

July 19, 2012

Highlights:

- Net sales grew 13 percent representing a record for a quarter.
- The positive trend in volume and market shares continues.
- The operating profit margin was the highest of the last six quarters.
- Earnings per share grew 7 percent despite currency impacts.
- Capex in the last twelve months was more than \$1 billion pesos.

SELECTED INCOME STATEMENT DATA

Prepared in accordance with IFRS

Millions of pesos except earnings per share

	Quarter ended June 30 th .		
	<u>2012</u>	<u>2011</u>	<u>% CHG</u>
NET SALES	\$7,263	\$6,413	13
OPERATING PROFIT	1,702	1,498	14
NET INCOME	1,016	960	6
EARNINGS PER SHARE (Pesos)	0.32	0.30	7
EBITDA	2,091	1,846	13

We had a good quarter. We achieved growth of 13 percent in net sales, 14 percent in operating profit and 13 percent in EBITDA.

Our top line growth was composed of 10 percent organic growth and Evenflo contributed with 3 additional percentage points. Our consumer products business grew 13 percent. Professional products also contributed significantly.

Higher sales in consumer products were mainly volume driven. During the quarter we perceived a better consumer environment which, in addition to the results of our strategies to incentivize demand and increase our market shares, resulted in growth in most of our categories. Standing out in terms of such growth were disposable diapers, household products and wet wipes.

Our costs grew less than our sales despite the strong negative impact caused by peso devaluation. The dollar denominated prices of some raw materials like oil derivatives are still higher than last year. Additionally, almost all of our costs reflected the impact of a 14 percent weaker peso. The effect of these impacts

was offset by higher operating efficiencies and by the results of our ongoing cost savings program.

EBITDA grew 13 percent in the quarter to \$2,091 million pesos, a 250 basis points margin improvement versus the first quarter. Net income grew 6 percent mainly as a consequence of the negative effects from the peso depreciation during the quarter that affected our position in foreign currency liabilities.

In the last twelve months we invested \$1,605 million pesos (\$1,066 in capital expenditures (Capex) and \$539 in stock repurchases), and paid a \$3,651 million pesos dividend to our shareholders.

As of June 30, 2012 the company had \$3,315 million pesos in cash.

In dollars, under US GAAP, net sales were in line with those of last year; operating profit was down 2 percent and net income decreased by 10 percent. These results were significantly affected by the weaker peso.

On June 1, our Morelia mill was affected by a fire in the converting area. All of the investigations point to an accident. This event will not materially affect our results as we have proper insurance as well as available manufacturing capacity at other facilities to cover our production requirements. Our June 30 balance sheet reflects a \$167 million pesos assets write-off as well as an accounts receivable from the insurance for the same amount.

As reported in the financial statements, the company has one derivative financial instrument to hedge the risk of interest rates variation. Changes to the market price of this instrument would not materially impact the company's results.

Share Buyback Program

	<u>2012</u>	<u>2011</u>
Repurchased shares during the semester (split adjusted)	1,786,498	9,367,800

SELECTED INCOME STATEMENT DATA
 Prepared in accordance to IFRS
 Millions of pesos except earnings per share

	Semester ended June 30 th .				
	<u>2012</u>		<u>2011</u>		<u>% CHG</u>
NET SALES	\$14,430		\$13,062		10
OPERATING PROFIT	3,170	22	2,986	23	6
NET INCOME	1,947	14	1,919	15	1
EARNINGS PER SHARE (Pesos)	0.62		0.60		3
EBITDA	3,947		3,675		7

Consolidated Balance Sheets
 Millions of pesos

	June 30 th ,	
	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Cash	\$ 3,315	\$ 5,912
Accounts and documents receivable	5,924	4,661
Pending Insurance	167	-
Inventories	2,191	2,154
Property, plant and equipment	15,860	16,316
Other assets	1,513	118
Total assets	\$28,970	\$29,161
<u>Liabilities and consolidated stockholder's equity</u>		
Bank loans	\$ 1,250	\$ 37
Accounts payable	2,968	2,806
Employee's benefits	540	454
Dividends payable	2,859	2,726
Accumulated liabilities	1,827	1,477
Taxes to be paid	413	345
Long term loans	10,000	11,250
Long term derivatives	197	112
Deferred taxes	1,914	2,128
Other liabilities	233	217
Consolidated stockholder's equity	6,769	7,609
Total	\$28,970	\$29,161

Cash Flows
Millions of pesos

Semester ended June 30th,

	<u>2012</u>	<u>2011</u>
Income before income taxes	\$ 2,829	\$ 2,730
Depreciation	777	690
Others	341	255
Cash used in the operation	(1,320)	(1,254)
Net cash provided by operating activities	2,627	2,421
Capital expenditures	(512)	(1,366)
Write-off due fire	159	-
Evenflo Acquisition	(1,638)	-
Repurchase of stock	(45)	(224)
Dividend Paid	(946)	(901)
Interest paid – net	(358)	(325)
Cash used	(713)	(395)
Cash at the beginning of the year	4,028	6,307
Cash at the end of the year	3,315	5,912

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 are: Huggies[®], Kleen-Bebé[®], Kleenex[®], Kimlark[®], Pétalo[®], Cottonelle[®], Depend[®], Kotex[®] and Evenflo[®].