

[Financial Information](#) > [Press Releases](#) > 1st Quarter 2006

April 20th, 2006.

SELECTED INCOME STATEMENT DATA (1)

	Quarter ended March 31st		
	2006	2005	% CHG
NET SALES	\$5,701	\$5,263	8
OPERATING PROFIT	1,316	1,191	10
INTEGRAL FINANCING COST	226	86	N/A
NET INCOME BEFORE TAXES AND PTU	1,090	1,105	(1)
NET INCOME	755	670	13
EARNINGS PER SHARE (PESOS)	0.65	0.57	14
EBITDA	1,640	1,525	8

Results for the first quarter of the year were very good. For the fifteenth consecutive quarter we are reporting net sales growth in real terms. The growth in units sold was close to 10 percent above the prior year, driven mainly by the superior performance of the consumer products group which grew 14 percent. Even though prices and mix of products sold by the industrial products area were lower than the previous year, the final overall result was an increase in net sales higher than 8 percent.

For the eighth successive quarter, operating profit showed an increase versus the prior year in real terms and was higher than the growth in net sales. Notwithstanding the fact that we continued to be affected by strong increases in inputs, particularly in those related to natural gas and oil, as well as in energy, the incremental volumes with which the Company has operated, coupled with results from the continuous cost savings programs implemented in all areas plus a favorable price and mix for consumer products, all contributed to the higher operating profit growth. The operating profit margin was set at 23 percent.

In the first quarter of the year we were still negatively impacted by the effects of the appreciation of the exchange rate over a long position that still existed until February in foreign currency. The adverse effect of this currency exchange loss was offset by an adjustment in income taxes resulting from a favorable resolution to an appeal against a federal tax law. For this reason, net income improved more than operating profit. However, net income would have been higher than prior year even without the favorable tax resolution.

The Consumer Products business (PROCON), which accounted for 78 percent of the Company's net sales and 90 percent of its EBITDA, had a very good quarter. Its volume of units sold increased by close to 14 percent with growths in virtually all the productions in its portfolio but mainly in its two leading products: disposable diapers and bathroom tissue, in which market shares have also increased. Product prices and mix were 1 percent higher than the previous year. PROCON's operating margin improved to almost 28 percent.

The writing and printing papers business has managed to turn around the negative trend shown in the third and particularly the fourth quarter of 2005. This business has shown clear signs of recovery. Additionally, the U.S. Government has imposed countervailing duties to notebooks imported from Asia, more than 6 millions tons of capacity have been shutdown in the last two years in U.S. and Canada making the relation offer/demand more in balance and there is a clear tendency of price recovery in paper products. Yet, comparisons against the first two quarters of the past year will be difficult. In this context, volumes of units sold were 3 percent above the previous year; however, although prices are going in the right direction, they have not recovered sufficiently yet and were 7 percent lower than the prior year.

The quality of the Company's earnings is reflected in its solid financial position. As of March 31st, 2006 we ended with cash of \$1,958 million pesos after having invested \$1,180 million pesos (fixed assets or CAPEX of \$931 million and own-stock repurchases of \$249 million); and having paid out dividends of \$2,615 million pesos in the last twelve months. There was an improvement in working capital management as accounts receivables were reduced from 67 to 63 days and, inventory turnover increased from 7.7 to 7.8 times.

Under generally accepted accounting principles in the United State (USGAAP), results for the quarter were as follows: Net sales of \$537 million, 18 percent higher than the prior year; Operating profit of \$135 million, 16 percent more than the previous year; and, Net income of \$78 million, 16 percent above last year.

The breakdown of Net Sales and EBITDA by business group for the first quarter 2006 are as follows:

Consolidated Income Statements (1)
Three months ended March 31st, 2006 and 2005

	2006	%	2005	%
Net Sales	5,701		5,263	
Cost of Sales	<u>3,568</u>		<u>3,319</u>	
Gross Profit	2,133	37	1,944	37
Operating Expenses	<u>817</u>		<u>753</u>	
Operating Profit	1,316	23	1,191	23
Integral Financing Cost	<u>226</u>		<u>86</u>	
Income before Provisions	1,090		1,105	

Income Tax & Employee Profit Sharing	335		435	
Net Income	755	13	670	13
Earnings per Share (pesos)	0.65		0.57	14
EBITDA	1,640		1,525	

Share Buyback Program

	2006	2005
Repurchased Shares during the quarter	907,700	6,755,000

Consolidated Financial Statement (1) as of March 31st, 2006 and 2005

	2006	2005
<u>Assets</u>		
Cash	1,958	2,309
Accounts and Documents Receivable	4,883	4,795
Inventories	1,925	1,802
Property, Plant and Equipment	<u>16,406</u>	<u>17,568</u>
Total Assets	25,172	26,474
<u>Liabilities and Consolidated Stockholders' Equity</u>		
Bank loans	98	681
Derivative instruments	420	59
Suppliers	2,205	1,764
Accumulated liabilities	1,547	1,448
Dividends payable	2,695	2,609
Taxes and profit sharing payable	665	868
Long term loans	5,061	5,421
Deferred taxes	2,541	3,103
Consolidated stockholder's equity	<u>9,940</u>	<u>10,521</u>
Total	<u>25,172</u>	<u>26,474</u>

Consolidated Statements of Changes in Financial Position

from January 1st to March 31st, 2006 and 2005 (1)

	2006	2005
Net income	755	670
Depreciation	324	334
Changes in working capital	<u>(259)</u>	<u>(297)</u>
Sources generated by operating activities	820	707
Dividend payments	(18)	(30)
CAPEX	(105)	(178)
Share repurchases	(32)	(256)
Financing activities	(2)	(71)
Derivative instruments	<u>(523)</u>	<u>(86)</u>
Sources generated	140	86
Cash at the beginning of the year	1,818	2,223
Cash at the end of the period	1,958	2,309

(1) Prepared in accordance with Generally Accepted Accounting Principles in Mexico (Mex GAAP) and expressed in millions of pesos as of of March 31st, 2006 purchasing Kimberly-Clark de México manufactures, markets and distributes consumer, personal care and paper based products.

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