

July 23, 2015

**Kimberly-Clark de México, S.A.B. de C.V.**  
**SECOND QUARTER 2015 RESULTS**

Highlights:

- Double digit growth in net sales, reaching a quarterly record of Ps. \$8.0 billion
- Gross profit rose 15.9%, while the margin expanded a significant 190 basis points reflecting better prices and mix, cost reductions and operating efficiencies that offset the FX pressure
- EBITDA of Ps. \$2.2 billion; margin grew 150 basis points YoY and improved sequentially 50 basis points to 27.3%

**FINANCIAL RESULTS**

Prepared in accordance with International Financial Reporting Standards (IFRS)  
 Million pesos

	<b><u>2Q'15</u></b>	<b><u>2Q'14</u></b>	<b><u>CHANGE %</u></b>
<b>NET SALES</b>	<b>\$8,027</b>	<b>\$7,282</b>	<b>10.2</b>
<b>GROSS PROFIT</b>	<b>3,091</b>	<b>2,667</b>	<b>15.9</b>
<b>OPERATING PROFIT</b>	<b>1,765</b>	<b>1,470</b>	<b>20.1</b>
<b>NET INCOME</b>	<b>1,084</b>	<b>925</b>	<b>17.2</b>
<b>EBITDA</b>	<b>2,189</b>	<b>1,879</b>	<b>16.5</b>

Net sales increased for the third consecutive quarter and were 10.2% higher than last year. A positive price and mix contribution of 6.0% was the result of pricing initiatives taken during the quarter as well as of lower promotional activity. Volume growth was 4.2% as most categories posted healthy performance, reflecting the strength of our brands and an improvement in the overall consumption environment.

All our businesses grew. Consumer product revenues increased 7.6%, professional 25.2% and exports 29.0%. Both professional and exports include additional wadding sales from the startup of the tissue machine last year. Categories considered to have great growth potential continued to outperform.

Gross profit in the quarter increased 15.9%, while the margin increased 190 basis points to 38.5%. This reflects several benefits: i) higher selling prices; ii) lower raw material costs in dollar terms in several inputs such as virgin fibers, super absorbent materials and oil derivatives, among others; iii) lower energy costs; and iv) savings of approximately Ps. \$250 million during

the quarter from our cost reduction program. These positive effects absorbed increases in other raw materials and the significant depreciation of the peso, 21% year over year.

Operating expenses as a percentage of sales were pretty much in line with prior year, at 16.5%, as we maintain our lean operations and continue to effectively invest behind our brands.

Operating income grew 20.1%, while the margin increased 180 basis points to 22.0%. This reflects the performance at the gross profit level.

Cost of financing was Ps. \$181 million in the second quarter, compared to Ps. \$149 million in the same period of last year, largely due to more interest expense from a higher total debt level and was benefitted by a Ps. \$40 million exchange gain resulting from a net monetary asset position in U.S. dollars.

Net income increased 17.2%, reflecting the performance at the operating level, a higher cost of financing and a higher effective tax rate. Earnings per share for the quarter were \$0.35.

EBITDA rose 16.5% to Ps. \$2.2 billion in the quarter, while the margin grew 150 basis points to 27.3% and improved sequentially by 50 basis points.

During the last twelve months, we invested Ps. \$1,665 million (Ps. \$1,293 million in Capex, and Ps. \$372 million in our share buy-back program) and paid Ps. \$4,428 million in dividends to our shareholders.

In dollars, under US GAAP, net sales decreased 7% in the quarter, operating profit increased 1% and net income was in line with last year.

As of June 30 the company held more than Ps. \$9 billion in cash and equivalents.

Total net debt as of June 30, 2015 was Ps. \$9.6 billion, compared to Ps. \$9.5 billion at December 2014. Long-term debt comprised 88% of the total and all debt was denominated in Mexican pesos.

#### **Share Buyback Program Year to Date**

	<u>2015</u>	<u>2014</u>
<b>Shares repurchased</b>	<b>3,209,318</b>	<b>19,052,393</b>

## FINANCIAL RESULTS

Million pesos

	<u>6M'15</u>	<u>6M'14</u>	<u>CHANGE %</u>
NET SALES	\$15,791	\$14,544	8.6
GROSS PROFIT	6,051	5,466	10.7
OPERATING PROFIT	3,427	3,039	12.8
NET INCOME	2,084	1,899	9.8
EBITDA	4,273	3,854	10.9

## FINANCIAL POSITION

Million Pesos

	As of June	
	<u>2015</u>	<u>2014</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$9,048	\$7,910
Trade and other receivables	5,712	5,653
Inventories	2,189	2,207
Property, plant and equipment	15,612	15,930
Derivative financial instruments	808	-
Intangible assets and others	<u>1,621</u>	<u>1,449</u>
<b>Total</b>	<b>\$34,990</b>	<b>\$33,149</b>
<b><u>Liabilities and equity</u></b>		
Current portion of long term debt	\$2,300	\$2,300
Trade payables	3,379	3,280
Employee benefits	858	783
Dividends payable	1,173	3,308
Provisions and other liabilities	1,788	1,619
Current tax payable	462	153
Long term debt	16,396	14,138
Derivative financial instruments	115	387
Deferred taxes	1,581	1,687
Other liabilities	202	161
<b>Equity</b>	<b><u>6,736</u></b>	<b><u>5,333</u></b>
<b>Total</b>	<b>\$34,990</b>	<b>\$33,149</b>

## CASH FLOWS

Million pesos

	Six months ended June	
	<u>2015</u>	<u>2014</u>
Profit before tax	\$3,024	\$2,753
Depreciation	846	815
Other	403	286
Cash used in operations	<u>(1,960)</u>	<u>(2,503)</u>
Net cash flow from operating activities	2,313	1,351
Capital expenditures	(458)	(805)
Repurchase of shares	(103)	(665)
Debt issuance	3,688	3,976
Dividends paid	(1,146)	(1,094)
Payment of net interest & other	<u>(296)</u>	<u>(243)</u>
Net increase in cash	3,998	2,520
Cash and equivalents at the beginning of period	5,050	5,390
Cash and equivalents at the end of period	9,048	7,910

### Conference Call Information

The 2Q'15 conference call will be held on Friday, July 24, 2015 at 9:30 am Eastern time (8:30 am Central time / Mexico time). To participate in the call, please dial: US +1(888) 318-6429, international +1(334) 323-7224; conference ID: KIMBERLY.

A replay of the conference call will be available through July 31, 2015. To access the replay, please dial US +1(877) 919-4059, international +1(334) 323-0140; conference ID: 51396320

**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.

### Investor Relations Contact

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