

[Financial Information](#) > [Press Releases](#) > 2nd Quarter 2008

July 17th, 2008

Highlights:

Results highlight a positive trend.

Growth in net sales of 9 percent.

10 percent increase in operating profit, higher than net sales growth.

Growth in net income of 17 percent.

Start-up of new investments; COFORM start-up (Cost reduction).

SELECTED INCOME STATEMENT DATA
Millions of nominal pesos except earnings per share

	Quarter ended June 30th.		
	2008	2007	% CHG.

NET SALES	\$5,755	\$5,286	9
OPERATING PROFIT	1,488	1,352	10
INTEGRAL FINANCING COST RESULT & PROFIT SH.	132	240	(45)
NET INCOME BEFORE INCOME TAX	1,356	1,112	22
IMPUESTOS	403	295	36
NET INCOME	954	817	17
EARNINGS PER SHARE (Pesos)	0.86	0.72	19
EBITDA	1,777	1,612	10

Second quarter results are encouraging and show an important improvement versus the first quarter. Growth in net sales, operating profit and net income were achieved due to higher volumes, better selling prices and mix, costs containment and the start-up of new investments.

Net sales for the quarter grew 9 percent versus prior year, driven by a 4 percent volume growth and 5 percent better price and mix. We had volume growth in our household products, in infant care and a particularly strong increase in wet wipes of almost 50 percent in the quarter and for the year.

We continued to be affected by cost increases. Energy and natural gas have increased 40 and 50 percent respectively. With respect to other raw materials, pressures continued particularly in oil derivatives, pulp and recycled fibers.

These negative effects were offset by higher production efficiency due to increased volumes, to a comprehensive cost reduction and containment program, as well as savings derived from the start-up of new investments designed to reduce cost and to a better mix of products sold and improved selling prices. As a result, operating profit grew 10 percent versus last year and was higher than the net sales increase.

Net income grew 17 percent year over year driven by the growth in operating profit and a lower integral financing cost.

An EBITDA of close to \$1,800 million pesos was generated during the quarter and as of June 30th, we have \$2,900 million pesos in cash after having made investments in the last twelve months of \$2,922 million pesos (\$1,432 in capital expenditures (CAPEX), \$1,490 in the re-purchase of stock) and having paid out a regular dividend to our shareholders of \$2,973 million pesos.

We continued executing our CAPEX program. We started up the production of the base sheet for wet wipes with an investment of more than \$40 million dollars. This process is

already providing important cost savings for the company.

Under United States generally accepted accounting principles (US GAAP), the quarterly results were as follows: net sales were 14 percent above; operating profit was 14 percent above; and net income was 15 percent higher than in 2007.

Share Buyback Program

	2008	2007
Repurchased shares during the quarter	14,265,700	3,189,100

SELECTED INCOME STATEMENT DATA

Millions of nominal pesos except earnings per share

	Six months ended June 30th				
	2008	%	2007	%	% CHG.
NET SALES	\$11,315		\$10,483		8
OPERATING PROFIT	2,807	25	2,772	26	1
INTEGRAL FINANCING COST RESULT & PROFIT SH.	293		411		(29)
NET INCOME BEFORE INCOME TAX	2,514		2,361		6
INCOME TAX	716		605		18
NET INCOME	1,798	16	1,756	17	2
EARNINGS PER SHARE (Pesos)	1.62		1.54		5
EBITDA	3,381		3,292		3

Consolidated Balance Sheets

Millions of nominal pesos

	June 30th	
	2008	2007
Assets		
Cash	\$2,860	\$1,419

Accounts and documents receivable	4,376	4,258
Inventories	1,676	1,655
Current assets from discontinued operations	-	99
Long term account receivable	445	573
Long term Derivatives	149	-
Property, plant and equipment	<u>14,560</u>	<u>13,653</u>
Total assets	\$24,066	\$21,657
Liabilities and consolidated stockholder's equity		
Bank loans	\$72	\$97
Derivatives	-	91
Accounts payable	2,349	2,052
Accrued liabilities	1,426	1,445
Dividends payable	2,293	2,218
Taxes to be paid	378	346
Employee's benefits	450	420
Current liabilities from discontinued operations	-	27
Long term loans	7,216	4,923
Deferred taxes	2,232	1,954
Long term employee's benefits	112	59
Consolidated stockholder's equity	<u>7,538</u>	<u>8,025</u>
TOTAL	\$24,066	\$21,657

Consolidated Statement of Changes in Financial Position
Millions of nominal pesos

	Six months ended June 30th,	
	2008	2007
Net income	\$1,798	\$1,756

Depreciation	574	520
Deferred taxes	(23)	86
Exchange rate fluctuation & interests	206	224
Changes in working capital	<u>(111)</u>	<u>(21)</u>
Sources generated by operating activities	2,444	2,565
CAPEX	(597)	(628)
Discontinued operations	-	(613)
Share repurchases	(650)	(154)
Dividends	(773)	(749)
Financing activities and interest paid	(360)	(280)
Derivative instruments	<u>(119)</u>	<u>(499)</u>
Sources utilized	(55)	(358)
Cash at the beginning of the year	2,915	1,777
Cash at the end of the period	2,860	1,419

Consolidated Statement of Income
2008 millions of nominal pesos, 2007 millions of pesos of purchasing power of December 31, 2007
(except earnings per share)

	Segundo trimestre terminado el 30 de junio de		
	2008	2007	% CHG.
NET SALES	\$5,755	\$5,449	6
OPERATING PROFIT	1,488	1,394	7
INTEGRAL FINANCING COST RESULT & PROFIT SH.	132	247	(47)
NET INCOME BEFORE INCOME TAX	1,356	1,147	18
INCOME TAX	403	305	32
NET INCOME	954	842	13
EARNINGS PER SHARE (Pesos)	0.86	0.74	16
EBITDA	1,777	1,662	7

Consolidated Balance Sheets

2008 millions of nominal pesos, 2007 millions of pesos of purchasing power of December 31, 2007 (except earnings per share)

	Quarter ended June 30th.				
	2008	%	2007	%	% CHG.
NET SALES	\$11,315		\$10,799		5
OPERATING PROFIT	2,807	25	2,856	26	(2)
INTEGRAL FINANCING COST RESULT & PROFIT SH.	293		424		(31)
NET INCOME BEFORE INCOME TAX	2,514		2,432		3
INCOME TAX	716		623		15
NET INCOME	1,798	16	1,809	17	(1)
EARNINGS PER SHARE (Pesos)	1.62		1.59		2
EBITDA	3,381		3,392		-

SELECTED INCOME STATEMENT DATA

2008 millions of nominal pesos, 2007 millions of pesos of purchasing power of December 31, 2007 (except earnings per share)

	June 30th,	
	2008	2007
Assets		
Cash	\$ 2,860	\$ 1,464
Accounts and documents receivable	4,376	4,392
Inventories	1,676	1,708
Current assets from discontinued operations	-	102
Long term account receivable	445	591
Long term Derivatives	149	-
Property, plant and equipment	<u>14,560</u>	<u>14,084</u>

Total assets	24,066	22,341
Liabilities and consolidated stockholder's equity		
Bank loans	\$72	\$100
Derivatives	-	93
Cuentas por Pagar	2,349	2,117
Pasivos Acumulados	1,426	1,491
Dividendos por Pagar	2,293	2,288
ISR por Pagar	378	357
Beneficios al Personal Corto Plazo	450	433
Pasivo Circulante Operaciones Discontinuadas	-	28
Préstamos a Largo Plazo	7,216	5,079
Impuestos Diferidos	2,232	2,016
Beneficios al Personal Largo Plazo	112	61
Capital Contable	<u>7,538</u>	<u>8,278</u>
Total	\$24,066	\$22,341

Consolidated Statement of Changes in Financial Position

2008 millions of nominal pesos, 2007 millions of pesos of purchasing power of December 31, 2007

	Six months ended June 30th,	
	2008	2007
Net income	\$1,798	\$1,809
Depreciation	574	535
Deferred taxes	(23)	89
Exchange rate fluctuation & interests	206	230
Changes in working capital	<u>(111)</u>	<u>(36)</u>
Sources generated by operating activities	2,444	2,627
CAPEX	(597)	(647)
Discontinued operations	-	(632)

Share repurchases	(650)	(159)
Dividends	(773)	(760)
Financing activities and interest paid	(360)	(289)
Derivative instruments	<u>(119)</u>	<u>(519)</u>
Sources utilized	(55)	(379)
Cash at the beginning of the year	2,915	1,843
Cash at the end of the period	2,860	1,464

Kimberly Clark de Mexico is engaged in the manufacture and commercialization of disposable products for daily use by consumers within and away-from-home, such as: diapers and child care products, feminine pads, incontinence care products, bath tissue, napkins, facial tissue, hand and kitchen towels, wet wipes and health care products. Some of the main brands include: Huggies®, Kleen-Bebé®, Kleenex®, Kimlark®, Pétalo®, Cottonelle®, Depend® and Kotex®.

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