

January 19th, 2012.

Highlights:

- Annual and quarterly records in net sales.
- 4 percent in the quarter and 2 percent in the year.
- Increased market shares.
- Financial results affected due to higher cost of raw materials and the depreciation of the peso.
- CAPEX of more than \$1,900 million pesos in the year.
- Evenflo acquisition approved by the Board of Directors.

SELECTED INCOME STATEMENT DATA FOR THE YEAR
Millions of pesos except earnings per share

	Year ended December 31 st .				
	<u>2011</u>	<u>%</u>	<u>2010</u>	<u>%</u>	<u>% CHG</u>
NET SALES	\$26,732		\$26,197		2
OPERATING PROFIT	6,378	24	6,881	26	(7)
NET INCOME	3,641	14	4,223	16	(14)
EARNINGS PER SHARE (Pesos)	3.44		3.95		(13)
EBITDA	7,614		8,071		(6)

2011 financial results were not good. The year was characterized by an economic environment that hasn't recovered yet and a cautious consumer. In this environment, we increased our promotion and marketing efforts and focused on supporting volumes and increasing market shares. We experienced high inflation in the price of raw materials, energy costs and a strong peso depreciation, which resulted in a decrease in operating profit and net income.

We achieved historic annual record in net sales, which grew 2 percent, 1 percent due to higher volume and 1 percent due to better price and mix. Despite sluggish demand, consumer products volumes were sustained, and in various categories we increased our market shares. Some categories posted very good performance, such as napkins, bath tissue, wet wipes and feminine care. Both, Professional and Exports businesses posted important net sales growth.

Throughout the year, we experienced the effects of strong increases in the price of some raw materials. Many of them continue at very high levels, while some others started to show a decreasing trend. However, the effects of the peso depreciation, which accelerated in the second half of the year, more than offset the effects of decreased prices of raw materials. Also, energy costs increased significantly in the year. We continued our internal efforts in cost containment and reduction programs but these were not sufficient to compensate the overall negative impact. On a historic perspective, in recent years, we had not been affected by such strong combined impacts of historic high prices in raw materials in addition to the depreciation of the peso, which from May, its lowest reading, to December experienced more than a 20 percent increase.

During the year, we made important market investments to incentivize demand and increase volume and market shares of our main products. Although this objective was achieved, higher costs and the increased investment in advertising and promotion resulted in operating income 7 percent below last year.

Net income was 14 percent lower. In addition to lower operating income, it was affected by higher integral financing costs, coming from higher interest expense required for new investments and the effect of exchange losses due to the unexpected, strong and disorderly depreciation of the peso experienced in the second half of the year.

We generated \$7,614 million pesos of EBITDA during the year. During this period, we made investments of \$2,625 million pesos (\$1,907 in capital expenditures (CAPEX), \$718 in the re-purchase of stock), and we paid a dividend to our shareholders of \$3,606 million pesos.

As of December 31, 2011 the company had \$4,028 million pesos in cash.

During the twelve months our CAPEX was above \$1,900 million pesos, including the acquisition of some productive assets that provide higher converting capacity in household products. These assets are already integrated in our production capabilities.

Under US GAAP, annual results were as follows: net sales were 4 percent higher; operating profit was down 4 percent; and net income decreased by 11 percent.

SELECTED INCOME STATEMENT DATA FOR THE QUARTER

Millions of pesos except earnings per share

	Quarter ended December 31 st .		
	<u>2011</u>	<u>2010</u>	<u>%CHG</u>
NET SALES	\$7,132	\$6,867	4
OPERATING PROFIT	1,611	1,823	(12)
NET INCOME	938	1,196	(22)
EARNINGS PER SHARE (Pesos)	0.89	1.12	(21)
EBITDA	1,901	2,089	(9)

During the fourth quarter we continued with our strategy of increasing volume and gaining market share. We achieved quarterly record in net sales, which grew 4 percent when compared to the same period of last year, and the strategy is working, since we achieved 4 percent volume growth while holding and in some cases increasing our market shares. However, the previously explained negative cost and exchange rate environment, in addition to our increased advertising and promotion efforts, resulted in lower operating and net income.

Net income was 22 percent below last year. In addition to lower operating income, the result was negatively affected by exchange rate losses derived from the unexpected, strong and disorderly depreciation of the peso occurred in the quarter.

As of December 31st 2011, and as reported in the financial statements, the company has one derivative financial instrument as a hedge to reduce the risk of the effects of its exposure to interest rates. Its effect on the financial statements is not expected to be material.

Share Buyback Program

	<u>2011</u>	<u>2010</u>
Repurchased shares during the year	10,125,600	15,324,100

Finally, the Board of Directors at its January 17th session, approved the acquisition of the feeding accessories business from Evenflo Company Inc. The amount to be paid represents an EBITDA multiple of 8.9 times which is lower than KCM's multiple. The closing of the transaction is expected for January 31st, 2012 and will be internally funded. This acquisition is in line with KCM's strategy of pursuing new growth opportunities.

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[®] and Kotex[®].