

April 24, 2014

**Kimberly-Clark de México, S.A.B. de C.V.
FIRST QUARTER 2014 RESULTS**

Highlights:

- Sales of 7.3 billion pesos during the quarter, 4 percent lower than last year.
- 2 billion pesos of EBITDA, a 27.2 percent margin.
- 1.7 billion pesos of Capex in the last twelve months.

FINANCIAL RESULTS

Prepared in accordance with International Financial Reporting Standards (IFRS)
Million pesos, except earnings per share

	Quarter ended March 31		
	<u>2014</u>	<u>2013</u>	<u>% CHANGE</u>
NET SALES	\$7,262	\$7,572	(4)
GROSS PROFIT	2,799	2,993	(6)
OPERATING PROFIT	1,569	1,811	(13)
NET INCOME	974	1,170	(17)
EARNINGS PER SHARE (Pesos)	0.31	0.37	(16)
EBITDA	1,975	2,190	(10)

During the first quarter of 2014, top line suffered as domestic consumption continued to be very slow with a consequent increase in competitive activity. Notwithstanding we continued delivering solid margins, earnings, and EBITDA generation.

Net sales decreased 4 percent, EBITDA 10 percent and net income 17 percent.

Net prices were down 5 percent while volume grew 1 percent. During the fourth quarter of 2013 we reduced prices so the year-over-year price comparison in the first quarter is negative.

Consumer products sales decreased by 4 percent, away from home products posted a 2 percent top line increase and exports sales grew 1 percent.

Prices in most raw materials were higher. Pulp, super absorbents, oil derivatives and energy prices were higher during the quarter while fibers for recycling were lower. Costs were also negatively affected by a weaker peso. Since volumes remained strong, however, we were able to increase our manufacturing efficiencies, which together with the cost savings program helped sustain profitability levels as the gross margin was down only 100 basis points.

First quarter EBITDA decreased 10 percent. EBITDA margin was 27.2 percent.

In dollars, under US GAAP, net sales decreased 7 percent in the quarter, operating profit decreased 12 percent and net income decreased 18 percent.

In the last twelve months we invested \$2,289 million pesos (\$1,739 million in Capex, and \$550 million in our share buy-back program) and paid \$4,144 million pesos of dividends to our shareholders.

We continue to invest to add capacity and innovation in anticipation of expected growth. The largest project, a new tissue machine in Queretaro, continues on plan both in terms of time and cost and will start up in the second quarter.

During the quarter we successfully issued \$750 million pesos of debt in the form of Certificados Bursatiles (Cebures) at a variable rate of TIIE + 17 basis points and a 4.6 year maturity. This issuance is a reopening of the September 2013 one and received a “AAA” rating by both Standard & Poor’s and Fitch.

As of March 31 the company held \$6,339 million pesos in cash and equivalents.

The company has a derivative financial instrument to hedge interest rates. Changes in the market price of this instrument would not materially impact future results.

Subsequent Event

In early April we also placed a 10 year US\$250 million 144A Reg S bond under a very successful issuance. These notes have a 3.80 percent fixed coupon and were rated A- and A by Standard & Poor’s and Fitch. Both the principal as well as the interest service have been swapped to pesos so the company is incurring in no incremental currency exposure by issuing in the international markets.

Share Buyback Program Year to Date

	<u>2014</u>	<u>2013</u>
Shares repurchased	540,729	154,997

FINANCIAL POSITION
Million Pesos

	As of March 31	
	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 6,339	\$ 4,729
Trade and other receivables	5,438	5,837
Inventories	2,130	1,911
Property, plant and equipment	15,880	15,634
Intangible assets and others	<u>1,467</u>	<u>1,437</u>
Total	\$ 31,254	\$ 29,548
<u>Liabilities and equity</u>		
Current portion of long term debt	\$ 2,300	\$ 1,250
Trade payables	3,395	2,995
Employee benefits	1,260	1,104
Dividends payable	4,402	4,169
Provisions and other liabilities	1,421	1,560
Current tax payable	360	708
Long term debt	10,927	9,980
Derivative financial instruments	219	194
Deferred taxes	1,694	1,783
Other liabilities	152	220
Equity	<u>5,124</u>	<u>5,585</u>
Total	\$ 31,254	\$ 29,548

CASH FLOWS
Million pesos

	Three months ended March 31	
	<u>2014</u>	<u>2013</u>
Profit before tax	\$ 1,432	\$ 1,697
Depreciation	406	379
Other	137	114
Cash used in operations	<u>(1,231)</u>	<u>(542)</u>
Net cash flow from operating activities	744	1,648
Capital expenditures	(377)	(287)
Repurchase of shares	(19)	(5)
Debt issuance	748	-
Payment of net interest	<u>(147)</u>	<u>(92)</u>
Net increase in cash	949	1,264
Cash and equivalents at the beginning of period	5,390	3,465
Cash and equivalents at the end of period	6,339	4,729

Kimberly Clark de México S.A.B. de C.V. is a Mexican company that manufactures and commercializes branded consumer products such as diapers, feminine pads, bath tissue, napkins, facial tissue, paper towels and wet wipes. We are market leaders in almost all of our categories with brands such as Huggies, Kleen-Bebé, Kleenex, Kimlark, Pétalo, Cottonelle, Depend, Kotex and Evenflo.