

CLOROX CO /DE/

FORM 8-K (Unscheduled Material Events)

Filed 12/3/1996 For Period Ending 11/26/1996

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

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest
event reported): November 26, 1996

THE CLOROX COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-07151
(Commission File Number)

31-0595760
(I.R.S. Employer
Identification No.)

1221 Broadway, 94612
Oakland, California
(Address of Principal (Zip Code))

Executive Offices)

@ @

510/271-7000
(Registrant's Telephone Number, Including Area Code)

Item 5. Other Events.

On November 26, 1996, the registrant, Shield Acquisition Corporation, a Delaware corporation and wholly-owned subsidiary of the registrant (the "Offeror"), and Armor All Products Corporation, a Delaware corporation ("Armor All"), entered into an Agreement and Plan of Merger (the "Merger Agreement") providing for a tender offer (the "Offer") by the Offeror for any or all of the shares of Armor All's common stock (the "Shares"). Following the Offer and the Offeror's payment for the Shares tendered pursuant to the Offer, subject to certain conditions, the Merger Agreement provides for the merger of Armor All with and into the Offeror (the "Merger"), with Armor All as the surviving corporation. Under the terms of the Merger Agreement, Armor All stockholders who tender Shares will receive \$19.09 from Offeror for each Share tendered. Concurrently with the execution of the Merger Agreement on November 26, 1996, the registrant, the Offeror and McKesson Corporation, a stockholder of Armor All currently holding approximately 54% of the Shares ("McKesson"), entered into a stockholder agreement (the "Stockholder Agreement"), pursuant to which McKesson agreed to tender all Shares owned by it pursuant to the Offer and granted to the registrant an irrevocable proxy to vote McKesson's Shares in connection with any meeting of the stockholders of Armor All regarding the Merger or certain other matters. On December 2, 1996, the Offeror and the registrant filed with the Securities and Exchange Commission a Tender Offer Statement on Schedule 14D-1 in connection with the Offeror's offer to purchase all of the Shares, which provides additional information regarding the Offer and the Merger and attaches the Merger Agreement and the Stockholder Agreement as exhibits thereto.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

1.1 Form of press release of the registrant issued on November 26, 1996.

SIGNATURES

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

THE CLOROX COMPANY

Date: December 3, 1996

By: /s/ E. A. CUTTER

E.A. Cutter

Senior Vice President -

General Counsel and Secretary

EXHIBIT 1.1 TO FORM 8-K

**CLOROX WILL ACQUIRE ARMOR ALL, THE LEADING
LINE OF AUTOMOTIVE CLEANING PRODUCTS**

Move extends Clorox's cleaning expertise

into a major new category

Oakland, Calif., Nov. 26, 1996 -- The Clorox Company (CLX-NY, PSE), a leading consumer products manufacturer, said today that it will add the top line of automotive cleaning products to its portfolio with the planned acquisition of Armor All Products Corporation (ARMR-NASDAQ).

Clorox and Armor All have entered into an agreement and plan of merger under which Clorox will make a tender offer for 100 percent of Armor All's common stock at a price of \$19.09 per share for a total of approximately \$400 million. Armor All's board of directors has unanimously approved the agreement and recommended that Armor All's stockholders accept the Clorox offer. McKesson Corporation, which owns 55 percent of Armor All's common stock, has agreed to tender all of its shares.

The tender offer is expected to commence on Dec. 2, 1996 and to close before the end of the year. Armor All's regular quarterly dividend of 16 cents per share, declared Nov. 12, 1996, will be paid on Jan. 2, 1997 to stockholders of record Dec. 2, 1996.

Clorox plans to fund the acquisition with cash and short-term borrowings.

The acquisition is expected to be modestly dilutive, with Clorox's fiscal year 1997 earnings impacted by about 2 percent to 3 percent. This is based on preliminary estimates, and actual results may vary.

Based in Orange County (Calif.), Armor All reported fiscal 1996 revenues of \$186 million. Some 73 percent of sales, or about \$136 million, was in U.S. automotive cleaners. The balance was in international Armor All sales and in a line of domestic do-it-yourself home care products.

Armor All leads the \$710 million automotive cleaning products market with a 30 percent share, and has about a 60 percent share of the \$170 million protectant segment.

"This acquisition is right on target with our strategy of finding strong equities in new categories close in to what we do and where we can add value," said Clorox Chairman and CEO Craig Sullivan.

- - More -

"Armor All is a great brand equity with leading positions in the market and extraordinarily high consumer awareness and satisfaction ratings," Sullivan continued. "This acquisition is a logical extension of our home cleaning expertise into a market where we will have a leading position. It fits virtually all of our criteria for acquisitions into new categories."

Sullivan noted that the key benefits consumers want in their cleaning products, whether in the home or in the garage, are identical. They want surfaces to be clean and new looking with minimal effort. They want to protect their investments, and they take satisfaction in making their possessions look new again.

Clorox plans to achieve significant synergies with its other core businesses in marketing and manufacturing, and in R&D, "where our goal is to lead the category in product quality and performance," Sullivan stated. He added that the automotive cleaner market is a favorable environment for Clorox's marketing strengths and that "Armor All" is a strong advertisable brand name.

Since about half of Armor All volume is sold to customers with whom Clorox already does business, there is a significant opportunity to improve delivery efficiency for these customers. Many customers will be able to pool orders with other Clorox products for greater savings. "We also look forward to developing a positive growth relationship with new customers in the retail automotive channel," Sullivan added.

Internationally, Armor All will add mass to Clorox businesses in Canada, Mexico, Puerto Rico and Japan, all places where Clorox already has operations.

Dollar sales for the \$710 million automotive cleaning products market were up approximately 5.3 percent for the 12 months ended August 1996. In the protectant segment, which Armor All created 25 years ago and continues to lead, dollar sales were up approximately 5.6 percent. Armor All products also lead the wash, tire cleaner and wheel cleaner segments.

Clorox believes several factors may drive growth faster in automotive cleaning than in home cleaning. Among them, vehicle ownership is up 20 percent over the past 10 years and exceeds the population's growth rate. Consumers are keeping their cars longer, and older cars are more likely to be washed and polished at home. And because new car prices are increasing faster than salaries, consumers are more attentive to protecting their investment.

In addition to its line of home cleaning products, The Clorox Company manufactures and markets bleaches, cat litters and insecticides, charcoal briquets, salad dressings and sauces. The company had net earnings of \$222 million on sales of \$2.2 billion for the year ended June 30.

- - More -

This announcement contains forward looking statements relating to the integration of the Armor All business into Clorox's business. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for such statements provided the Company makes note of risk factors associated with them. Therefore the Company points out that acquisitions involved a number of risks which can cause actual results to be materially different from expected results. There can be no assurance that Clorox will be able to successfully integrate and then manage Armor All without unanticipated costs, delays or problems.

###

CONTACTS

News Media

Fred Reicker
(W) 510-271-7291
(H) 510-351-7548

Investment Community

Karen Rose
(W) 510-271-7385

Ughetta Ugolini
(W) 510-271-2270

McKesson

Janet Bley
(415) 983-9357

End of Filing

Powered By **EDGAR**
Online

© 2005 | **EDGAR Online, Inc.**