

July 21st, 2011.

Highlights:

- CAPEX of more than \$1,300 million pesos in the first half of 2011.
- \$5.9 billion pesos in cash at the end of the quarter.
- Net sales 3 percent below last year in the second quarter.
- Decrease in operating profit of 9 percent and in EBITDA of 7 percent.

SELECTED INCOME STATEMENT DATA FOR THE QUARTER

Millions of pesos except earnings per share

	Quarter ended June 30 th .		
	<u>2011</u>	<u>2010</u>	<u>%CHG</u>
NET SALES	\$6,412	\$6,627	(3)
OPERATING PROFIT	1,652	1,822	(9)
NET INCOME	980	1,082	(9)
EARNINGS PER SHARE (Pesos)	0.93	1.01	(8)
EBITDA	1,974	2,132	(7)

Second quarter results were disappointing. In addition to a difficult comparison versus last year, some other factors affected our results. With regards to sales, we continued to face sluggish domestic demand. In addition, promotional activity by our customers was significantly reduced during the quarter and clients reduced inventories in response to market performance and credit collection risks. On the cost side, our main raw materials continued the trend of increased prices.

In this complicated environment we posted a 3 percent decrease in net sales, 5 percent due to lower volume and 2 percent because of better price and mix.

Our consumer products businesses experienced the biggest impact of the aforementioned factors; however, some of our categories such as feminine care, household towels, incontinence products and wet wipes had a very good performance. Our professional and exports businesses posted good net sales growth.

The important and constant trend of higher costs of raw materials continued during the quarter. Pulp and recycled fiber have reached historical price points. Also, oil derivatives posted important price growth, as did energy costs. Higher selling prices, in addition to our internal cost containment and reduction

programs, were not sufficient to offset the total cost impact. As a result, our operating profit and net income were down 9 percent.

During the quarter we generated \$1,974 million pesos of EBITDA. During the last twelve months, we made investments of \$2,614 million pesos (\$1,836 in capital expenditures (CAPEX), \$778 in the re-purchase of stock), and we paid a dividend to our shareholders of \$3,486 million pesos.

As of June 30, 2011 the company had \$5,912 million pesos in cash.

During the semester, our CAPEX was above \$1,300 million pesos including the acquisition of some productive assets, resulting in higher converting capacity in household products. These assets are already integrated in our production capabilities.

Under US GAAP, quarterly results were as follows: net sales were 4 percent higher; operating profit and net income were down 1 percent.

As of June 30th, 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 semester	3,122,600	7,841,200

SELECTED INCOME STATEMENT DATA FOR THE SEMESTER

Millions of pesos except earnings per share

	Six months ended June 30th.		
	<u>2011</u>	<u>2010</u>	<u>%CHG</u>
NET SALES	\$13,062	\$12,984	1
OPERATING PROFIT	3,308	3,447	(4)
NET INCOME	1,961	2,066	(5)
EARNINGS PER SHARE (Pesos)	1.85	1.92	(4)
EBITDA	3,944	4,062	(3)

Consolidated Balance Sheets

Millions of pesos

June 30th,

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash	\$ 5,912	\$ 3,775
Accounts and documents receivable	4,661	4,871
Inventories	2,154	2,083
Property, plant and equipment	14,778	14,140
Total assets	\$27,505	\$24,869
<u>Liabilities and consolidated stockholder's equity</u>		
Bank loans	\$ 37	\$ 829
Accounts payable	2,806	2,721
Employee's benefits	477	491
Dividends payable	2,726	2,606
Accumulated liabilities	1,476	1,719
Taxes to be paid	345	385
Long term loans	11,250	7,290
Long term derivatives	112	103
Deferred taxes	1,616	1,730
Long term employee's benefits	52	87
Other liabilities	217	243
Consolidated stockholder's equity	6,391	6,665
Total	\$27,505	\$24,869

Cash Flows

Millions of pesos

Semester ended June 30th,

	<u>2011</u>	<u>2010</u>
Income before income taxes	\$ 2,785	\$ 2,951
Depreciation	636	615
Provisions	307	221
Others	216	275
Cash used in the operation	(1,526)	(2,428)
Net cash provided by operating activities	2,418	1,634
Capital expenditures	(1,361)	(391)
Other investment activities	-	417
Repurchase of stock	(224)	(514)
Dividends paid	(901)	(871)
Financing – net	(22)	(2,718)
Interest paid – net	(303)	(242)
Cash generated	(393)	(2,685)
Currency effects in cash position	(2)	-
Cash at the beginning of the year	6,307	6,460
Cash at the end of the year	5,912	3,775

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