illness or accident or otherwise, any payment due under the Plan (unless prior claim therefor shall have been made by a duly authorized guardian or other legal representative) may be paid, upon appropriate indemnification of the Board and the Company, to the spouse of the Participant or Beneficiary or other person deemed by the Board to have incurred expenses for the benefit of and on behalf of such Participant or Beneficiary. Any such payment shall be a complete discharge of any liability under the Plan with respect to the amount so paid.

8.05 Inability to Locate Participants and Beneficiaries

Each Participant and Beneficiary entitled to receive a payment under the Plan shall keep the Board advised of his or her current address. If the Board is unable for a period of 36 months to locate a Participant or Beneficiary to whom a payment is due under the Plan, commencing with the first day of the month as of which such payment first comes due, the total amount payable to such Participant or Beneficiary shall be forfeited. Should such a Participant or Beneficiary subsequently contact the Board requesting payment, the Board shall, upon receipt of all documents and other information that it might request in connection with the payment, restore and pay the forfeited payment in a lump sum, the value of which shall not be adjusted to reflect any interest or other type of investment earnings or gains for the period of forfeiture.

8.06 Successors

The provisions of the Plan shall bind and inure to the benefit of the Company and its successors and assigns. The term "successors" as used in the preceding sentence shall include any corporation or other business entity that by merger, consolidation, purchase, or otherwise acquires all or substantially all of the business and assets of the Company, and any successors and assigns of any such corporation or other business entity.

8.07 Usage

(a) Titles and Headings. The titles to Articles and the headings of Sections, subsections, and paragraphs in the Plan are placed herein for convenience of reference only and shall be of no force or effect in the interpretation of the Plan.

(b) Number. The singular form shall include the plural, where appropriate.

8.08 Severability

If any provision of the Plan is held unlawful or otherwise invalid or unenforceable in whole or in part, such unlawfulness, invalidity, or unenforceability shall not affect any other provision of the Plan or part thereof, each of which shall remain in full force and effect. If the making of any payment or the provision of any other benefit required under the Plan is held unlawful or otherwise invalid or unenforceable, such unlawfulness, invalidity or unenforceability shall not prevent any other payment or benefit from being made or provided under the Plan, and if the making of any payment in full or the provision of any other benefit required under the Plan in full would be unlawful or otherwise invalid or unenforceable, then such unlawfulness, invalidity, or unenforceability shall not prevent such payment or benefit from being made or provided in part, to the extent that it would not be unlawful, invalid, or unenforceable, and the maximum payment or benefit that would not be unlawful, invalid, or unenforceable shall be made or provided under the Plan.

8.09 Governing Law

The Plan and all determinations made and actions taken under the Plan shall be governed by and construed in accordance with the laws of the State of California.

THE CLOROX COMPANY

Attest: /s/ E. A. Cutter

Date: September 18, 1996

CAPTION>

CLOROX BOARD OF DIRECTORS
DEFERRED STOCK UNIT PLAN

APPENDIX I

PENSION BENEFIT CONVERSION TO STOCK UNITS

DIRECTOR	NORMAL RETIREMENT DATE	PRESENT VALUE OF ACCRUED BENEFIT AS OF 6/30/96	NUMBER OF STOCK UNITS AT 6/30/96 CONVERSION (1)
BOGGAN	12/31/2015	$ 28,984	327.04
COLLINS	12/31/2000	$ 57,954	653.92
FAIRCHILD	12/31/2000	$172,221	1943.26
MANCHOT	12/31/2006	$ 62,893	709.65
MORTON	12/31/2002	$ 66,652	752.07
SCARFF	12/31/2000	$125,352	1414.41
SCOTT	12/31/2006	$ 61,242	691.02
SHUMWAY	12/31/1997	$166,445	1878.08
VOHS	12/31/1998	$127,427	1437.82
WOLFE	12/31/2002	$ 63,916	721.20

(1) Number of Stock Units equals PV of accrued benefit divided by the Closing Price on June 28, 1996.