

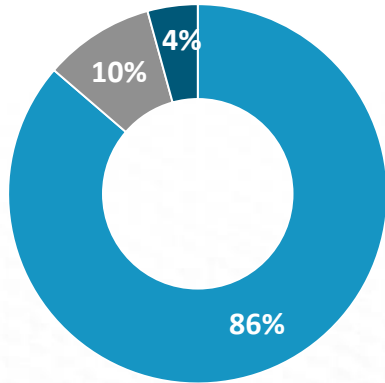
 **Kimberly-Clark** de México

Presentation 2Q17



LTM 2Q'17 Sales: US\$1.9bn⁽¹⁾

Market Cap of US\$6.5bn⁽²⁾



■ CP ■ P&HC ■ Exports

Diapers	Bathroom Tissue	Napkins	Wet Wipes	Feminine & Adult Care	Bar & Liquid Soaps ⁽³⁾

Market leader

Above average profitability

Strong growth potential

Solid financial position

Access to leading technology & brands

Very efficient production facilities

(1) CP: Consumer Products, P&HC: professional and healthcare. (LTM 2Q'17 average FX rate 19.32)

(2) As of July 20, 2017. (FX rate 17.50)

(3) Includes 4e

KCM is Well Positioned to Continue Delivering Industry-Leading Results

Despite notable headwinds on the last couple of years...

...The successful implementation of our corporate strategy...

...Allows us to continue delivering results and positions us to outperform going forward.

MXN depreciation

Higher raw material prices

Weak consumption environment

Challenging competitive environment

Invested in pricing to maintain our market position and grow volume

Operational efficiencies and cost reduction initiatives

Continued investing in product improvements and capacity expansion

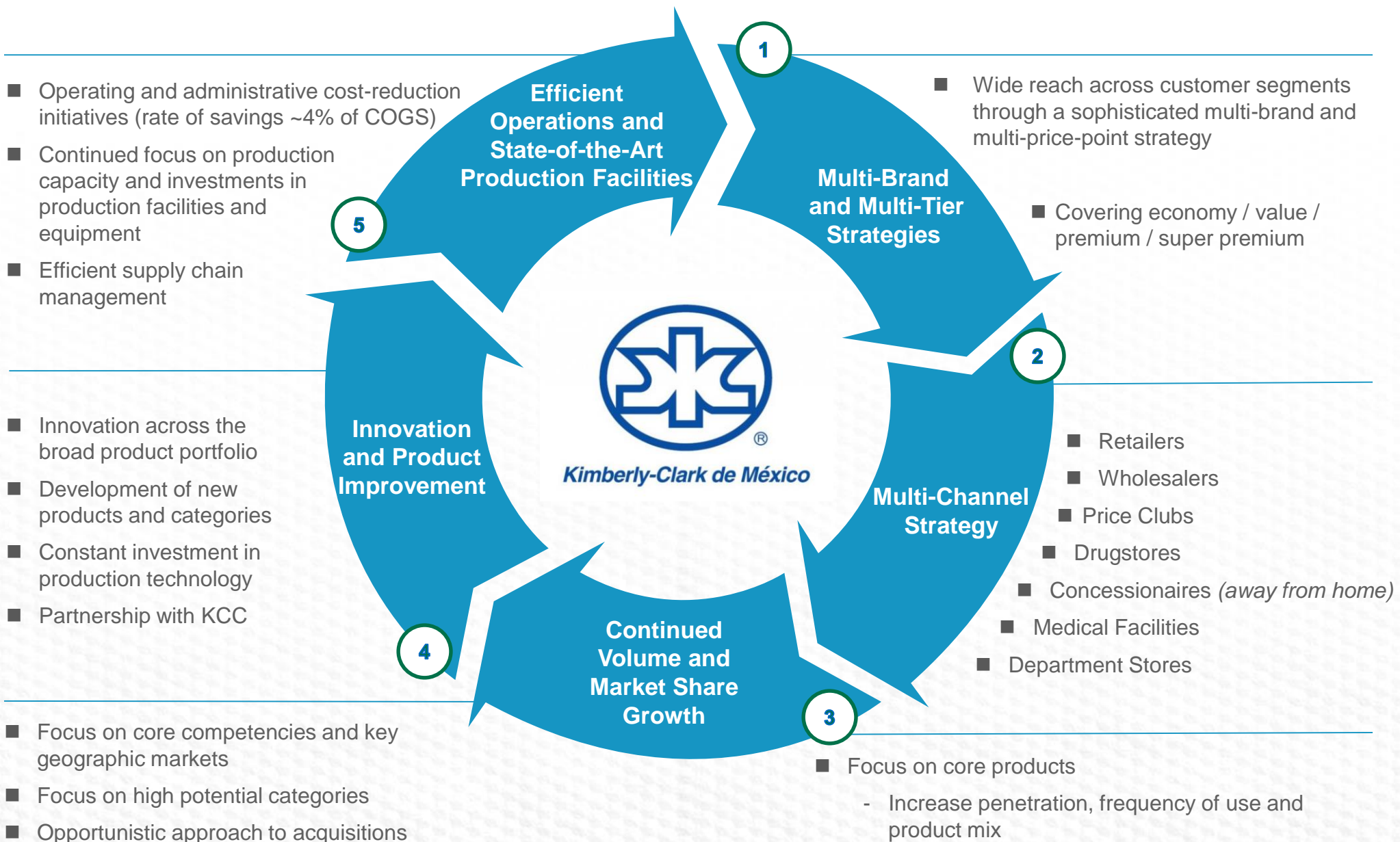
Product innovation

Company related

- Leading position
- Multi-brand; Multi-tier & Multi-channel strategy
- Extensive product portfolio
- Efficient production facilities
- Innovative product solutions
- Efficient manufacturing and logistics processes
- Above average profitability levels
- Robust FCF generation
- Solid cash balances

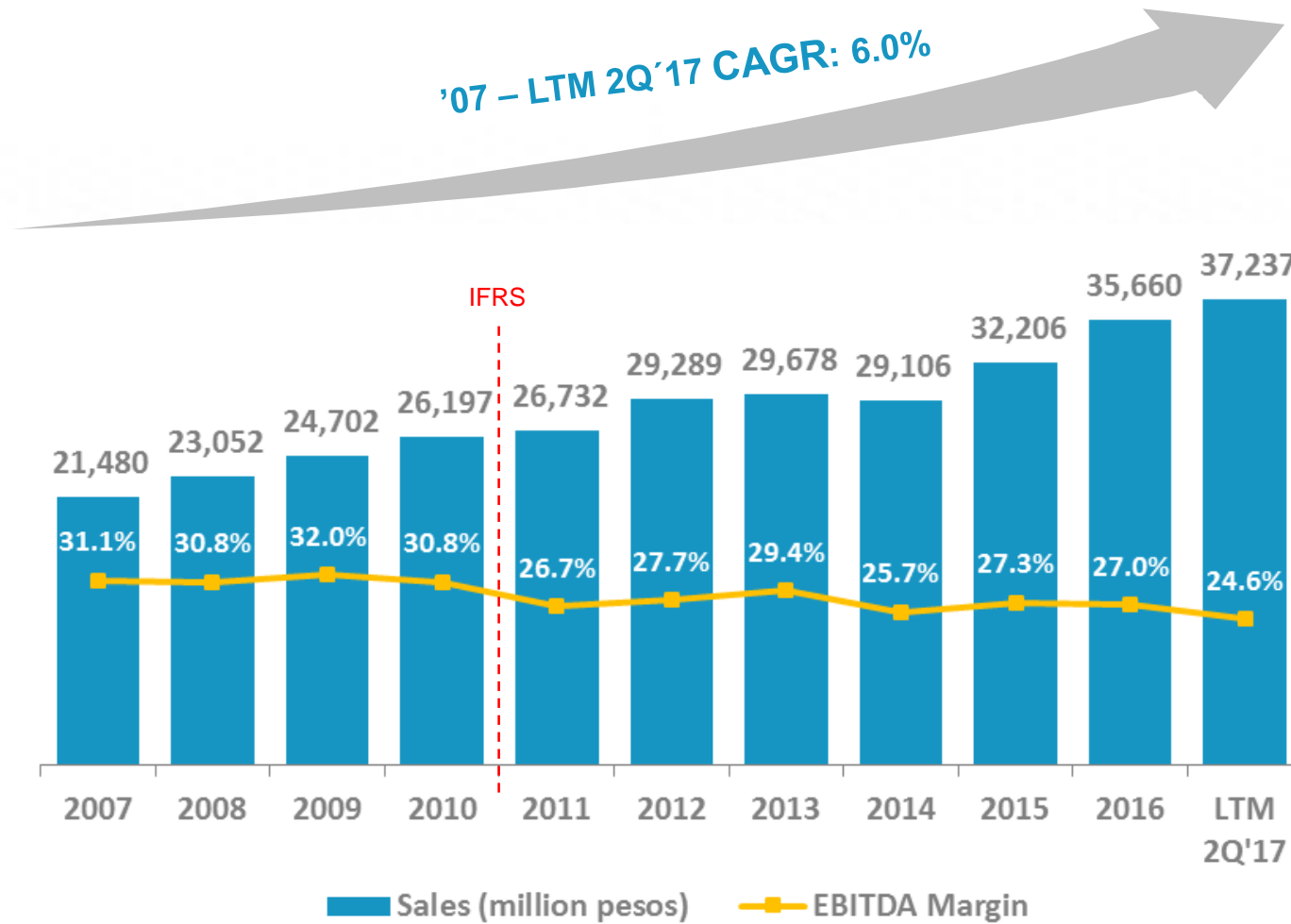
Macro and industry related

- Nondurable Consumer products industry resiliency
- Gradual recovery of the Mexican economy



Historical Financial Performance

(Figures in Ps. million)



KCM has increased its dividends in real terms over more than 50 years

2Q 17 Results

	<u>2Q'17</u>	<u>2Q'16</u>	<u>CHANGE</u>
NET SALES	\$9,606	\$8,831	8.8%
GROSS PROFIT	3,399	3,453	(1.6)%
OPERATING PROFIT	1,797	2,055	(12.6)%
NET INCOME	1,013	1,285	(21.2)%
EBITDA	2,212	2,467	(10.4)%

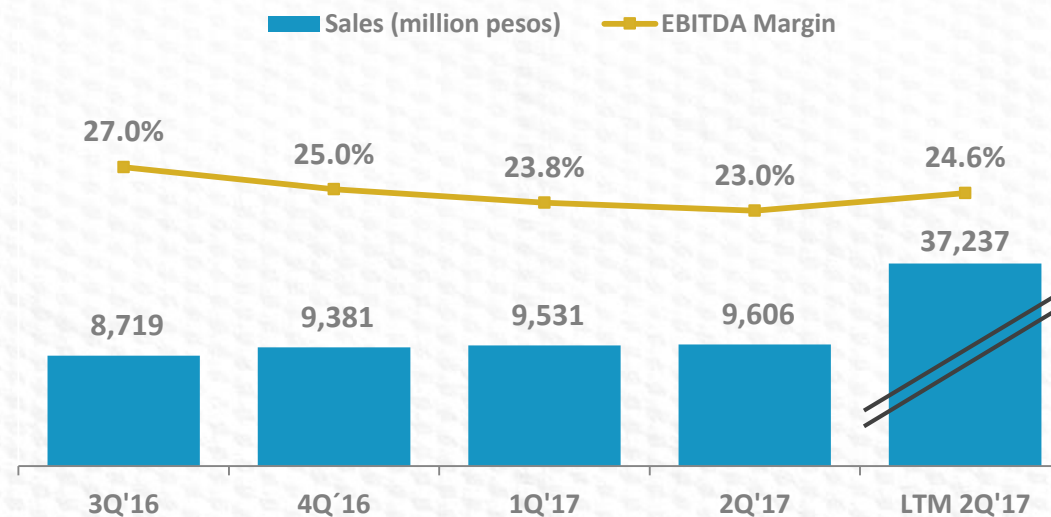
Sales

- ✓ Good growth (volume +1.8% price/mix +7.0%)
- ✗ Lower export sales (Less tissue rolls exported)

	<u>2Q'17</u>	<u>2Q'16</u>	<u>CHANGE pp</u>
GROSS MARGIN	35.4	39.1	(3.7)
OPERATING MARGIN	18.7	23.3	(4.6)
NET MARGIN	10.5	14.6	(4.1)
EBITDA MARGIN	23.0	27.9	(4.9)

Profitability

- ✗ Peso depreciation (6% YoY during the quarter)
- ✗ Higher prices for most raw materials and energy
- ✗ Increase in SG&As : distribution and consolidation of 4e
- ✓ Cost reduction program (Ps. 250 million 2Q17)



Private consumption slowing down

Strong brands & position

Price increases & mix improvements

Headwind in costs: FX rate, most raw materials and energy

Strong cost reduction program & expense reduction

Product innovations and improvements

Continue to explore new high potential categories



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