FORM 10-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2002
OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to _______________

Commission file number 1-225

KIMBERLY-CLARK CORPORATION

(Exact name of registrant as specified in its charter)

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          Delaware                                          39-0394230
 (State or other jurisdiction of                             (I.R.S. Employer
 incorporation or organization)                            Identification
No.)
 P. O. Box 619100, Dallas, Texas                                 75261-9100
(Address of principal executive offices)                         (Zip Code)
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Registrant's telephone number, including area code: (972) 281-1200

Securities registered pursuant to Section 12(b) of the Act:

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Title of each class                    Name of each exchange on which
registered
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Common Stock - $1.25 Par Value         New York Stock Exchange
Preferred Stock Purchase Rights        Chicago Stock Exchange
                                       Pacific Exchange
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Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X . No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form

10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes X . No .

The aggregate market value of the registrant's common stock held by non-affiliates on June 30, 2002 (based on the closing stock price on the New York Stock Exchange) on such date was approximately $32.1 billion.

(Continued)

FACING SHEET
(Continued)

Documents Incorporated By Reference

Kimberly-Clark Corporation's 2002 Annual Report to Stockholders and 2003 Proxy Statement contain much of the information required in this Form 10-K, and portions of those documents are incorporated by reference herein from the applicable sections thereof. The following table identifies the sections of this Form 10-K which incorporate by reference portions of the Corporation's 2002 Annual Report to Stockholders and 2003 Proxy Statement. The Items of this Form 10-K, where applicable, specify which portions of such documents are incorporated by reference. The portions of such documents that are not incorporated by reference shall not be deemed to be filed with the Commission as part of this Form 10-K.

Document of Which Portions are Incorporated by Reference	Items of this Form 10-K in Which Incorporated
2002 Annual Report to Stockholders (Year ended December 31, 2002)	Part I Item 1. Business
	Part II Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters
	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
	Item 7A. Quantitative and Qualitative Disclosures About Market Risk
	Item 8. Financial Statements and Supplementary Data
	Part IV Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K
2003 Proxy Statement	Part III Item 10. Directors and Executive Officers of the Registrant
	Item 11. Executive Compensation
	Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder
Matters	
	Item 13. Certain Relationships and Related Transactions

PART I

ITEM 1. BUSINESS

Kimberly-Clark Corporation was incorporated in Delaware in 1928. As used in Items 1, 2 and 7 of this Form 10-K, the term "Corporation" refers to Kimberly-Clark Corporation and its consolidated subsidiaries. In the remainder of this Form 10-K, the terms "Kimberly-Clark" or "Corporation" refer only to Kimberly-Clark Corporation. Financial information by business segment and geographic area, and information about principal products and markets of the Corporation, contained under the caption "Management's Discussion and Analysis" and in Note 16 to the Consolidated Financial Statements contained in the 2002 Annual Report to Stockholders, are incorporated in this Item 1 by reference.

Recent Developments. The Corporation is a global consumer products company based on the strategy of building its personal care, consumer tissue and business-to-business operations. Since 1998, the Corporation has completed about 20 acquisitions, each of which was accounted for as a purchase, in its core businesses and approximately 5 strategic divestitures, including the following transactions:

o On May 28, 1998, the Corporation purchased a 50 percent equity interest in Klabin Tissue S.A. (now known as Klabin Kimberly S.A.), the leading tissue manufacturer in Brazil.

o On July 21, 1998, the Corporation purchased an additional 10 percent ownership interest in its Korean affiliate, YuHan-Kimberly, Limited, increasing its ownership interest to 70 percent.

o On August 19, 1998, the Corporation sold the outstanding shares of K-C Aviation Inc., a leading provider of business aviation services, to Gulfstream Aerospace Corporation for $250 million in cash.

o On June 10, 1999, the Corporation purchased the European consumer and away-from-home tissue businesses of Attisholz Holding AG for approximately $365 million. The acquired businesses are located in Germany, Switzerland and Austria.

o On September 23, 1999, the Corporation acquired Ballard Medical Products, a leading maker of disposable medical devices for respiratory care, gastroenterology and cardiology, at a cost of approximately $788 million, including the value of common stock exchanged and other costs of the transaction.

o On September 30, 1999, the Corporation completed the sale of approximately 460,000 acres of timberland in Alabama, Mississippi and Tennessee for notes receivable having a face value of $397 million (and a fair value of $383 million).

o On February 8, 2000, the Corporation acquired Safeskin Corporation ("Safeskin"), a leading maker of disposable gloves for health care, high-technology and scientific industries, in a merger transaction in which the outstanding Safeskin shares were converted into shares of Kimberly-Clark common stock. The transaction was valued at approximately $750 million.

o On July 5, 2000, the Corporation acquired a majority of the shares of privately held S-K Corporation of Taiwan, which held trademark and distribution rights in Taiwan for the Corporation's global brands including Kleenex, Huggies and Kotex. Prior to the acquisition, the Corporation owned approximately 3 percent of S-K Corporation.

ITEM 1. BUSINESS (Continued)

o On December 20, 2000, the Corporation purchased an additional 33.3 percent ownership interest in its Taiwanese affiliate, Taiwan Scott Paper Corporation, increasing its ownership interest to 100 percent.

o On January 31, 2001, the Corporation acquired Linostar S.p.A., a leading Italian-based diaper manufacturer that produced and marketed Lines, Italy's second largest diaper brand.

o Prior to 2001, the Corporation and its joint venture partner, Amcor Limited ("Amcor"), held a 50/50 ownership interest in Kimberly-Clark Australia Pty. Ltd. ("KCA"). In July 2001, the Corporation purchased an additional 5 percent ownership interest in KCA for A$77.5 million (approximately $39 million), and exchanged options with Amcor for the purchase by the Corporation of the remaining 45 percent ownership interest. In June 2002, the Corporation exercised this option and purchased the remaining 45 percent interest from Amcor for A$697.5 million (approximately $390 million). The acquisition of KCA reflects the Corporation's strategy to expand its three business segments within Australia. As a result of these transactions, KCA became a consolidated subsidiary effective July 1, 2001 and a wholly-owned subsidiary on June 30, 2002.

In the fourth quarter of 1998, the Corporation announced a facilities consolidation plan (the "1998 Plan"). The 1998 Plan, among other things, resulted in further alignment of tissue manufacturing capacity with demand in Europe, closure of a diaper manufacturing facility in Canada, shut down and disposal of a tissue machine in Thailand, write down of certain excess feminine care production equipment in North America and a reduction in the Corporation's workforce of 814 employees. Costs for the 1998 Plan of $18.2 million, $42.6 million and $49.1 million were recorded in 2000, 1999 and 1998, respectively, and charged to cost of products sold. The year 2000 costs were composed primarily of certain severance costs and charges for accelerated depreciation for the Corporation's Larkfield, U.K. tissue manufacturing facility that remained in use until it was shutdown in October 2000. The 1998 Plan was completed as of December 31, 2000.

Description of the Corporation. The Corporation is principally engaged in the manufacturing and marketing of a wide range of consumer and business-to-business products around the world. Most of these products are made from natural or synthetic fibers using advanced technologies in fibers, nonwovens and absorbency.

The Corporation is organized into 12 operating segments based on product groupings. These operating segments have been aggregated into three reportable global business segments: Personal Care; Consumer Tissue; and Business-to-Business. Each reportable segment is headed by an executive officer who reports to our Chief Executive Officer and is responsible for the development and execution of global strategies to drive growth and profitability of the Corporation's worldwide personal care, consumer tissue and business-to-business operations. These strategies include global plans for branding and product positioning, technology and research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses. The principal sources of revenue in each of our global business segments are described below.

ITEM 1. BUSINESS (Continued)

The Personal Care segment manufactures and markets disposable diapers, training and youth pants and swimpants; feminine and incontinence care products; and related products. Products in this segment are primarily for household use and are sold under a variety of brand names, including Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.

The Consumer Tissue segment manufactures and markets facial and bathroom tissue, paper towels and napkins for household use; wet wipes; and related products. Products in this segment are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Page, Huggies and other brand names.

The Business-to-Business segment manufactures and markets facial and bathroom tissue, paper towels, wipers and napkins for away-from-home use; health care products such as surgical gowns, drapes, infection control products, sterilization wraps, disposable face masks and exam gloves, respiratory products, and other disposable medical products; printing, premium business and correspondence papers; specialty and technical papers; and other products. Products in this segment are sold under the Kimberly-Clark, Kleenex, Scott, Kimwipes, WypAll, Surpass, Safeskin, Tecnol, Ballard and other brand names.

Products for household use are sold directly, and through wholesalers, to supermarkets, mass merchandisers, drugstores, warehouse clubs, variety and department stores and other retail outlets. Products for away-from-home use are sold through distributors and directly to manufacturing, lodging, office building, food service and health care establishments and other high volume public facilities. Health care products are primarily sold to distributors, converters and end-users. Paper products are sold directly to users, converters, manufacturers, publishers and printers, and through paper merchants, brokers, sales agents and other resale agencies.

Approximately 12 percent, 11 percent and 10 percent of net sales were to Wal-Mart Stores, Inc. in 2002, 2001 and 2000, respectively, primarily in the Personal Care and Consumer Tissue businesses.

Patents and Trademarks. The Corporation owns various patents and trademarks registered domestically and in many foreign countries. The Corporation considers the patents and trademarks which it owns and the trademarks under which it sells certain of its products to be material to its business. Consequently, the Corporation seeks patent and trademark protection by all available means, including registration. A partial list of the Corporation's trademarks is included under the caption "Additional Information - Trademarks" contained in the 2002 Annual Report to Stockholders and is incorporated herein by reference.

Raw Materials. Superabsorbent materials are important components in disposable diapers, training and youth pants and incontinence care products. Polypropylene and other synthetics and chemicals are the primary raw materials for manufacturing nonwoven fabrics, which are used in disposable diapers, training and youth pants, wet wipes, feminine pads, incontinence and health care products, and away-from-home wipers.

Cellulose fiber, in the form of kraft pulp or fiber recycled from recovered pulp, is the primary raw material for the Corporation's tissue and paper products and is an important component in disposable diapers, training pants, feminine pads and incontinence care products.

ITEM 1. BUSINESS (Continued)

Most recovered paper and synthetics are purchased from third parties. Pulp and recycled fiber are produced by the Corporation and purchased from others. The Corporation considers the supply of such raw materials to be adequate to meet the needs of its businesses. See "Factors That May Affect Future Results - Raw Materials."

The Corporation owns or controls approximately 5.9 million acres of forestland in Canada, principally as a fiber source for pulp production, which is consumed internally for tissue products. Approximately 1.0 million acres in the province of Nova Scotia are owned by the Corporation, and approximately 4.9 million acres, principally in the province of Ontario, are held under long-term Crown rights or leases.

Competition. For a discussion of the competitive environment in which the Corporation conducts its business, see "Factors That May Affect Future Results - Competitive Environment."

Research and Development. A major portion of total research and development expenditures is directed toward new or improved personal care, tissue and health care products and nonwoven materials. Consolidated research and development expense was $289.0 million in 2002, $295.3 million in 2001 and $277.4 million in 2000.

Environmental Matters. Total worldwide capital expenditures for voluntary environmental controls or controls necessary to comply with legal requirements relating to the protection of the environment at the Corporation's facilities are expected to be approximately $42 million in 2003 and $36 million in 2004. Of these amounts, approximately $31 million in 2003 and $9 million in 2004 are expected to be spent at facilities in the U.S. For facilities outside of the U.S., capital expenditures for environmental controls are expected to be approximately $11 million in 2003 and $27 million in 2004.

Total worldwide operating expenses for environmental compliance are expected to be approximately $163 million in 2003 and $170 million in 2004. Operating expenses for environmental compliance with respect to U.S. facilities are expected to be approximately $82 million in 2003 and $85 million in 2004. Operating expenses for environmental compliance with respect to facilities outside the U.S. are expected to be approximately $81 million in 2003 and $85 million in 2004. Operating expenses include pollution control equipment operation and maintenance costs, governmental payments, and research and engineering costs.

Total environmental capital expenditures and operating expenses are not expected to have a material effect on the Corporation's total capital and operating expenditures, consolidated earnings or competitive position. However, current environmental spending estimates could be modified as a result of changes in the Corporation's plans, changes in legal requirements or other factors.

In connection with certain divestitures, including those described in "Recent Developments," the Corporation has agreed to indemnify the purchasers of certain divested businesses against certain environmental liabilities. Generally, these indemnification obligations apply only to environmental liabilities which are actually incurred by the purchaser within a specified time period after closing and are limited to a specified dollar amount of coverage. The Corporation has established appropriate accrued liabilities with respect thereto, and does not otherwise consider these obligations to be material.

ITEM 1. BUSINESS (Continued)

Employees. In its worldwide consolidated operations, the Corporation had 63,900 employees as of December 31, 2002.

Approximately 20 percent of the Corporation's United States workforce and approximately 24 percent of the Corporation's workforce outside of the United States are represented by unions. In the U.S., the largest concentration of union membership is with the Paper, Allied-Industrial, Chemical & Energy Workers International Union (PACE). Other employees are represented by the International Brotherhood of Electrical Workers (IBEW), the International Association of Machinists and Aerospace Workers (IAM), the Association of Western Pulp and Paper Workers (AWPPW), the United Brotherhood of Carpenters and Joiners and various independent unions. The Corporation's collective bargaining agreements in the U.S. typically have a term of 5 to 6 years and provide for wage and fringe benefit increases during the term. The agreements have staggered termination dates.

Insurance. The Corporation maintains coverage consistent with industry practice for most risks that are incident to its operations.

FACTORS THAT MAY AFFECT FUTURE RESULTS

Certain matters discussed in this Form 10-K, or documents a portion of which are incorporated herein by reference, concerning, among other things, the business outlook, including new product introductions, cost savings and acquisitions, anticipated financial and operating results, strategies, contingencies and contemplated transactions of the Corporation, constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the Corporation. There can be no assurance that these events will occur or that the Corporation's results will be as estimated.

The assumptions used as a basis for the forward-looking statements include many estimates that, among other things, depend on the achievement of future cost savings and projected volume increases. Furthermore, the Corporation has assumed that it will continue to identify suitable acquisition candidates in those product markets where it intends to grow by acquisition. In addition, many factors outside the control of the Corporation, including the prices of the Corporation's raw materials, potential competitive pressures on selling prices or advertising and promotion expenses for the Corporation's products, and fluctuations in foreign currency exchange rates, as well as general economic conditions in the markets in which the Corporation does business, also could impact the realization of such estimates.

The following factors, as well as factors described elsewhere in this Form 10-K, or in other SEC filings, among others, could cause the Corporation's future results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Corporation.

Such factors are described in accordance with the provisions of the Private Securities Litigation Reform Act of 1995, which encourages companies to disclose such factors.

ITEM 1. BUSINESS (Continued)

Competitive Environment. The Corporation experiences intense competition for sales of its principal products in its major markets, both domestically and internationally. The Corporation's products compete with widely advertised, well-known, branded products, as well as private label products, which are typically sold at lower prices. The Corporation has several major competitors in most of its markets, some of which are larger and more diversified than the Corporation. The principal methods and elements of competition include brand recognition and loyalty, product innovation, quality and performance, price, and marketing and distribution capabilities. Inherent risks in the Corporation's competitive strategy include uncertainties concerning trade and consumer acceptance, the effects of recent consolidations of retailers and distribution channels, and competitive reaction. Aggressive competitive reaction may lead to increased advertising and promotional spending by the Corporation in order to maintain market share. Increased competition with respect to pricing would reduce revenue and could have an adverse impact on the Corporation's financial results. In addition, the Corporation relies on the development and introduction of new or improved products as a means of achieving and/or maintaining category leadership. In order to maintain its competitive position, the Corporation must develop technology to support its products.

Cost Savings Strategy. The Corporation's anticipated cost savings are expected to result from reducing material costs and manufacturing waste and realizing productivity gains and distribution efficiencies in each of its business segments. The Corporation's strategic investments in its information systems should also allow further cost savings through streamlining of its back office operations. There can be no assurance that such cost savings will be achieved.

Raw Materials. Cellulose fiber, in the form of kraft pulp or recycled fiber, is used extensively in the Corporation's tissue and paper products and is subject to significant price fluctuations due to the cyclical nature of the pulp markets. Recycled fiber accounts for approximately 30 percent of the Corporation's overall fiber requirements. On a worldwide basis, the Corporation's internally manufactured pulp supplies approximately 40 percent of its virgin fiber requirements.

The Corporation still intends to reduce its level of pulp integration, when market conditions permit, to approximately 20 percent, and such a reduction in pulp integration, if accomplished, could increase the Corporation's commodity price risk. Specifically, increases in pulp prices could adversely affect the Corporation's earnings if selling prices for its finished products are not adjusted or if such adjustments significantly trail the increases in pulp prices. Derivative instruments have not been used to manage these risks.

Polymer resins, principally polypropylene, are used extensively in the Corporation's products, such as diapers, training and youth pants, and incontinence care products. Polymer resins, which are principally derived from petroleum, may be subject to price fluctuations. The Corporation purchases polymer resins from a number of suppliers. Significant increases in resin prices could adversely affect the Corporation's earnings if selling prices for its finished products are not adjusted or if adjustments significantly trail the increases in resin prices.

ITEM 1. BUSINESS (Continued)

Energy Costs. The Corporation's manufacturing operations utilize electricity, natural gas and petroleum-based fuels. To insure that it uses all forms of energy cost-effectively, the Corporation maintains ongoing energy efficiency improvement programs at all of its manufacturing sites and also provides expert staff assistance to operating units in negotiating favorable utility and other energy supply agreements. The Corporation's contracts with energy suppliers vary as to price, payment terms, quantities and duration. Kimberly-Clark's energy costs are also affected by various market factors including the availability of supplies of particular forms of energy, energy prices and local and national regulatory decisions. There can be no assurance that the Corporation will be fully protected against substantial changes in the price or availability of energy sources. Derivative instruments are used to hedge natural gas price risk when management deems it prudent to do so.

Acquisition Strategy. The Corporation's anticipated financial results and business outlook are, in part, dependent upon the availability of suitable acquisition candidates. The Corporation could encounter significant challenges in locating suitable acquisition candidates that are consistent with its strategic objectives and will contribute to its long-term success. Furthermore, there can be no assurance that any such acquired business can or will be successfully integrated with the Corporation's businesses in order to provide anticipated synergies and earnings growth.

Volume Forecasting. The Corporation's anticipated financial results reflect forecasts of future volume increases in the sales of its products. Challenges in such forecasting include anticipating consumer preferences, estimating sales of new products, estimating changes in population characteristics (such as birth rates and changes in per capita income), anticipating changes in technology and competitive responses and estimating the acceptance of the Corporation's products in new markets. As a result, there can be no assurance that the Corporation's volume increases will occur as estimated.

Foreign Market Risks. Because the Corporation and its equity companies have manufacturing facilities in 42 countries and their products are sold in more than 150 countries, the Corporation's results may be substantially affected by foreign market risks. The Corporation is subject to the impact of economic and political instability in developing countries. The extremely competitive situation in European personal care and tissue markets, and the challenging economic environments in Argentina, Brazil, Mexico, Venezuela and developing countries in eastern Europe, Asia and Latin America, may slow the Corporation's sales growth and earnings potential. In addition, the Corporation is subject to the strengthening and weakening of various currencies against each other and local currencies versus the U.S. dollar. Transaction exposure, arising from transactions and commitments denominated in non-local currency, is selectively hedged (through foreign currency forward and swap contracts). See "Management's Discussion and Analysis - Risk Sensitivity", contained in the 2002 Annual Report to Stockholders, which is incorporated herein by reference. Translation exposure for the Corporation with respect to foreign operations is generally not hedged. There can be no assurance that the Corporation will be fully protected against substantial foreign currency fluctuations.

Contingencies. The costs and other effects of pending litigation and administrative actions against the Corporation cannot be determined with certainty. Although management believes that no such proceedings will have a material adverse effect on the Corporation, there can be no assurance that the outcome of such proceedings will be as expected. See "Item 3. Legal Proceedings."

ITEM 1. BUSINESS (Continued)

One of the Corporation's North American tissue mills has an agreement to provide its local utility company a specified amount of electric power per year for the next 16 years. In the event that the mill was shut down, the Corporation would be required to continue to operate the power generation facility on behalf of its owner, the local utility company. The net present value of the cost to fulfill this agreement as of December 31, 2002 is estimated to be approximately $87 million. However, management considers the probability of closure of this mill to be remote.

AVAILABLE INFORMATION

The Corporation makes available financial information, news releases and other information on the Corporation's Web site at www.kimberly-clark.com. There is a direct link from the Web site to the Corporation's Securities and Exchange Commission filings via the EDGAR database, where the Corporation's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section
13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge as soon as reasonably practicable after the Corporation files such reports and amendments with, or furnishes them to, the Securities and Exchange Commission. Stockholders may also contact Stockholder Services, P.O. Box 612606, Dallas, Texas 75261-2606 or call 972-281-1521 to obtain a hard copy of these reports without charge.

(Continued)

ITEM 2. PROPERTIES

Management believes that the Corporation's production facilities are suitable for their purpose and adequate to support its businesses. The extent of utilization of individual facilities varies, but they generally operate at or near capacity, except in certain instances such as when new products or technology are being introduced or when mills are being shut down. Certain facilities of the Corporation are being expanded. Various facilities contain pollution control, solid waste disposal and other equipment which have been financed through the issuance of industrial revenue or similar bonds and are held by the Corporation under lease or installment purchase agreements.

The principal facilities of the Corporation (including the Corporation's equity companies) and the products or groups of products made at such facilities are as follows:

Headquarters Locations
Dallas, Texas
Roswell, Georgia
Neenah, Wisconsin
Reigate, United Kingdom
Bangkok, Thailand

Administrative Centers
Knoxville, Tennessee
Brighton, United Kingdom

Worldwide Production and Service Facilities

United States

Alabama
Mobile - tissue products
Arizona
Tucson - health care products
Arkansas
Conway - feminine care and incontinence care products and nonwovens Maumelle - wet wipes and nonwovens
California
Fullerton - tissue products
San Diego - health care products
Connecticut
New Milford - diapers and tissue products Georgia
LaGrange - nonwovens
Idaho
Pocatello - respiratory care and gastroenterology products Kentucky
Owensboro - tissue products
Michigan
Munising - technical papers

(Continued)

ITEM 2. PROPERTIES (Continued)

Mississippi
Corinth - nonwovens, wipers and towels Hattiesburg - tissue products
North Carolina
Hendersonville - nonwovens
Lexington - nonwovens
Oklahoma
Jenks - tissue products
Pennsylvania
Chester - tissue products
South Carolina
Beech Island - diapers and tissue products Tennessee
Loudon - tissue products
Texas
Del Rio - health care products
Fort Worth - health care products
Paris - diapers and training and youth pants San Antonio - personal cleansing products and systems Utah
Draper - respiratory care and gastroenterology products Ogden - diapers
Washington
Everett - tissue products and pulp
Wisconsin
Marinette - tissue products
Neenah - diapers, training, feminine care and incontinence care products, business and correspondence papers and nonwovens Whiting - business and correspondence papers

Outside the United States

Argentina
* Bernal - tissue products
Pilar - feminine care and incontinence care products San Luis - diapers
Australia
Albury - nonwovens
Ingleburn - diapers
Lonsdale - diapers and feminine care and incontinence care products Millicent - pulp and tissue products Tantanoola - pulp
Warwick Farm - tissue products
Bahrain
* East Riffa - tissue products

* Equity company production facility

(Continued)

ITEM 2. PROPERTIES (Continued)

Belgium
Duffel - tissue products
Bolivia
La Paz - tissue products
Santa Cruz - diapers and feminine care and tissue products Brazil
* Bahia - tissue products
* Correia Pinto - tissue products
* Cruzeiro - tissue products
* Mogi das Cruzes - tissue products
Porto Alegre - feminine care products * Sao Paulo - tissue products
Suzano - diapers, wet wipes and incontinence care products Canada
Huntsville, Ontario - tissue products and wipers New Glasgow, Nova Scotia - pulp
St. Hyacinthe, Quebec - feminine care and incontinence care products Terrace Bay, Ontario - pulp
Chile
Colina - tissue products
Santiago - diapers and feminine care products China
Beijing - feminine care products and diapers Chengdu - feminine care products
Guangzhou - tissue products
Nanjing - feminine care products
Shanghai - tissue products
Wuhan - feminine care products
Colombia
Barbosa - notebooks, business and correspondence papers and wipers Guarne - tissue products
Pereira - tissue products and diapers Puerto Tejada - tissue products
Tocancipa - diapers and feminine care products * Villa Rica - diapers and incontinence care products Costa Rica
Belen - tissue products
Cartago - diapers and feminine care and incontinence care products Czech Republic
Jaromer - diapers and incontinence care products Litovel - feminine care products
Dominican Republic
Santo Domingo - tissue products

* Equity company production facility

ITEM 2. PROPERTIES (Continued)

Ecuador
Babahoyo - tissue products
Mapasingue - tissue products, diapers and feminine care products El Salvador
Sitio del Nino - tissue products
France
Rouen - tissue products
Villey-Saint-Etienne - tissue products Germany
Forchheim - feminine care and incontinence care products Koblenz - tissue products
Mainz - tissue products
Reisholz - tissue products
Guatemala
Poza Verde - tissue products
Honduras
Villanueva - health care products
India
* Pune - feminine care products and diapers Indonesia
Jakarta - tissue products
* Medan - specialty papers
Israel
Afula - diapers and feminine care and incontinence care products Hadera - tissue products
Nahariya - tissue products
Italy
Alanno - tissue products
Patrica - diapers
Romagnano - tissue products
Villanovetta - tissue products
Japan
Shiga - soap
Korea
Anyang - feminine care products, diapers and tissue products Kimcheon - tissue products and nonwovens Taejon - feminine care products, diapers and nonwovens Malaysia
Kluang - tissue products, feminine care products and diapers

* Equity company production facility

(Continued)

ITEM 2. PROPERTIES (Continued)

Mexico
Acuna - health care products
* Bajio - tissue products, fine papers and notebooks * Cuautitlan - feminine care products, diapers and nonwovens * Ecatepec - tissue products
Empalme - health care products
Magdalena - health care products
* Morelia - tissue products, pulp and fine papers * Naucalpan - tissue products and specialty papers Nogales - health care products
* Orizaba - tissue products, fine papers and pulp * Ramos Arizpe - tissue products and diapers * San Rafael - fine papers
* Texmelucan - tissue products
* Tlaxcala - diapers, nonwovens and wet wipes Peru
Puente Piedra - tissue products
Villa - diapers and feminine care and incontinence care products Philippines
San Pedro, Laguna - feminine care products, diapers, tissue products and specialty papers Puerto Rico
Toa Alta - diapers
Saudi Arabia
* Al-Khobar - diapers and feminine care and tissue products Slovak Republic
Piestany - health care products
South Africa
Cape Town - tissue, feminine care and incontinence care products Springs - tissue products and diapers Spain
Aranguren - tissue products
Arceniega - tissue products and personal cleansing products and systems Calatayud - diapers
Salamanca - tissue products
Telde, Canary Islands - tissue products Switzerland
Balsthal - tissue products and specialty papers Niederbipp - tissue products
Reichenburg - tissue products
Taiwan
Chung Li -tissue products, feminine care products and diapers Hsin-Ying - tissue products
Neihu - feminine care products and diapers Ta-Yuan - tissue products

* Equity company production facility

ITEM 2. PROPERTIES (Continued)

Thailand
Hat Yai - disposable gloves
Pathumthani - feminine care products, diapers and tissue products Samut Prakarn - tissue products
Turkey
Istanbul - diapers
United Kingdom
Barrow - tissue products
Barton-upon-Humber - diapers
Flint - tissue products and nonwovens Northfleet - tissue products
Venezuela
Maracay - tissue products and diapers Vietnam
Binh Duong - feminine care products Hanoi - feminine care products

ITEM 3. LEGAL PROCEEDINGS

The following is a brief description of certain legal and administrative proceedings to which the Corporation or its subsidiaries is a party or to which the Corporation's or its subsidiaries' properties are subject. In management's opinion, none of the legal and administrative proceedings described below, individually or in the aggregate, is expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

As of December 31, 2002, approximately 165 product liability lawsuits seeking monetary damages, in most cases of an unspecified amount, are pending in federal and state courts against Safeskin. Safeskin is typically one of several defendants who manufacture or sell natural rubber latex gloves. These lawsuits allege injuries ranging from dermatitis to severe allergic reactions caused by the residual chemicals or latex proteins in gloves worn by health care workers and other individuals while performing their duties. Safeskin has referred the defense of these lawsuits to its insurance carriers and management believes its insurance coverage is adequate for these types of claims.

Safeskin and certain of its former officers and directors are defendants in two cases filed in 1999, prior to the acquisition of Safeskin by the Corporation. One case is a class action lawsuit alleging violations of the federal securities laws and the other is a shareholder derivative action alleging breach of fiduciary duty, waste of corporate assets and gross negligence in connection with a stock repurchase program undertaken by Safeskin. In December 2002, a settlement agreement was entered into pursuant to which all claims against Safeskin and the other defendants in these two cases are to be released and dismissed with prejudice and without admission of liability or wrongdoing by any party in exchange for $55 million, most of which is covered by insurance. The Corporation recorded a charge of $21 million in the fourth quarter of 2002 related to this matter. The settlement is subject to notice to the class and approval by the U.S. District Court for the Southern District of California. Court approval is expected in March 2003.

As of December 31, 2002, the Corporation, along with many other nonaffiliated companies, was a party to lawsuits with allegations of personal injury resulting from asbestos exposure on the defendants' premises and allegations that the defendants manufactured, sold, distributed or installed products which cause asbestos-related lung disease. These general allegations are often made against the Corporation without any apparent evidence or identification of a specific product or premises of the Corporation. The Corporation has denied the allegations and raised numerous defenses in all of these asbestos cases. All asbestos claims have been tendered to the Corporation's insurance carriers for defense and indemnity. The Corporation's financial statements reflect appropriate accruals for its portion of the costs estimated to be incurred in connection with settling these claims.

The Corporation is subject to routine litigation from time to time, which, individually or in the aggregate, is not expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

ITEM 3. LEGAL PROCEEDINGS (Continued)

Environmental Matters

The Corporation is subject to federal, state and local environmental protection laws and regulations with respect to its business operations and is operating in compliance with, or taking action aimed at ensuring compliance with, such laws and regulations. Compliance with these laws and regulations is not expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

The Corporation has been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business, financial condition or results of operations.

PART II

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The names and ages of the executive officers of the Corporation as of March 1, 2003, together with certain biographical information, are as follows:

Robert E. Abernathy, 48, was elected Group President effective January 1, 1997. He is responsible for the global Business-to-Business segment which includes the K-C Professional Tissue and Wiper business, the Health Care business, Nonwovens manufacturing, Research and Sales functions, the Technical Paper business, the Neenah Paper business and the Energy and Environment organization. Mr. Abernathy joined the Corporation in 1982. His past responsibilities in the Corporation have included operations and major project management in North America. He was appointed Vice President - North American Diaper Operations in 1992 and Managing Director of Kimberly-Clark Australia Pty. Limited in 1994.

Mark A. Buthman, 42, was elected Senior Vice President and Chief Financial Officer effective January 1, 2003. Mr. Buthman joined the Corporation in 1982. He has held various positions of increasing responsibility in the operations, finance and strategic planning areas of the Corporation. Mr. Buthman was appointed Vice President of Finance in 2002 and Vice President of Strategic Planning and Analysis in 1997.

O. George Everbach, 64, was elected Senior Vice President - Law and Government Affairs in 1988. Mr. Everbach joined the Corporation in 1984. His responsibilities have included direction of legal, human resources and administrative functions. He was elected Vice President and General Counsel in 1984; Vice President, Secretary and General Counsel in 1985; and Senior Vice President and General Counsel in 1986.

Thomas J. Falk, 44, was elected Chairman of the Board and Chief Executive Officer in February 2003 and President and Chief Executive Officer in September 2002. Prior to that, he served as President and Chief Operating Officer of the Corporation since his election in 1999. Mr. Falk previously had been elected Group President - Global Tissue, Pulp and Paper in 1998, where he was responsible for the Corporation's global tissue businesses. He also was responsible for the Wet Wipes and Neenah Paper sectors, Pulp Operations and Consumer Business Services, Environment and Energy and Human Resources organizations. Mr. Falk joined the Corporation in 1983 and has held other senior management positions in the Corporation. He has been a director of the Corporation since 1999.

Steven R. Kalmanson, 50, was elected Group President in January 1996. He is responsible for the Consumer Tissue segment, which includes the Family Care and Wet Wipes businesses, Pulp Operations and North America Supply Chain and Logistics organizations. Mr. Kalmanson joined the Corporation in 1977. His past responsibilities have included various marketing positions within the consumer products businesses. He was appointed President, Adult Care in 1990, President, Child Care in 1991 and President, Family Care in 1995.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS (Continued)

Kathi P. Seifert, 53, was elected Executive Vice President in November 1999. She is responsible for the Personal Care segment which includes the Infant Care, Child Care, Feminine Care and Adult Care businesses, and the Safety and Quality Assurance team and the U.S. and Canadian Sales organizations. Ms. Seifert joined the Corporation in 1978. Her responsibilities in the Corporation have included various marketing positions within the K-C Professional, Consumer Tissue and Feminine Care businesses. She was appointed President - Feminine Care in 1991, was elected Group President - Feminine and Adult Care in 1994, elected Group President - North American Consumer Products in January 1995, elected Group President - North American Personal Care Products in July 1995 and elected Group President - Global Personal Care Products in April 1998. Ms. Seifert is a member of the board of directors of Eli Lilly and Company, the U.S. Fund for UNICEF, Theda Care Health Group and The Fox Cities Performing Arts Center.

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The dividend and market price data included in Note 14 to the Consolidated Financial Statements, and the information set forth under the captions "Additional Information - Dividends and Dividend Reinvestment Plan" and "Additional Information - Stock Exchanges" contained in the 2002 Annual Report to Stockholders are incorporated in this Item 5 by reference.

As of March 12, 2003, the Corporation had 37,731 holders of record of its common stock.

(Continued)

ITEM 6. SELECTED FINANCIAL DATA

(Millions of dollars, except per share amounts)	Year Ended December 31(a) 1998(b)	1999	2000	2001	2002
Net Sales	$11,261.4	$11,901.0	$12,909.5	$13,287.6	$13,566.3
Gross Profit	3,557.1	4,215.5	4,676.7	4,669.6	4,815.6
Operating Profit	1,697.7	2,435.4	2,633.8	2,338.2	2,463.8
Share of Net Income of Equity Companies	137.1	189.6	186.4	154.4	113.3
Income from Continuing Operations Before Cumulative Effect of Accounting Change	1,114.3	1,668.1	1,800.6	1,609.9	1,686.0
Per Share Basis:					
Basic	2.02	3.11	3.34	3.04	3.26
Diluted	2.01	3.09	3.31	3.02	3.24
Net Income	1,103.1	1,668.1	1,800.6	1,609.9	1,674.6
Per Share Basis:					
Basic	2.00	3.11	3.34	3.04	3.24
Diluted	1.99	3.09	3.31	3.02	3.22
Cash Dividends Per Share					
Declared	1.00	1.04	1.08	1.12	1.20
Paid	.99	1.03	1.07	1.11	1.18
Total Assets	$11,687.8	$12,815.5	$14,479.8	$15,007.6	$15,585.8
Long-Term Debt	2,068.2	1,926.6	2,000.6	2,424.0	2,844.0
Stockholders' Equity	4,031.5	5,093.1	5,767.3	5,646.9	5,650.3

(a) During 2001, the Emerging Issues Task Force ("EITF") of the Financial Accounting Standards Board ("FASB") issued EITF 01-9, Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products. Under EITF 01-9, the cost of promotion activities offered to customers is classified as a reduction in sales revenue. In addition, the estimated redemption value of consumer coupons is required to be recorded at the time the coupons are issued and classified as a reduction in sales revenue. The Corporation adopted EITF 01-9 effective January 1, 2002, and reclassified the face value of coupons and other applicable promotional activities from expense to a reduction in revenue, which reduced net sales by $1.0 billion for 1998, $1.1 billion for 1999, $1.1 billion for 2000 and $1.2 billion for 2001. The adoption of EITF 01-9 did not change reported earnings for prior years but did require the recording of a cumulative effect of a change in accounting principle in 2002, equal to an after-tax charge of approximately $.02 per share, which resulted from a change in the period for recognizing the face value of coupons.

(b) The Corporation adopted Statement of Position 98-5, Reporting on the Costs of Start-up Activities, effective January 1, 1998, and restated 1998 first quarter results to record a pretax charge of $17.8 million, $11.2 million after taxes, or $.02 per share, as the cumulative effect of this accounting change.

(Continued)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information set forth under the caption "Management's Discussion and Analysis" contained in the 2002 Annual Report to Stockholders is incorporated in this Item 7 by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth under the caption "Management's Discussion and Analysis - Risk Sensitivity" contained in the 2002 Annual Report to Stockholders is incorporated in this Item 7A by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of the Corporation and its consolidated subsidiaries and the independent auditors' report thereon contained in the 2002 Annual Report to Stockholders are incorporated in this Item 8 by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The section of the 2003 Proxy Statement captioned "Certain Information Regarding Directors and Nominees" under "Proposal 1. Election of Directors" identifies members of the board of directors of the Corporation and nominees, and is incorporated in this Item 10 by reference.

See also "EXECUTIVE OFFICERS OF THE REGISTRANT" appearing in Part I hereof.

ITEM 11. EXECUTIVE COMPENSATION

The information in the section of the 2003 Proxy Statement captioned "Executive Compensation" is incorporated in this Item 11 by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information in the section of the 2003 Proxy Statement captioned "Security Ownership of Management" under "Proposal 1. Election of Directors" is incorporated in this Item 12 by reference.

Equity Plans

The following table gives information about the Corporation's common stock that may be issued upon the exercise of options, warrants and rights under all of the Corporation's equity compensation plans as of December 31, 2002.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by stockholders (1)	28,187,240 (2)	$55.13	23,736,628 (3)
Equity compensation plans not approved by stockholders (4)	1,683,393 (5)(6)	$52.73 (6)	938,207
Total	29,870,633	$55.00	24,674,835

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS (Continued)

(1) Includes the 1992 Equity Participation Plan and 2001 Equity Participation Plan.

(2) Does not include 126,372 restricted share units granted under the 2001 Equity Participation Plan. Upon vesting, a share of the Corporation's common stock is issued for each restricted share unit.

(3) Includes 2,443,828 shares that may be granted as restricted shares or restricted share units under the 2001 Equity Participation Plan.

(4) Includes the 125th Anniversary Options Program, Outside Directors Compensation Plan, 1999 Restricted Stock Plan and certain acquired equity compensation plans.

(5) Does not include 126,506 restricted share units granted under the 1999 Restricted Stock Plan. Upon vesting, a share of the Corporation's common stock is issued for each restricted share unit.

(6) Does not include 437,588 options at a weighted-average exercise price of $39.15 granted, and 6,295 shares of the Corporation's common stock that may be issued, under equity compensation plans assumed by the Corporation in connection with acquisitions to honor existing obligations of acquired entities. The Corporation will not make any additional grants or awards under such plans, although the terms of one acquired deferred compensation plan provide for issuance of a de minimus number of shares of the Corporation's common stock for reinvested dividends on deferred amounts.

125th Anniversary Options Program

In 1997, approximately 57,000 employees worldwide were granted approximately 3,200,000 stock options and 200,000 stock appreciation rights under the Corporation's 125th Anniversary Options Program, approved by the Corporation's board of directors. Employees were granted options to purchase a fixed number of shares, ranging from 25 to 125 shares per employee, of common stock at a price equal to the fair market value of the Corporation's stock at the date of grant. These grants generally became exercisable after the third anniversary of the grant date and have a term of seven years. The Corporation is no longer granting options under this program.

1999 Restricted Stock Plan

In 1999, the Corporation's board of directors approved the 1999 Restricted Stock Plan under which certain key employees could be granted, in the aggregate, up to 2,500,000 shares of the Corporation's common stock or awards of restricted stock units. These restricted stock awards vest and become unrestricted shares in three to ten years from the date of grant. Although plan participants are entitled to cash dividends and may vote such awarded shares, the sale or transfer of such shares is limited during the restricted period. The market value of the Corporation's stock at the date of grant determines the value of the restricted stock award. Although no additional awards can be granted under this plan, unvested restricted share units are credited with dividends that are converted to additional restricted share units.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS (Continued)

Outside Directors Compensation Plan

In 2001, the Corporation's board of directors approved the Outside Directors Compensation Plan. This Plan was amended and restated effective January 1, 2003. A maximum of 1,000,000 shares of the Corporation's common stock is available for grant under this plan. Each director who is not an officer or employee of the Corporation or any of its subsidiaries, affiliates or equity companies (an "Outside Director"), is granted an annual option to purchase 2,500 shares of the Corporation's common stock. Each Outside Director who serves as chair of the Audit, Compensation, or Nominating and Corporate Governance Committee is granted an additional option to purchase 300 shares for each chair position held during the year. Outside Directors may also elect to receive a portion of their cash compensation in additional stock options under this plan. Options become exercisable one year from the date of grant, at an option price equal to the fair market value of the Corporation's common stock on the date of grant, and expire after ten years, except under certain circumstances, including a change in control of the Corporation. The Corporation's board of directors may also grant awards in the form of stock, stock appreciation rights, restricted shares, restricted share units, or any combination of cash, options, stock, stock appreciation rights, restricted shares or restricted share units under this plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information in the section of the 2003 Proxy Statement captioned "Certain Transactions and Business Relationships" under "Proposal 1. Election of Directors" is incorporated in this Item 13 by reference.

ITEM 14. CONTROLS AND PROCEDURES

As of December 31, 2002, an evaluation was performed under the supervision and with the participation of the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures. Based on that evaluation, the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Corporation's disclosure controls and procedures were effective as of December 31, 2002. There have been no significant changes in the Corporation's internal controls or in other factors that could significantly affect internal controls subsequent to December 31, 2002, the date of the most recent evaluation of internal controls.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) Documents filed as part of this report.

1. Financial statements:

The Consolidated Balance Sheet as of December 31, 2002 and 2001, and the related Consolidated Statements of Income, Stockholders' Equity and Cash Flow for the years ended December 31, 2002, 2001 and 2000, and the related Notes thereto, and the Independent Auditors' Report of Deloitte & Touche LLP thereon are incorporated in Part II, Item 8 of this Form 10-K by reference to the financial statements contained in the 2002 Annual Report to Stockholders. In addition, a related report of Deloitte & Touche LLP is included herein.

2. Financial statement schedule:

The following information is filed as part of this Form 10-K and should be read in conjunction with the financial statements contained in the 2002 Annual Report to Stockholders.

Independent Auditors' Report

Schedule for Kimberly-Clark Corporation and Subsidiaries:
Schedule II Valuation and Qualifying Accounts

All other schedules have been omitted because they were not applicable or because the required information has been included in the financial statements or notes thereto.

3. Exhibits:

Exhibit No. (3)a. Restated Certificate of Incorporation, dated June 12, 1997, incorporated by reference to Exhibit No. (3)a of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1999.

Exhibit No. (3)b. By-Laws, as amended November 12, 2002.

Exhibit No. (4). Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.

Exhibit No. (10)a. Management Achievement Award Program, as amended and restated, incorporated by reference to Exhibit No. (10)a of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1997.

Exhibit No. (10)b. Executive Severance Plan, as amended and restated.

Exhibit No. (10)c. Fourth Amended and Restated Deferred Compensation Plan for Directors, incorporated by reference to Exhibit No. (10)c of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K
(Continued)

Exhibit No. (10)d. Executive Officer Achievement Award Program.

Exhibit No. (10)e. 1992 Equity Participation Plan, as amended, incorporated by reference to Exhibit No. (10)e of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.

Exhibit No. (10)f. Deferred Compensation Plan, as amended.

Exhibit No. (10)g. Outside Directors' Stock Compensation Plan, as amended.

Exhibit No. (10)h. Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended.

Exhibit No. (10)i. Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated.

Exhibit No. (10)j. Retirement Contribution Excess Benefit Program, as amended and restated, incorporated by reference to Exhibit No. (10)j of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.

Exhibit No. (10)k. 1999 Restricted Stock Plan, as amended, incorporated by reference to Exhibit No. (10)k of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.

Exhibit No. (10)l. Outside Directors' Compensation Plan, as amended and restated.

Exhibit No. (10)m. 2001 Equity Participation Plan, incorporated by reference to Exhibit No. (10)m of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2001.

Exhibit No. (12). Computation of ratio of earnings to fixed charges for the five years ended December 31, 2002.

Exhibit No. (13). Portions of the Corporation's 2002 Annual Report to Stockholders incorporated by reference in this Form 10-K.

Exhibit No. (21). Subsidiaries of the Corporation.

Exhibit No. (23). Independent Auditors' Consent.

Exhibit No. (24). Powers of Attorney.

Exhibit No. (99.1). Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit No. (99.2). Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

PART IV

(Continued)

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K
(Continued)

(b) Report on Form 8-K

The Corporation filed the following Current Report on Form 8-K since October 1, 2002:

1. Current Report on Form 8-K, dated December 11, 2002, to report the text of
(i) a press release issued on December 11, 2002 regarding fourth quarter 2002 guidance and the 2003 business outlook and (ii) a conference call webcasted on December 11, 2002 regarding the 2003 business outlook.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KIMBERLY-CLARK CORPORATION

March 14, 2003

By: /s/ Mark A. Buthman

Mark A. Buthman
Senior Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Thomas J. Falk ------------------- Thomas J. Falk	Chairman of the Board and Chief Executive Officer and Director (principal executive officer)	March 14, 2003
/s/ Mark A. Buthman ------------------- Mark A. Buthman	Senior Vice President and Chief Financial Officer (principal financial officer)	March 14, 2003
/s/ Randy J. Vest ------------------- Randy J. Vest	Vice President and Controller (principal accounting officer)	March 14, 2003

Directors

Dennis R. Beresford
John F. Bergstrom
Pastora San Juan Cafferty
Paul J. Collins
Robert W. Decherd
Thomas J. Falk
William O. Fifield
Claudio X. Gonzalez
Mae C. Jemison
Linda Johnson Rice
Wolfgang R. Schmitt
Marc J. Shapiro
Randall L. Tobias

By: /s/ O. George Everbach — March 14, 2003

O. George Everbach, Attorney-in-Fact

CERTIFICATIONS

I, Thomas J. Falk, Chief Executive Officer of Kimberly-Clark Corporation, certify that:

1. I have reviewed this annual report on Form 10-K of Kimberly-Clark Corporation (the "registrant");

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Thomas J. Falk

Thomas J. Falk, Chief Executive Officer

Date: March 14, 2003

CERTIFICATIONS

I, Mark A. Buthman, Chief Financial Officer of Kimberly-Clark Corporation, certify that:

1. I have reviewed this annual report on Form 10-K of Kimberly-Clark Corporation (the "registrant");

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Mark A. Buthman

Mark A. Buthman, Chief Financial Officer

Date: March 14, 2003

INDEPENDENT AUDITORS' REPORT

Kimberly-Clark Corporation:

We have audited the consolidated financial statements of Kimberly-Clark Corporation as of December 31, 2002 and 2001, and for each of the three years in the period ended December 31, 2002, and have issued our report thereon dated February 6, 2003; such consolidated financial statements and report are included in your 2002 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of Kimberly-Clark Corporation, listed in Item 15. This consolidated financial statement schedule is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits. In our opinion, the consolidated financial statement schedule listed in Item 15, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Dallas, Texas
February 6, 2003

SCHEDULE II

Kimberly-Clark Corporation and Subsidiaries

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000
(Millions of dollars)

		Additions		Deductions	
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts(a)	Write-Offs and Reclassifications	Balance at End of Period
December 31, 2002					
Allowances deducted from assets to which they apply					
Allowances for doubtful accounts..................	$ 49.8	$ 10.4	$ .2	$ 12.0 (b)	$48.4
Allowances for sales discounts.................	20.0	218.8	.6	220.2 (c)	19.2
December 31, 2001					
Allowances deducted from assets to which they apply					
Allowances for doubtful accounts..................	$ 53.2	$ 18.2	$(3.1)	$ 18.5 (b)	$49.8
Allowances for sales discounts.................	19.9	215.9	2.0	217.8 (c)	20.0
December 31, 2000					
Allowances deducted from assets to which they apply					
Allowances for doubtful accounts..................	$ 50.9	$ 12.7	$ 3.9	$ 14.3 (b)	$53.2
Allowances for sales discounts.................	20.7	203.7	(.4)	204.1 (c)	19.9

(a) Includes bad debt recoveries and the effects of changes in foreign currency exchange rates. Also includes the beginning balances resulting from acquisitions made during the year and from the consolidation of Kimberly-Clark Australia Pty. Ltd., the Corporation's Australian affiliate, and Hogla-Kimberly Limited, the Corporation's Israeli affiliate, in 2001 and 2000, respectively.

(b) Primarily uncollectible receivables written off.

(c) Sales discounts allowed.

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000
(Millions of dollars)

Kimberly-Clark Corporation and Subsidiaries

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts	Deductions(a)	Balance at End of Period
December 31, 2002					
Deferred Taxes Valuation Allowance	$177.2	$ 55.3	$ -	$ (8.1)	$240.6
December 31, 2001					
Deferred Taxes Valuation Allowance	$158.8	$ -	$ -	$(18.4)	$177.2
December 31, 2000					
Deferred Taxes Valuation Allowance	$279.0	$(102.6)	$ -	$ 17.6	$158.8

(a) Includes the net currency effects of translating valuation allowances at current rates under Statement of Financial Accounting Standards No. 52 of $(1.5) million in 2002, $(3.4) million in 2001 and $(17.8) million in 2000. Also, reflects a valuation allowance of approximately $24 million in 2001 related to a net operating loss carryforward that had not previously been recorded. This entry had no effect on the consolidated statement of income or the consolidated balance sheet.

EXHIBIT INDEX

Exhibit No. (3)a. Restated Certificate of Incorporation, dated June 12, 1997, incorporated by reference to Exhibit No. (3)a of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1999.

Exhibit No. (3)b. By-Laws, as amended November 12, 2002.*

Exhibit No. (4). Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.

Exhibit No. (10)a. Management Achievement Award Program, as amended and restated, incorporated by reference to Exhibit No. (10)a of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1997.

Exhibit No. (10)b. Executive Severance Plan, as amended and restated.*

Exhibit No. (10)c. Fourth Amended and Restated Deferred Compensation Plan for Directors, incorporated by reference to Exhibit No. (10)c of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996.

Exhibit No. (10)d. Executive Officer Achievement Award Program.*

Exhibit No. (10)e. 1992 Equity Participation Plan, as amended, incorporated by reference to Exhibit No. (10)e of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.

Exhibit No. (10)f. Deferred Compensation Plan, as amended.*

Exhibit No. (10)g. Outside Directors' Stock Compensation Plan, as amended.*

Exhibit No. (10)h. Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended.*

Exhibit No. (10)i. Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated.*

Exhibit No. (10)j. Retirement Contribution Excess Benefit Program, as amended and restated, incorporated by reference to Exhibit No. (10)j of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.

Exhibit No. (10)k. 1999 Restricted Stock Plan, as amended, incorporated by reference to Exhibit No. (10)k of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.

Exhibit No. (10)l. Outside Directors' Compensation Plan, as amended and restated.*

Exhibit No. (10)m. 2001 Equity Participation Plan, incorporated by reference to Exhibit No. (10)m of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2001.

Exhibit No. (12). Computation of ratio of earnings to fixed charges for the five years ended December 31, 2002.*

Exhibit No. (13). Portions of the Corporation's 2002 Annual Report to Stockholders incorporated by reference in this Form 10-K.*

Exhibit No. (21). Subsidiaries of the Corporation.*

Exhibit No. (23). Independent Auditors' Consent.*

Exhibit No. (24). Powers of Attorney.*

Exhibit No. (99.1). Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

Exhibit No. (99.2). Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

*Filed herewith.

Exhibit No. (3)b

BY-LAWS
OF
KIMBERLY-CLARK CORPORATION

As Amended Through November 12, 2002

Note: For convenience, the masculine has been used in these By-Laws with the intention that it include the feminine as well.

CAPITAL STOCK

1. CERTIFICATES

Every stockholder shall be entitled to have a certificate in such form as the Board shall from time to time approve, signed by the Chairman of the Board, a Vice Chairman of the Board, the President or a Vice President and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, certifying the number of shares owned by him. Any of or all the signatures on the certificate and the corporate seal may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. While the corporation is authorized to issue more than one class of stock or more than one series of any class, there shall be set forth on the face or back of each certificate issued a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof of the corporation and the qualifications, limitations or restrictions of such preferences and/or rights.

2. RECORD OWNERSHIP

The name and address of the holder of each certificate, the number of shares represented thereby, and the date of issuance thereof shall be recorded in the corporation's books and records. The corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person, whether or not it shall have express or other notice thereof, except as required by law.

3. TRANSFER

Transfer of stock shall be made on the books of the corporation only by direction of the person named in the certificate or his attorney, lawfully constituted in writing, and only upon the surrender for cancellation of the certificate therefor and a written assignment of the shares evidenced thereby.

4. LOST CERTIFICATES

Any person claiming a stock certificate in lieu of one lost or destroyed shall give the corporation an affidavit as to his ownership of the certificate and of the facts which go to prove its loss or destruction. He shall also, if required by the Board, give the corporation a bond or other indemnification, in such form as may be approved by the Board, sufficient to indemnify the corporation against any claim that may be made against it on account of the alleged loss of the certificate or the issuance of a new certificate.

5. TRANSFER AGENT; REGISTRAR

The corporation shall maintain one or more transfer offices or agencies, each in charge of a transfer agent designated by the Board, where the shares of stock of the corporation shall be transferable. The corporation shall also maintain one or more registry offices, each in charge of a registrar designated by the Board, where such shares of stock shall be registered. The same entity may be both transfer agent and registrar.

6. RECORD DATE; CLOSING TRANSFER BOOKS

So that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting as provided in Article VI of the Certificate of Incorporation, or entitled to receive payment of any dividend or other distribution or allotment of rights, or entitled to exercise any rights in respect of any change, conversion or exchange of capital stock, or for the purpose of any other lawful action, the Board may fix a record date which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which record date shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than ten days from the date upon which the resolution fixing the record date is adopted by the Board in the case of a determination of the stockholders entitled to express consent to corporate action without a meeting, nor more than sixty days before any other action, and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of and to vote at such meeting, or to give such consent, or to receive such dividend or other distribution or allotment of rights, or to exercise such rights, or to take such other lawful action, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

MEETINGS OF STOCKHOLDERS

7. ANNUAL

The annual meeting of stockholders for the election of directors and the transaction of such other business as may properly be brought before the meeting shall be held on the third Thursday in April in each year, or on such other day, which shall not be a legal holiday, as shall be determined by the Board. The annual meeting shall be held at such place and hour, within or without the State of Delaware, as shall be determined by the Board. The day, place and hour of each annual meeting shall be specified in the notice of the annual meeting. The meeting may be adjourned by the chairman of the meeting from time to time and place to place. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. In accordance with the provisions of applicable law, the Board acting by resolution may postpone and reschedule any previously scheduled annual meeting of stockholders.

8. SPECIAL

Special meetings shall be held at such place, within or without the State of Delaware, as may from time to time be fixed consistent with the provisions of Article VI of the Certificate of Incorporation. In the event no such place has been fixed, special meetings shall be held at the offices of the corporation located in Dallas County, Texas. The meeting may be adjourned by the chairman of the meeting from time to time and place to place. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. In accordance with the provisions of applicable law, the Board acting by resolution may postpone and reschedule any previously scheduled special meeting of stockholders.

9. NOTICE

Written notice of every meeting of stockholders, stating the place, day, hour and purposes thereof, shall, except when otherwise required by law, be mailed at least ten, but not more than sixty days before such meeting to each stockholder of record entitled to vote thereat.

10. QUORUM

The holders of a majority of the voting power of the issued and outstanding shares of capital stock of the corporation entitled to vote, present in person or represented by proxy, shall constitute a quorum at any meeting, except as otherwise required by law. In the event of lack of a quorum, the chairman of the meeting or a majority of the voting power of the shares of capital stock present in person or represented by proxy may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be obtained. At any such adjourned meeting at which there is a quorum, any business may be transacted which might have been transacted at the meeting originally called. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

11. CONDUCT OF MEETINGS

(a) The Chief Executive Officer, or in his absence such other officer as may be designated by the Board, shall be the chairman at stockholders' meetings. The Secretary of the corporation shall be the secretary at stockholders' meetings but in his absence the chairman of the meeting may appoint a secretary for the meeting. The opening and closing of the polls for matters upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board may, to the extent not prohibited by law, adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations or procedures and to do all acts as, in the judgment of the chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may to the extent not prohibited by law include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies (which shall be reasonable in number) or such other persons as the chairman of the meeting shall determine;
(iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants.

(b) At a meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting in accordance with these By-Laws. To be properly brought before a meeting, business must (a) be specified in the notice of the meeting (or any supplement thereto) given by or at the direction of the Board, (b) otherwise properly be brought before the meeting by or at the direction of the Board, or (c) otherwise (i) properly be requested to be brought before the meeting by a stockholder of record entitled to vote in the election of directors generally, and (ii) constitute a proper subject to be brought before such meeting. For business to be properly requested to be brought before an annual meeting of stockholders by a stockholder of record, any stockholder who intends to bring any matter (other than in connection with the election of directors) before an annual meeting of stockholders and is entitled to vote on such matter must deliver written notice of such stockholder's intent to bring the matter before the annual meeting of stockholders, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the corporation. Such notice must be received by the Secretary not less than 75 days nor more than 100 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 100th day prior to such annual meeting and not later than the close of business on the later of the 75th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder notice as described above. For purposes of this By-Law 11, "public announcement" shall mean the date disclosure of the date of the meeting of stockholders is first made in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service, or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Sections 13, 14, or 15(d) of the Securities Exchange Act of 1934, as amended. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting.

A stockholder's notice to the Secretary required by this By-Law 11 shall set forth as to each matter the stockholder proposes to bring before the meeting of stockholders: (i) a brief description of the business to be brought before the meeting and the reasons for conducting such business at the meeting; (ii) the name and address of the stockholder intending to propose such business; (iii) the number of shares of stock of the corporation beneficially held, either personally or in concert with others, by the stockholder, and a representation that the stockholder is a holder of stock of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such proposal; and (iv) any material interest of the stockholder in such business. No business shall be conducted at a meeting of stockholders except in accordance with the procedures set forth in this By-Law 11. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that the business was not properly brought before the meeting in accordance with the provisions hereof and, if he should so determine, he shall so declare to the meeting that any such business not properly brought before the meeting shall not be transacted.

12. VOTING

Except as otherwise provided in the Certificate of Incorporation, at each meeting of the stockholders, each holder of shares entitled to vote at such meeting shall, as to all matters in respect of which such shares have voting rights, be entitled to one vote in person or by written proxy for each share held of record by him. No vote upon any matter, except the election of directors or the amendment of the Certificate of Incorporation, is required to be by ballot unless demanded by the holders of at least 10% of the voting power of the shares of capital stock represented and entitled to vote at the meeting. All motions to introduce a matter for a vote by the stockholders at a meeting thereof, except for nominations for election as directors recommended by the Nominating Committee and approved by the Board, shall be seconded prior to a vote thereon by the stockholders.

A stockholder may authorize another person or persons to act for him as proxy by transmitting or authorizing the transmission of a telegram, cablegram, or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder.

The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls. All elections and questions shall be decided by plurality vote, except as otherwise required by the laws of Delaware or the Certificate of Incorporation.

13. INSPECTORS OF ELECTION

The Chief Executive Officer shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. He may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability.

The inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the number of shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and
(v) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors. The inspectors shall determine the validity of and count the proxies and ballots in accordance with applicable law.

14. LIST OF STOCKHOLDERS

A complete list of the stockholders entitled to vote at stockholders' meetings (arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder) shall be prepared by the Secretary and filed at least ten days prior to each meeting, either at a place specified in the notice of such meeting within the city or town where such meeting is to be held, or if no such place is specified, at the place where such meeting is to be held. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting, and shall be produced and kept at the time and place of such meeting during the whole time thereof, and subject to the inspection of any stockholder who may be present. The original or duplicate stock ledger shall be the only evidence as to who are stockholders entitled to inspect such list.

BOARD OF DIRECTORS

15. RESIGNATION

A director may resign at any time by giving written notice to the corporation, addressed to the Chief Executive Officer or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein. Acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the notice.

16. ANNUAL MEETING

A meeting of the Board, to be known as the annual Board meeting, shall be held without call or notice immediately after and at the same general place as the annual meeting of the stockholders. The annual Board meeting shall be held for the purpose of organizing the Board, electing officers, and transacting any other business that may properly come before the meeting.

17. REGULAR MEETINGS

Regular meetings of the Board may be held without call or notice at such place and at such time as shall be fixed by the Board.

18. SPECIAL MEETINGS

Special meetings of the Board may be called by the Chief Executive Officer, and shall be called by the Secretary upon the request in writing of not less than two of the directors then in office. Special meetings of the Board may be held at such place and at such time as shall be designated in the call thereof. Notice of special meetings of the Board shall either be mailed by the Chief Executive Officer or the Secretary to each director at least three days before the meeting, or served upon, or sent by electronic means by the Chief Executive Officer or the Secretary to, each director at least one day before the meeting, but during an emergency as defined in By-Law 20, notice may be given only to such of the directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publications or private or public electronic means. Unless required by law, the notice need not state the purposes of the meeting.

19. TELEPHONIC MEETINGS

Members of the Board or any committee designated by the Board may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

20. QUORUM

Except during the existence of an emergency and except as otherwise provided in these By-Laws or in the Certificate of Incorporation, one-third of the total number of directors, as fixed pursuant to Section (2) of Article VIII of the Certificate of Incorporation, shall constitute a quorum for the transaction of business. During the existence of an emergency, three directors shall constitute a quorum for the transaction of business. To the extent required to constitute a quorum at any meeting of the Board during an emergency, the officers of the corporation who are present shall be deemed, in order of rank and within the same rank in order of seniority, directors for such meeting. Subject to the provisions of the Certificate of Incorporation, the action of the majority of directors present at a meeting at which a quorum is present shall be the act of the Board. In the event of lack of a quorum, a majority of the directors present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be obtained. At any such adjourned meeting at which there is a quorum, any business may be transacted which might have been transacted at the meeting originally called.

An "emergency" for the purpose of these By-Laws shall be any emergency resulting from an attack on the United States or on a locality in which the corporation conducts its business or customarily holds meetings of its Board or its stockholders, or during any nuclear or atomic disaster, or during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board or a standing committee thereof cannot readily be convened for action.

21. ACTION WITHOUT MEETING

Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing and such written consent is filed with the minutes of the proceedings of the Board.

22. ORGANIZATION

The Chairman of the Board, or in his absence the Chief Executive Officer, or in his absence a director chosen by the directors present, shall act as chairman at meetings of the Board. The Secretary of the corporation shall act as secretary at meetings of the Board but in his absence the chairman of the meeting may appoint a secretary for the meeting.

23. COMPENSATION

The compensation of directors for services as directors and as members of committees of the Board shall be as fixed by the Board from time to time. The compensation, if any, of the directors need not be uniform as between directors and the compensation, if any, of the members of the committees of the Board need not be uniform either as between members of a committee or as between committees. The Board shall provide for reimbursing the directors for expenses incurred in attending meetings of the Board or committees thereof.

Any director may also serve the corporation in any other capacity and receive compensation, including fees and expenses, for such service.

24. INDEPENDENT DIRECTORS

The nomination of an individual to serve as a member of the Board shall be such that immediately after the election of such nominee to the Board a majority of all directors holding office shall be independent directors.

For purposes of this By-Law, a director shall be an "independent director" if neither the director nor any immediate family member of the director: (i) is, or has been at anytime during the preceding five years, employed by the corporation or its subsidiaries or equity companies; (ii) is, or has been at anytime during the preceding five years, employed by or an affiliate of the Corporation's independent audit firm; (iii) is an employee of another corporation if an executive officer of the Corporation is or has been at anytime during the preceding five years, a member of the compensation committee of such other corporation; and (iv) has, and is not affiliated with an entity that has, business transactions or relationships with the corporation or its subsidiaries that are required to be disclosed under regulations promulgated under the Securities Exchange Act of 1934, as amended, in the corporation's proxy statement in connection with the annual meeting of stockholders at which nominees for Board membership will be voted upon (other than disclosure required solely as a result of the service by an executive officer of the corporation on the board of a company affiliated with a member of the Board). The Board of Directors, after consultation with the Nominating and Corporate Governance Committee, may determine that a director or nominee is an independent director notwithstanding items (i) through (iv) above if it determines by written resolution that such person is independent of management and free from any relationship that in the opinion of the Board would interfere with such person's independent judgment as a member of the Board.

COMMITTEES OF THE BOARD

25. STANDING AND OTHER COMMITTEES

The directors shall from time to time designate, by resolution passed by a majority of the entire Board of Directors (as defined in Section (2) of Article VIII of the Certificate of Incorporation), an Audit Committee, a Compensation Committee, an Executive Committee and a Nominating and Corporate Governance Committee, each of which shall have and may exercise the powers of the Board in the direction of the business and affairs of the corporation in respect to the matters and to the extent hereinafter set forth, subject to the power of the Board to assign from time to time to any such committees or to any other committees such powers in respect to specific matters as the Board may deem desirable. These four committees shall be the standing committees of the corporation. The Board may, by resolution passed by a majority of the entire Board of Directors, designate such other committees as it from time to time may deem appropriate; no such committee shall consist of fewer than two directors, and the powers of each such committee shall be limited to those specified in the resolution designating the committee.

26. PROCEDURE AND COMMITTEE CHARTERS

Each committee shall fix its own rules of procedure and shall meet where and as provided by such rules, but the presence of a majority shall be necessary to constitute a quorum, unless otherwise provided by these By-Laws. Each committee shall keep minutes of its meetings. Any action required or permitted to be taken at any meeting of any committee may be taken without a meeting if all the members consent thereto in writing and such written consent is filed with the minutes of the proceedings of such committee. All action by each committee shall be reported to the Board. The Audit, Compensation, and Nominating and Corporate Governance Committees shall each adopt, subject to the approval of the Board, a committee charter that identifies the responsibilities and processes of such committee.

27. AUDIT COMMITTEE

The Audit Committee shall consist of three or more members. The Board shall select the members of the Audit Committee from among the directors who are not officers or employees of the corporation and shall designate the Chairman of the Committee. The members of the Audit Committee shall meet the independence and experience requirements of the New York Stock Exchange, the Securities Exchange Act of 1934, and the rules and regulations of the Securities and Exchange Commission. All Audit Committee members shall be financially literate, and at least one member shall be a financial expert, as defined by the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange. The Audit Committee shall, with respect to the corporation and the other entities as to which the corporation has power to select and engage auditors, select and engage independent public accountants to audit books, records and accounts, determine the scope of audits to be made by the auditors and establish policy in connection with internal audit programs and the scope thereof, and shall perform such other duties as the Board may from time to time prescribe, including those set forth in the Audit Committee charter.

28. COMPENSATION COMMITTEE

The Compensation Committee shall consist of three or more members. The Board shall select the members of the Compensation Committee from among the independent directors and shall designate the Chairman of the Committee. The Compensation Committee shall constitute the Stock Option Committee provided for under any stock option plan of the corporation. It shall from time to time fix the compensation of employees who are directors of the corporation and, in consultation with the Chief Executive Officer, the compensation of officers of the corporation who are elected by the Board. The Compensation Committee shall perform such other duties as the Board may from time to time prescribe, including those set forth in the Compensation Committee charter.

29. EXECUTIVE COMMITTEE

The Executive Committee shall consist of three or more members including, by virtue of his office, the Chief Executive Officer. The Board shall select the other members of the Committee from among the directors and shall designate the Chairman thereof.

The Executive Committee, when the Board is not in session, shall have and may exercise all of the powers of the Board to direct the business and the affairs of the corporation, including but not limited to the power to declare dividends and to authorize the issuance of stock, except the powers hereinafter in these By-Laws assigned to any other standing committee and except to the extent, if any, that the authority of the Committee may be limited in any respect by law, by the Certificate of Incorporation or by these By-Laws.

30. NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Nominating and Corporate Governance Committee shall consist of three or more members. The Board shall select the members of the Nominating Committee from among the independent directors. The Nominating and Corporate Governance Committee shall have the power to: propose and consider suggestions as to candidates for membership on the Board; periodically recommend to the Board candidates for vacancies on the Board due to resignations or retirements or due to such standards for composition of Board membership as may from time to time legally prevail; review and recommend to the Board such modifications to the prevailing Board of Directors retirement policy as may be deemed appropriate in light of contemporary standards; propose to the Board on or before March 1 of each year a slate of directors for submission to the stockholders at the annual meeting; oversee matters of corporate governance, including advising the Board on board organization, membership and function, committee structure and membership, and succession planning for executive management of the corporation; review and make recommendations to the Board from time to time with respect to the compensation of directors pursuant to By-Law 23; and such other duties as the Board may from time to time prescribe, including those set forth in the Nominating and Corporate Governance charter.

31. ALTERNATES; VACANCIES IN COMMITTEES

The Board may designate one or more directors as alternate members of any committee. Alternate members shall serve, in the order in which the Board shall determine, when one or more members of the committee shall be absent or disqualified. Alternate members may attend committee meetings as observers, without the right to vote when all members are present; when fewer than all are present, only an alternate member serving in the place of an absent or disqualified member shall have the right to vote. If no alternate is available, the committee member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any absent or disqualified member. All members of all committees (including Chairmen) shall serve at the pleasure of the Board.

OFFICERS

32. DESIGNATION; ELECTION; QUALIFICATION; TERM

Each year at the annual Board meeting the directors shall elect a Chairman of the Board, a Chief Executive Officer, a Secretary and a Treasurer. From time to time the Board may also elect or appoint a Vice Chairman of the Board or Vice Chairmen of the Board, a President, such Executive, Senior or other Vice Presidents as it may deem appropriate, a Chief Financial Officer, and such other officers, including a Controller, Assistant Vice Presidents, Assistant Secretaries, Assistant Treasurers and Assistant Controllers, as it may deem appropriate. The Chief Executive Officer may appoint any officers of the corporation not required to be elected by the Board, as he may deem appropriate. The Chairman of the Board, the Chief Executive Officer, and any Vice Chairman of the Board must be directors; no other officer need be a director. Any number of offices may be held by the same person. The term of each officer, whenever elected or appointed, shall be until the election or appointment (as the case may be) and qualification of his successor or until his earlier resignation or removal.

33. DUTIES

The officers shall have such powers and perform such duties as are prescribed in these By-Laws, or, in the case of an officer whose powers and duties are not so prescribed, as may be assigned by the Board or delegated by or through the Chief Executive Officer.

34. RESIGNATION; REMOVAL; VACANCIES

Any officer may resign at any time by giving notice to the corporation addressed to the Chief Executive Officer or the Secretary. Such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein. Acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the notice. Any officer may be removed by the Board at any time with or without cause. Any appointed officer may be removed by the Chief Executive Officer at any time with or without cause. A vacancy in any office may be filled by the Board, and a vacancy in any appointed office may be filled by the Chief Executive Officer, for the unexpired portion of the term.

35. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer of the corporation shall be elected by the Board. Subject to the Board, he shall be in general and active charge, control and supervision over the management and direction of the business, property and affairs of the corporation. He shall keep the Board fully informed, and shall freely consult it, concerning the business of the corporation in his charge.

He shall, subject to these By-Laws, have authority to:

(i) appoint or approve the appointment of employees to various posts and positions in the corporation bearing titles designated or approved by him and to prescribe their authority and duties, which may include the authority to appoint subordinates to various other posts and positions; and

(ii) remove or approve the removal of employees so appointed; and

(iii) sign, execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, notes, debentures, stock certificates, contracts, including contracts of guaranty and suretyship, leases, reports and other documents and instruments, except where the signing or execution thereof by some other officer or employee of the corporation shall be expressly authorized and directed by law, or by the Board, or by these By-Laws. Unless otherwise provided by law, or by these By-Laws, or by the Board, he may authorize in a writing filed with the Secretary, any officer, employee, or agent of the corporation to sign, execute and acknowledge, on behalf of the corporation and in his place and stead, any or all such documents and instruments.

He shall have such other authority and perform such other duties as are incident to the office of Chief Executive Officer and as may be prescribed from time to time by the Board and these By-Laws.

In the absence or disability of the Chief Executive Officer, or in case of an unfilled vacancy in that office, until such time as the Board shall elect his successor, his duties shall be performed and his powers shall be exercised by other elected officers of the corporation who are also directors (unless none are directors) in the order in which such officers were listed in their respective elections.

36. CHAIRMAN OF THE BOARD, VICE CHAIRMAN OF THE BOARD AND PRESIDENT

The Chairman of the Board, any Vice Chairman of the Board and the President, each acting alone, shall have authority to sign, execute and acknowledge on behalf of the corporation, all deeds, mortgages, bonds, notes, debentures, stock certificates, contracts, including contracts of guaranty and suretyship, leases, reports and other documents and instruments, except where the signing or execution thereof by some other officer or employee shall be expressly authorized and directed by law, or by the Board, or by the

Chief Executive Officer or by these By-Laws. Each shall have such additional powers and perform such additional duties as may be assigned to him by the Board or as may be delegated to him by the Chief Executive Officer.

37. VICE PRESIDENTS

Each Vice President shall have such powers and perform such duties as may be assigned to him by the Board or as may be delegated to him by the Chief Executive Officer.

Each Executive Vice President shall have authority to sign, execute and acknowledge on behalf of the corporation, all deeds, mortgages, bonds, notes, debentures, contracts, including contracts of guaranty and suretyship, leases, reports and other documents and instruments, except where the signing or execution thereof by some other officer or employee shall be expressly authorized and directed by law, or by the Board, or by the Chief Executive Officer, or by these By-Laws.

38. CHIEF FINANCIAL OFFICER

The Chief Financial Officer shall:

(i) be the principal financial officer of the corporation and have responsibility for all financial affairs of the corporation; and

(ii) protect the cash, securities, receivables and other financial resources of the corporation, have responsibility for investment, receipt, custody and disbursement of such resources, and establish policies for granting credit to customers; and

(iii)maintain the creditworthiness of the corporation; and

(iv) negotiate and procure capital required by the corporation, including long-term debt and equity, maintain adequate sources for the corporation's short-term financing requirements and maintain banking relationships; and

(v) administer the accounting policies of the corporation and the internal controls with respect to its financial affairs; and

(vi) supervise the corporation's books of account, and have access to all records, including the Secretary's records; and

(vii) in general, have such other powers and perform such other duties as may be assigned from time to time by the Board or by or through the Chief Executive Officer.

39. CONTROLLER

The Controller shall:

(i) be the principal accounting officer of the corporation; and

(ii) have custody and charge of the corporation's books of account, and have access to all records, including the Secretary's and the Treasurer's records, for purpose of obtaining information necessary to verify or complete the records of the Controller's office; and

(iii) implement the policies for granting credit to customers; and

(iv) implement the internal controls with respect to the financial affairs of the corporation; and

(v) have the responsibility for processing vouchers for payment by the Treasurer; and

(vi) in general, have such other powers and perform such other duties as may be assigned from time to time by the Board or by or through the Chief Executive Officer.

40. SECRETARY

The Secretary shall:

(i) attend and keep the minutes of all meetings of the stockholders, the Board, and of such committees as the Board may direct; and

(ii) have custody of the corporate seal and all corporate records (including transfer books and stock ledgers), contracts, papers, instruments, documents and books of the corporation except those required to be kept by other officers under these By-Laws; and

(iii) sign on behalf of the corporation such documents and instruments as require his signature when approved in accordance with these By-Laws, and to such documents he shall affix the corporate seal when necessary and may do so when he deems it desirable; and

(iv) see that notices are given and records and reports are properly kept and filed by the corporation as required by these By-Laws or as required by law; and

(v) in general, have such other powers and perform such other duties as are incident to the office of Secretary and as may be assigned to him from time to time by the Board or by or through the Chief Executive Officer.

41. TREASURER

The Treasurer shall:

(i) receive and sign receipts for all moneys paid to the corporation and shall deposit the same in the name and to the credit of the corporation in authorized banks or depositories; and

(ii) when necessary or desirable, endorse for collection on behalf of the corporation all checks, drafts, notes and other obligations payable to it; and

(iii) disburse the funds of the corporation only upon vouchers duly processed and under such rules and regulations as the Board may from time to time adopt; and

(iv) keep full and accurate accounts of the transactions of his office in books belonging to the corporation; and

(v) render as the Board may direct an account of the transactions of his office; and

(vi) in general, have such other powers and perform such other duties as are incident to the office of Treasurer and as may be assigned to him from time to time by the Board or by or through the Chief Executive Officer.

MISCELLANEOUS

42. OFFICES

The registered office of the corporation in the State of Delaware shall be located at 1209 Orange Street, Wilmington, Delaware 19801 and the name of the registered agent in charge thereof shall be The Corporation Trust Company. The corporation may have such other offices as the Board may from time to time determine. The books of the corporation may be kept outside the State of Delaware.

43. SEAL

The corporation's seal shall be circular in form with "KIMBERLY-CLARK CORPORATION -- DELAWARE" around the periphery and "1928 -- CORPORATE SEAL" within.

44. FISCAL YEAR

The fiscal year of the corporation shall begin on January 1 of each year.

45. ANNUAL REPORT

At least fifteen days in advance of the annual meeting of stockholders, but not later than three months after the close of the fiscal year, the Board shall publish and submit to the stockholders a consolidated balance sheet of the corporation and its consolidated subsidiaries as of the end of the previous fiscal year and the related consolidated income and cash flow statements of the corporation and its consolidated subsidiaries for the previous fiscal year.

46. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The corporation shall:

(i) indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or in the case of an officer or director of the corporation is or was serving as an employee or agent of a partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful; and

(ii) indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or in the case of an officer or director of the corporation is or was serving as an employee or agent of a partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

The corporation shall be required to indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee against the corporation or any of its directors, officers or employees only if the initiation of such proceeding (or part thereof) by the indemnitee was authorized by the Board. Notwithstanding the foregoing, the corporation shall be required to indemnify an indemnitee in connection with a proceeding seeking to enforce rights to indemnification without the authorization of the Board to the extent that such proceeding is successful on the merits. To the extent that a director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (i) and
(ii), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under subsections (i) and (ii) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (i) and (ii). Such determination shall be made (1) by a majority vote of the directors who were not parties to such action, suit or proceedings, even though less than a quorum; or (2) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or (3) by the stockholders.

Expenses (including attorneys' fees) incurred in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this By-Law.

The indemnification and advancement of expenses provided by, or granted pursuant to, the other paragraphs of this By-Law shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

The corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or nonprofit entity.

The Board may authorize and direct that insurance be purchased and maintained on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or in the case of an officer or director of the corporation is or was serving as an employee or agent of a partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this By-Law.

47. RELIANCE ON RECORDS

Each director, each member of any committee designated by the Board, and each officer, shall, in the performance of his duties, be fully protected in relying in good faith upon the records of the corporation and upon such information, opinion, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the Board, or by any other person as to matters the director, member or officer reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

48. INSPECTION OF BOOKS

The directors shall determine from time to time whether, and, to what extent and at what times and places and under what conditions and regulations the accounts and other books and records of the corporation (except such as may by statute be specifically open to inspection) or any of them, shall be open to the inspection of the stockholders, and the stockholders' rights in this respect are and shall be restricted and limited accordingly.

49. TRANSACTIONS WITH THE CORPORATION

No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(i) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or

(ii) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(iii) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board, a committee thereof, or the stockholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

No other contract or transaction in which a director or officer has an interest and which may, under law, be authorized, approved or ratified by the Board, a committee thereof, or the stockholders shall be void or voidable if authorized, approved or ratified by the body which under law may authorize, approve or ratify such contract or transaction.

50. RATIFICATION

Any transaction questioned in any stockholders' derivative suit on the ground of lack of authority, defective or irregular execution, adverse interest of director, officer or stockholder, nondisclosure, miscomputation, or the application of improper principles or practices of accounting may be ratified before or after judgment, by the Board or by the stockholders in case less than a quorum of directors is qualified; and, if so ratified, shall have the same force and effect as if the questioned transaction had been originally duly authorized, and said ratification shall be binding upon the corporation and its stockholders and shall constitute a bar to any claim or execution of any judgment in respect to such questioned transaction.

51. VOTING OF STOCKS

Unless otherwise ordered by the Board, any one of the Chief Executive Officer, the Chairman of the Board, the President, any Vice Chairman of the Board, any Executive Vice President or any Senior Vice President shall have full power and authority, on behalf of the corporation, to consent to or approve of any action by, and to attend, act and vote at any meeting of stockholders of, any company in which the corporation may hold shares of stock, and in giving such consent or approval or at any such meeting shall possess and may exercise any and all rights and powers incident to the ownership of such shares and which as the holder thereof, the corporation might possess and exercise if personally present, and may exercise such power and authority through the execution of proxies or may delegate such power and authority to any other officer, agent or employee of the corporation.

52. NOTICE

Any notice which the corporation is required to give under these By-Laws may be given personally or it may be given in writing by depositing the notice in the post office or letter box in a postpaid envelope directed to such address as appears on the books of the corporation. Such notice shall be deemed to be given at the time of mailing.

53. WAIVER OF NOTICE

Whenever any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

54. DISPENSING WITH NOTICE

No notice need be given to any person with whom communication is made unlawful by any law of the United States or any rule, regulation, proclamation or executive order issued under any such law.

55. AMENDMENTS

Subject to the provisions of the Certificate of Incorporation, these By-Laws may be altered, amended or repealed by the stockholders or by the Board.

Exhibit No. (10)b
KIMBERLY-CLARK CORPORATION
EXECUTIVE SEVERANCE PLAN
As
Amended and Restated
As of November 12, 2002

1. Preamble and Statement of Purpose. The purpose of this Plan is to assure the Corporation that it will have the continued dedication of, and the availability of objective advice and counsel from, key executives of the Corporation notwithstanding the possibility, threat or occurrence of a change of control of the Corporation.

In the event the Corporation receives any proposal from a third person concerning a possible business combination with the Corporation, or acquisition of the Corporation's equity securities, or otherwise considers or pursues a transaction that could lead to a change of control, the Board of Directors of the Corporation (the "Board") believes it imperative that the Corporation and the Board be able to rely upon key executives to continue in their positions and be available for advice, if requested, without concern that those individuals might be distracted by the personal uncertainties and risks created by such a possibility.

Should the Corporation receive or consider any such proposal or transaction, in addition to their regular duties, such key executives may be called upon to assist in the assessment of the proposal or transaction, to advise management and the Board as to whether the proposal or transaction would be in the best interest of the Corporation and its stockholders, and to take such other actions as the Board might determine to be appropriate.

2. Definitions. As used in this Plan, the following terms shall have the following respective meanings:

(a) Agreements: Executive Severance Agreements in substantially the forms approved by the Board and attached hereto as Exhibit A (for Tier I Participants) or Exhibit B (for Tier II Participants).

(b) Annual Bonus Amount: For any Participant, the Target-level award payable to the Participant for the year in which the Relevant Date occurred (or, if not then established, for the preceding year) or, if higher, for any subsequent year that begins before the Qualified Termination of Employment, under the Kimberly-Clark Corporation Executive Officer Achievement Award Program or the Kimberly-Clark Corporation Management Achievement Award Program, as applicable, or any successor or additional plan.

(c) Cause: The term "Cause" shall mean any of the following:

(i) the commission by the Participant of a felony;

(ii) the Participant's dishonesty, habitual neglect or incompetence in the management of the affairs of the Corporation;

or

(iii) the refusal or failure by the Participant to act in accordance with any lawful directive or order of the Corporation, or an act or failure to act by the Participant which is in bad faith and which is detrimental to the Corporation.

(d) Change of Control: A "Change of Control" shall be deemed to have taken place upon the first of the following to occur: (i) a third person, including a "group" as defined in
Section 13(d)(3) of the Securities Exchange Act of 1934, acquires shares of the Corporation having 20% or more of the total number of votes that may be cast for the election of directors of the Corporation; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), the persons who were directors of the Corporation before the Transaction shall cease to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

(e) Code: The Internal Revenue Code of 1986, as amended.

(f) Committee: The Compensation Committee of the Board.

(g) Corporation: Kimberly-Clark Corporation and any successor thereto that assumes this Plan and the Agreements pursuant to Section 13 below.

(h) Eligible Executive: Those key executives of the Corporation and its Subsidiaries who are from time to time designated by the Board as, or who pursuant to criteria established by the Board or the Committee are, eligible to receive an Agreement.

(i) Equity Plans: The Kimberly-Clark Corporation 2001 Equity Participation Plan, the Kimberly-Clark Corporation 1999 Restricted Stock Plan, the Kimberly-Clark Corporation 1992 Equity Participation Plan, and any successor or additional plans under which a Participant receives stock options, restricted stock or other equity-based compensation.

(j) Excise Tax: The excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(k) Fair Market Value: With respect to any publicly traded equity security, the reported closing price of such security on the relevant date as reported on the composite list used by The Wall Street Journal for reporting stock prices, or, if no such sale shall have been made on that day, on the last preceding day on which there was such a sale; and with respect to any other property, the fair market value thereof as determined by the Committee in good faith.

(l) Good Reason: Termination by the Participant for "Good Reason" shall mean the Participant's termination of his or her employment after the occurrence (without the Participant's express written consent) of any one of the following acts by the Corporation, or failures by the Corporation to act (subject to the Corporation's ability to correct as set forth below):

(i) the assignment to the Participant of any duties inconsistent with the Participant's status as a key executive officer of the Corporation or a substantial adverse alteration in the nature or status of the Participant's responsibilities and position from those in effect immediately prior to the Change of Control, other than such alteration primarily attributable to the fact that the Corporation is no longer a public company;

(ii) a reduction by the Corporation of the Participant's annual base salary by five percent or more as in effect immediately prior to the Change of Control, except for across-the-board salary reductions similarly affecting all key executives of the Corporation;

(iii) the Corporation's requiring the Participant to be based at a location other than: (A) the location of the Participant's office as of the date of the Change of Control or another location within 50 miles from that location; (B) the location of the headquarters of the Corporation; or (C) the location of the headquarters of one of its centers of operation; provided, that required travel on the Corporation's business to an extent substantially consistent with the Participant's business travel obligations as of the date of the Change of Control shall not be considered Good Reason;

(iv) the failure of the Corporation to pay as soon as administratively feasible, after notice from the Participant, any portion of the Participant's current compensation;

(v) the failure of the Corporation to continue in effect any compensation plan in which the Participant participates immediately prior to the Change of Control which is material to the Participant's total compensation, including but not limited to the Corporation's stock option, incentive compensation, and bonus plans, or any substitute plans adopted prior to the Change of Control, unless an equitable arrangement (which is embodied in an ongoing substitute or alternative plan but which n eed not provide the Participant with equity-based incentives) has been made with respect to such plan, or the failure by the Corporation to continue the Participant's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable than the benefits provided to other participants;

(vi) the failure by the Corporation to continue to provide the Participant with benefits substantially similar to those enjoyed by the Participant under any of the Corporation's pension, life insurance, medical, health and accident, or disability plans in which the Participant was participating at the time of the Change of Control, the taking of any action by the Corporation which would directly or indirectly materially reduce any of such benefits or deprive the Participant of any material fringe benefit enjoyed by the Participant at the time of the Change of Control, or the failure by the Corporation to provide the Participant with the number of paid vacation days to which the Participant is entitled on the basis of years of service with the Corporation in accordance with the Corporation's normal vacation policy in effect at the time of the Change of Control.

The Participant's right to terminate the Participant's employment for Good Reason shall not be affected by the Participant's incapacity due to physical or mental illness. However, in order to terminate employment for Good Reason, (1) the Participant must give the Corporation a notice setting forth the circumstances of the act or failure to act alleged to constitute Good Reason within 30 days after the Participant first has actual notice of such act or failure, and stating that the Participant has determined that such act or failure constitutes "Good Reason" hereunder, (2) the Corporation must fail to correct such act or failure within 30 days after it receives such notice from the Participant, and (3) the Participant must actually terminate his or her employment during the period of 30 days beginning 30 days after the Corporation receives such notice.

(m) Multiplier: For a Tier I Participant, three; and for a Tier II Participant, two.

(n) Net After Tax Receipt: The Value of a Payment, net of all taxes imposed on a Tier II Participant with respect thereto under Sections

1 and 4999 of the Code, determined by applying the highest marginal rate under Section 1 of the Code which applied to the Tier II Participant's taxable income for the immediately preceding taxable year.

(o) Parachute Value: With respect to a Payment, the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(p) Participant: An Eligible Executive who is a party to an Agreement which has not been terminated in accordance with the terms of this Plan.

(q) Payment: Any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of a Participant, whether paid or payable pursuant to this Plan or otherwise.

(r) Qualified Termination of Employment: The termination of a Participant's employment with the Corporation and/or its Subsidiaries either (i) within the two(2) year period following a Change of Control of the Corporation (A) by the Corporation without Cause, (B) by the Participant with Good Reason or (C) in the case of a Tier I Participant only, by the Participant for any reason during the period of 30 days beginning on the first anniversary of the date of the Change of Control, or (ii) by the Corporation without Cause before a Change of Control, if a Change of Control occurs within one year after such termination and it is reasonably demonstrated by the Participant that such termination of employment was at the request of a third party that had taken steps reasonably calculated to effect a Change of Control or otherwise arose in connection with or in anticipation of a Change of Control. A transfer of employment for administrative purposes among the Corporation and its Subsidiaries shall not be deemed a Qualified Termination of Employment, but if such a transfer results in the occurrence of Good Reason, the affected Participant

shall

have the right to terminate employment for Good Reason and such termination shall be a Qualified Termination of Employment.

(s) Reduced Amount: With respect to a Participant, the greatest aggregate amount of Separation Payments which (a) is less than the sum of all Separation Payments and (b) results in aggregate Net After Tax Receipts which are equal to or greater than the Net After Tax Receipts which would result if the Participant were paid the sum of all Separation Payments.

(t) Relevant Date: In the case of a Qualified Termination of Employment as described in clause (ii) of the definition of "Qualified Termination of Employment," the date of such Qualified Termination of Employment and, in all other cases, the date of the Change of Control.

(u) Separation Payment: With respect to a Participant, a Payment paid or payable to the Participant pursuant to this Plan or an Agreement (disregarding Section 9 of this Plan).

(v) Severance Period: For a Tier I Participant, the period of three years beginning on the date of the Qualified Termination of Employment; and for a Tier II Participant, the period of two years beginning on the date of the Qualified Termination of Employment.

(w) Subsidiary: Any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries.

(x) Tier I Participant: A Participant whose Agreement indicates that he or she is a Tier I Participant.

(y) Tier II Participant: A Participant whose Agreement indicates that he or she is a Tier II Participant.

(z) Value: With respect to a Payment, the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

3. Participation; Agreements. Eligible Executives shall be proffered an Agreement and upon execution and delivery thereof by the Eligible Executive evidencing such Eligible Executive's agreement not to voluntarily leave the employ of the Corporation and its Subsidiaries and to continue to render services during the pendency of any threatened Change of Control of the Corporation, such Eligible Executive shall become a Participant. Each Agreement shall indicate whether the Participant to whom it is proffered will be a Tier I Participant or a Tier II Participant. A Participant shall cease to be a Participant in the Plan upon the termination of the Participant's Agreement in accordance with its terms.

4. Termination of Employment of Participants. Nothing in this Plan shall be deemed to entitle a Participant to continued employment with the Corporation and its Subsidiaries and the rights of the Corporation to terminate the employment of a Participant shall continue as fully as though this Plan were not in effect, provided that any Qualified Termination of Employment shall entitle the Participant to the benefits herein provided. In addition, nothing in this Plan shall be deemed to entitle a Participant under this Plan to any rights, or to payments under this Plan, with respect to any plan in which the Participant was not a participant prior to a Qualified Termination of Employment.

5. Payments Upon Qualified Termination of Employment. In the event of a Qualified Termination of Employment of a Participant, a lump sum cash payment or payments shall be made to such Participant as compensation for services rendered, in an amount or amounts (subject to any applicable payroll or other taxes required to be withheld) equal to the sum of the amounts specified in subsections (a) through (i) below, such payments to be made within 10 days following the last day of employment of the Participant with the Corporation except to the extent not yet calculable, in which case such portions shall be paid as soon as practicable following the ability to calculate the amount:

(a) Salary Plus Incentive Compensation. A lump sum amount equal to the Multiplier times the sum of (a) the Participant's annual base salary at the rate in effect immediately prior to the Relevant Date or, if higher, immediately before the Qualified Termination of Employment and (b) the Annual Bonus Amount;

(b) Equity Participation Plan - Participation Shares. A lump sum amount equal to the payment to which the Participant would have been entitled had all Participation Shares awarded to the Participant under any Equity Plan that were outstanding on the Relevant Date and which had not matured as of the date of termination of employment and which will not mature as a result of the termination of employment, matured, such payment to be determined as though such award had matured and its book value at maturity been determined on the last day of the calendar quarter preceding the date of termination of the Participant's employment;

(c) Equity Participation Plan - Option Shares (i) Except with respect to incentive stock options outstanding at the effective date of the Participant's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, all stock options that were granted to the Participant under any of the Equity Plans, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), that were outstanding both on the Relevant Date and immediately before the Qualified Termination of Employment, shall vest and become exercisable and the Qualified Termination of Employment of the Participant shall be deemed a retirement for purposes of exercising the stock options under the terms of the Equity Plans, and (ii) notwithstanding the foregoing, with respect to Incentive Stock Options that were outstanding at the effective date of the Participant's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, and which were forfeited upon the termination of the Participant's employment, a lump sum amount equal to the excess of (I) the aggregate Fair Market Value on the date of termination of the shares of common stock of the Corporation or other equity security then subject to such Incentive Stock Options over (II) the aggregate option price for such shares or other equity security;

(d) Restricted Stock. With respect to restricted stock granted to the Participant under any of the Equity Plans that were outstanding but not vested on the Relevant Date and which are forfeited as a result of the termination of the Participant's employment, a lump sum amount equal to the Fair Market Value of an equivalent number of shares of common stock of the Corporation (or such other equity security into which the restricted stock has been converted) on the date of termination of employment;

(e) Successor or Additional Stock Appreciation Right, Incentive Compensation, and Bonus Plan. A lump sum amount equal to the payment to which the Participant would have been entitled had all amounts awarded or granted to the Participant, vested or matured, under any stock appreciation right, incentive compensation, and bonus plans, which are adopted after the effective date of the Participant's Agreement and in which the Participant participates immediately prior to the Relevant Date, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), which had not vested or matured as of the date of termination of employment and will not vest or mature as a result of the termination of the Participant's employment, such payment to be determined as though such award or grant had vested or matured on the date of termination of the Participant's employment;

(f) Incentive Investment Plan. A lump sum amount equal to any benefits under the Kimberly-Clark Corporation Salaried Employees Incentive Investment Plan (or any successor or additional plan) that the Participant has accrued, but that are forfeited as a result of his or her termination of employment, based upon the value of the Participant's account as of the most recent valuation date before the date of the Qualified Termination of Employment;

(g) Retirement Contribution Plan. A lump sum amount equal to (a) in the case of a Tier I Participant, the Participant's annual Retirement Contributions under the Kimberly-Clark Corporation Retirement Contribution Plan (or any successor or additional plans) and the Kimberly-Clark Corporation Retirement Contribution Excess Benefit Program (or any successor or additional plans) (collectively, the "Retirement Contribution Plan") to which the Participant would have been entitled if he had remained employed by the Corporation for the Severance Period at the rate

of annual compensation specified in Section 5(i) above except that the Annual Bonus Amount shall be treated as earned for the year in which termination occurred and the balance of the Severance Period and no award actually earned in, and paid for, the year in which termination occurred shall be considered, plus (b) for all Participants, the excess of (I) the benefits under the Retirement Contribution Plan to which the Participant would be entitled if the Participant were fully vested in all of his or her benefits under the Retirement Contribution Plan at the date of termination of employment, over (II) the value of the benefits to which the Participant is actually entitled at the date of termination of employment, based upon the value of the Participant's account as of the most recent valuation date before the date of the Qualified Termination of Employment;

(h) Salaried Retirement Plan. In the case of a Tier I Participant, a lump sum retirement benefit, in addition to any benefits received under the Supplemental Benefit Plan to the Kimberly-Clark Corporation Salaried Employees' Retirement Plan (or any successor or additional plans) and the Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Salaried Employees' Retirement Plan (or any successor or additional plans) (collectively, the "Supplemental Plan") and the Kimberly-Clark Corporation Salaried Employees' Retirement Plan (or any successor or additional plans) (the "Salaried Retirement Plan"), such benefit to be equal to the actuarial present value of a straight life annuity without level income option and in an amount equal to the excess of (a) the benefits under the Salaried Retirement Plan and the Supplemental Plan to which the Participant would have been entitled in the form of a straight life annuity without level income option if such Participant had remained employed by the Corporation for the Severance Period, at the rate of annual compensation specified in Section 5(i) above except that the Annual Bonus Amount shall be treated as earned for the year in which termination occurred and the balance of the Severance Period and no award actually earned in, and paid for, the year in which termination occurred shall be considered, over (b) the benefits to which the Participant would actually have been entitled under the Salaried Retirement Plan and the Supplemental Plan, had such benefit been paid in the form of a straight life annuity without level income option; and

(i) Medical and Dental Benefits. A lump sum amount equal to (a) the amount of the monthly premiums that the Participant would be required to pay, if he or she elected "COBRA" continuation coverage under the medical and dental plans of the Corporation in which the Participant was participating immediately before the Qualified Termination of Employment, based upon the premium rates in effect as of the date of the Qualified Termination of Employment, times (b) for a Tier I Participant, 36, and for a Tier II Participant, 24.

6. Other Terms and Conditions. The Agreement to be entered into pursuant to this Plan shall contain such other terms, provisions and conditions not inconsistent with this Plan as shall be determined by the Board. Where appearing in this Plan or the Agreement, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise.

7. Non-Assignability. Each Participant's rights under this Plan shall be non-transferable except by will or by the laws of descent and distribution.

8. Unfunded Plan. The Plan shall be unfunded. Neither the Corporation nor the Board shall be required to segregate any assets that may at any time be represented by benefits under the Plan. Neither the Corporation nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan. Any liability of the Corporation to any Participant with respect to any benefit shall be based solely upon any contractual obligations created by the Plan and the Agreement; no such obligation shall be deemed to be secured by any pledge or any encumbrance on any property of the Corporation.

9. Certain Reduction of Payments by the Corporation to Tier II Participants.

(a) Anything in this Agreement to the contrary notwithstanding, in the event Deloitte & Touche LLP or such other certified public accounting firm designated by the Corporation (the "Accounting Firm") shall determine that receipt of all Payments would subject a Participant, other than a Participant entitled to a Gross-Up Payment under Section 10 below, to tax under Section 4999 of the Code, it shall determine whether some amount of Separation Payments would meet the definition of a "Reduced Amount." If the Accounting Firm determines that there is a Reduced Amount, the aggregate Separation Payments shall be reduced to such Reduced Amount. All fees payable to the Accounting Firm with respect to this Section 9 shall be paid solely by the Corporation.

(b) If the Accounting Firm determines that aggregate Separation Payments should be reduced to the Reduced Amount, the Corporation shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof, and the Participant may then elect, in his or her sole discretion, which and how much of the Separation Payments shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount), and shall advise the Corporation in writing of his or her election within ten days of his receipt of notice. If no such election is made by the Participant within such ten-day period, the Corporation may elect which of such Separation Payments shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount) and shall notify the Participant promptly of such election. All determinations made by the Accounting Firm under this Section shall be binding upon the Corporation and the Participant and shall be made within 60 days of a termination of employment of the Participant. As promptly as practicable following such determination, the Corporation shall pay to or distribute for the benefit of the Tier II Participant such Separation Payments as are then due to the Participant under this Plan and shall promptly pay to or distribute for the benefit of the Participant in the future such Separation Payments as become due to the Participant under this Plan.

(c) While it is the intention of the Corporation to reduce the amounts payable or distributable to a Participant hereunder only if the aggregate Net After Tax Receipts to the Participant would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Corporation to or for the benefit of a Participant pursuant to this Plan which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Corporation to or for the benefit of a Participant pursuant to this Plan could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm determines that an Overpayment has been made, based upon the assertion of a deficiency by the Internal Revenue Service against the Corporation or the Participant which the Accounting Firm believes has a high probability of success, any such benefit of a Participant shall be treated for all purposes as a loan to the Participant which the Participant shall repay to the Corporation together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no such loan shall be deemed to have been made and no amount shall be payable by a Participant to the Corporation if and to the extent such deemed loan and payment would not either reduce the amount on which the Participant is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Participant together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

10. Certain Additional Payments by the Corporation to Tier I Participants.

(a) Anything in this Plan or any Agreement to the contrary notwithstanding and except as set forth in the next sentence, in the event that it shall be determined that any Payment to a Tier I Participant would be subject to the Excise Tax, then the Tier I Participant shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that, after payment by the Tier I Participant of all taxes (and any interest or penalties imposed with respect to such taxes), including, without

limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Tier I Participant retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this
Section 10(a), if it shall be determined that the Tier I Participant would (absent this sentence) be entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount, then no Gross-Up Payment shall be made to the Tier I Participant and the provisions of Section 9 of this Plan shall apply to that Tier I Participant. The Corporation's obligation to make Gross-Up Payments under this
Section 10 shall not be conditioned upon the Tier I Participant's termination of employment.

(b) Subject to the provisions of Section 10(c), all determinations required to be made under this Section 10, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm. The Accounting Firm shall provide detailed supporting calculations both to the Corporation and the Tier I Participant within 15 business days of the receipt of notice from the Tier I Participant that there has been a Payment or such earlier time as is requested by the Corporation. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. Any Gross-Up Payment, as determined pursuant to this Section 10, shall be paid by the Corporation to or for the benefit of the applicable Tier I Participant within 5 days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Corporation and the Tier I Participant. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Corporation should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Corporation exhausts its remedies pursuant to
Section 10(c) and the Tier I Participant thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the

Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Tier I Participant.

(c) Each Tier I Participant shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after the Tier I Participant is informed in writing of such claim. The Tier I Participant shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be paid. The Tier I Participant shall not pay such claim prior to the expiration of the 30-day period following the date on which the Tier I Participant gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Corporation notifies the Tier I Participant in writing prior to the expiration of such period that the Corporation desires to contest such claim, the Tier I Participant shall:

(1) give the Corporation any information reasonably requested by the Corporation relating to such claim,

(2) take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,

(3) cooperate with the Corporation in good faith in order effectively to contest such claim, and

(4) permit the Corporation to participate in any proceedings relating to such claim;

provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest, and shall indemnify and hold the Tier I

Participant harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this Section 10(c), the Corporation shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either pay the tax claimed to the appropriate taxing authority on behalf of the Tier I Participant and direct the Tier I Participant to sue for a refund or contest the claim in any permissible manner, and the Tier I Participant agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; provided, however, that, if the Corporation directs the Tier I Participant to pay such claim and directs the Tier I Participant to sue for a refund, the Corporation shall indemnify and hold the Tier I Participant harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and provided, further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Tier I Participant with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Tier I Participant shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by a Tier I Participant of a Gross-Up Payment or payment by the Corporation of an amount on the Tier I Participant's behalf pursuant to Section 10(c), the Tier I Participant becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Tier I Participant shall (subject to the Corporation's complying with the requirements of Section 10(c), if applicable) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Corporation of an amount on the Tier I Participant's behalf pursuant to Section 10(c), a determination is made that the Tier I Participant shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Tier I Participant in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Notwithstanding any other provision of this Plan, the Corporation may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of a Tier I Participant, all or any portion of any Gross-Up Payment, and by signing an Agreement, the Tier I Participant shall consent to such withholding.

11. No Duty to Mitigate. In no event shall any Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan, and such amounts shall not be reduced whether or not the Participant obtains other employment.

12. Termination and Amendment of this Plan. The Board shall have power at any time, in its discretion, to amend, abandon or terminate this Plan, in whole or in part; except that no amendment, abandonment or termination shall impair or abridge the obligations of the Corporation under any Agreements previously entered into pursuant to this Plan except as expressly permitted by the terms of such Agreements.

13. Successors. The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets to assume expressly and agree to perform this Plan and the Agreements in the same manner and to the same extent that the Corporation would be required to perform them if no such succession had taken place.

14. Effective Date. This amended and restated Plan shall become effective on November 12, 2002.

Exhibit No. (10)d

KIMBERLY-CLARK CORPORATION

EXECUTIVE OFFICER ACHIEVEMENT AWARD PROGRAM
(as adopted effective April 25, 2002)

1. PURPOSE

This Executive Officer Achievement Award Program ("EOAAP" or the "Plan") is adopted effective April 25, 2002. The purpose of EOAAP is to further unite the interests of the stockholders of Kimberly-Clark Corporation (the "Company") and its executive officers through the annual payment of performance-based incentive compensation to each participating executive in the form of a cash award.

2. ELIGIBILITY

Employees eligible to participate in EOAAP (the "Participants") shall be limited to the Chief Executive Officer and other executive officers of the Company (within the meaning of Rule 3b-7 of the Securities Exchange Act of 1934 as amended from time to time) as of March 30 of each calendar year ("performance year") who shall receive awards under the Plan for such performance year. An individual who becomes an executive officer after March 30 and on or before October 1 of a calendar year shall receive an award as provided in Section 3.

3. AWARDS

Subject to the Compensation Committee's discretion to reduce such awards, each Participant shall be entitled to an award for each performance year equal to 0.3 percent of the Company's earnings before unusual items. The Company's independent auditors will review the Company's calculation of the award amount and confirm its mathematical accuracy to the Compensation Committee.

An individual who becomes a Participant after March 30 and on or before October 1 of a performance year shall receive an award for that performance year based on the earnings before unusual items of the Company for each calendar quarter following the quarter in which the individual becomes an executive officer.

4. PAYMENT OF AWARDS; COMPENSATION COMMITTEE DISCRETION TO REDUCE

As soon as practicable after the end of each performance year, the Company's independent auditors shall report to the Compensation Committee the Company's earnings before unusual items and the Compensation Committee shall certify the amount of each award for that year under the provisions of this Plan.

The Compensation Committee, in its sole discretion, based on any factors the Compensation Committee deems appropriate, may reduce the award to a Participant in any year (including reduction to zero if the Compensation Committee so determines). The Compensation Committee shall make a determination of whether and to what extent to reduce awards under the Plan for each year at such time or times as the Compensation Committee shall deem appropriate. The reduction in the amount of an award to a Participant for a performance year shall have no effect on the amount of the award to any other Participant for such year.

Payments of awards to Participants who are employees of subsidiaries of the Company shall be paid directly by such subsidiaries.

Termination of employment for any reason may result in a pro rata or other adjustment to the amount of the award on such basis as shall be determined fair and equitable by the Compensation Committee.

Notwithstanding any provision of EOAAP, no award shall be paid to a Participant who, in any calendar year, has discharged his principal accountabilities in a manner deemed unacceptable by the Chief Executive Officer. Participants under the EOAAP will be ineligible for awards relating to the same calendar quarter under the Company's Management Achievement Award Program.

Awards shall be paid in cash as of a date or dates determined by the Compensation Committee or, if the Compensation Committee makes no determination, as soon as practicable after the amount of the award has been determined.

Prior to becoming entitled to receive an award, a Participant may elect to defer the receipt thereof to some future date or dates. Except as otherwise provided under the Company's Deferred Compensation Plan, deferred EOAAP awards shall not bear interest.

5. GENERAL PROVISIONS

The Plan shall be administered by the Compensation Committee. The Compensation Committee, in its sole discretion, shall have the power to interpret and construe the Plan; provided, however, that no such action or determination may increase the amount of compensation payable that would otherwise be due in a manner that would result in the disallowance of a deduction to the Company under Section 162(m) of the Code or any successor section. Any interpretation or construction of any provisions of the Plan by the Compensation Committee shall be final and conclusive upon all persons. No member of the Board or the Compensation Committee shall be liable for any action or determination made in good faith.

"Compensation Committee" means the Compensation Committee of the Board of Directors of the Company, provided that if the requisite number of members of the Compensation Committee are not Disinterested Persons, the Plan shall be administered by a committee, all of whom are Disinterested Persons, appointed by the Board and consisting of two or more directors with full authority to act in the matter.

Except as provided in this Plan, no right of any Participant shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, attachment, garnishment, execution, levy, bankruptcy, or any other disposition of any kind, whether voluntary or involuntary, prior to actual payment of an award. No Participant, or any other person, shall have any interest in any fund, or in any specific asset or assets of the Company, by reason of an award that has been made but has not been paid or distributed.

Nothing contained in the EOAAP shall be construed as a contract of employment or as a right of any Participant to be continued in the employment of the Company, or as a limitation on the right of the Company to discharge any Participant with or without cause.

The Compensation Committee may at any time amend, suspend, or discontinue the Plan or alter or amend any or all awards under the Plan to the extent
(1) permitted by law and (2) that such action would not result in the disallowance of a deduction to the Company under Section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder); provided, however, that if any of the foregoing requires the approval by stockholders of any such amendment, suspension or discontinuance, then the Compensation Committee may take such action subject to the approval of the stockholders. No such amendment, suspension, or discontinuance of the Plan shall, without the consent of the Participant, adversely alter or change any of the rights or obligations under any awards previously granted the Participant. In the case of a Participant employed outside the United States, the Compensation Committee may vary the provisions of the Plan as it may deem appropriate to conform to local laws, practices and procedures. Further, unless the stockholders of the Company shall have first approved thereof, no amendments shall be made which shall increase the maximum amount of any award above the amount determined by the formula described in Section 3 in any year.

Exhibit No. (10)f

KIMBERLY-CLARK CORPORATION
DEFERRED COMPENSATION PLAN

EFFECTIVE AS OF OCTOBER 1, 1994

AMENDED AND RESTATED
AS OF APRIL 25, 2002

KIMBERLY-CLARK CORPORATION
DEFERRED COMPENSATION PLAN

KIMBERLY-CLARK CORPORATION HEREBY AMENDS AND RESTATES IN ITS ENTIRETY, THE KIMBERLY-CLARK CORPORATION DEFERRED COMPENSATION PLAN, EFFECTIVE APRIL 25, 2002.

I. PURPOSE

The purpose of this Kimberly-Clark Corporation Deferred Compensation Plan is to permit a select group of management or highly compensated employees of Kimberly-Clark Corporation and its subsidiaries to defer income which would otherwise become payable to them.

II. DEFINITIONS AND CERTAIN PROVISIONS

2.1 "Agreement" means the Plan Agreement(s) executed between a Participant and the Company, whereby a Participant agrees to defer a portion of his or her Salary or Bonus, or both, pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan. In the event the terms of the Agreement conflict with the terms of the Plan, the terms of the Plan shall be controlling.

2.2 "Beneficiary" means the person or persons who under this Plan becomes entitled to receive a Participant's interest in the event of the Participant's death.

2.3 "Board of Directors" means the Board of Directors of the Company.

2.4 "Bonus" means any amount(s) paid during a calendar year to the Participant under the Company's Management Achievement Award Program or any successor program, the Company's Executive Officer Achievement Award Program, or any successor or additional program.

2.5 A "Change of Control" of the Company shall be deemed to have taken place if: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, acquires shares of the Company having 20% or more of the total number of votes that may be cast for the election of Directors of the Company; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), the persons who were directors of the Company before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company.

2.6 "Code" means the Internal Revenue Code for 1986, as amended and any lawful regulations or other pronouncements promulgated thereunder.

2.7 "Committee" means the Retirement Trust Committee named under the Kimberly-Clark Corporation Salaried Employers' Retirement Plan.

2.8 "Company" means Kimberly-Clark Corporation, a Delaware corporation, and its subsidiaries and any successor in interest. For purposes of the Plan, a subsidiary is a corporation, 50% or more of the voting shares of which are owned directly or indirectly by the Company, which is incorporated under the laws of one of the states of the United States.

2.9 "Compensation Committee" means the Compensation Committee of the Board of Directors.

2.10 "Deferral Year" means any calendar year 1995 through 2006. For purposes of 1994, Deferral Year means the Effective Date of the Plan through December 31, 1994. For purposes of 1994, Deferral Year means the Effective Date of the Plan through December 31, 1994.

2.11 "Deferred Benefit Account" means the cumulative total dollar amount that a Participant elects to defer in the Agreement, including gains and losses pursuant to Section 3 as maintained on the books of the Company for a Participant under this Plan. A Participant's Deferred Benefit Account shall not constitute or be treated as a trust fund of any kind.

2.12 "Determination Date" means the date on which the amount of a Participant's Deferred Benefit Account is determined as provided in Article III hereof.

2.13 "Disability" shall have the same meaning as the phrase "Totally and Permanently Disabled" under the Kimberly-Clark Corporation Salaried Employees' Retirement Plan. The determination of a Participant's having become Disabled shall be made by the Retirement Committee of the Kimberly-Clark Corporation Salaried Employees' Retirement Plan.

2.14 "Effective Date" means October 1, 1994.

2.15 "Investment Grade" means a bond rating of BBB minus, or its equivalent, by one of the nationally recognized rating agencies.

2.16 "Participant" means an employee of the Company, or its subsidiaries or affiliated companies, who is eligible to participate in the Plan pursuant to Article III, who has executed an Agreement with the Company, and who has commenced Salary or Bonus, or both Salary and Bonus, reductions pursuant to such Agreement.

2.17 "Plan" means the Kimberly-Clark Corporation Deferred Compensation Plan as amended from time to time.2.18

2.18 "Retirement Date" means the date of Termination of Service of the Participant on or after he or she attains age 55 and has 5 Years of Service with the Company.

2.19 "Salary" means the Participant's base salary which would be received during a calendar year if no election to defer were made, including any 401(k) Contributions under the Company Incentive Investment Plan or pre-tax contributions under the Company's Flexible Benefit Plan." For purposes of this Plan, Salary shall not include severance or other payments made in connection with a Participant's Termination of Service.

2.20 "Termination of Service" means the Participant's cessation of his or her service with the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of retirement, death, or Disability.

2.21 "Valuation Date" means, for purposes of crediting earnings under Section 3.6 and determining a Participant's Deferred Benefit Account under Section 3.7, any business day on which securities are traded on the New York Stock Exchange.

2.22 "Years of Service" shall have the same meaning as defined under the Kimberly-Clark Corporation Salaried Employees' Retirement Plan.

III. PARTICIPATION AND COMPENSATION REDUCTION

3.1 Participation. Participation in the Plan shall be limited to the Chief Executive Officer, elected officers and all eligible officers and/or employees of the Company, approved to participate by the Chief Executive Officer in his sole discretion, and who elect to participate in the Plan. A Participant must file an Agreement with the Committee, at such time and in such form as the Committee may require or permit, prior to the first day of the deferral period in which a Participant's participation commences in the Plan. The election to participate shall be effective upon receipt by the Committee of the Agreement that is properly completed and executed in conformity with the Plan.

3.2 Minimum and Maximum Deferral and Length of Participation. A Participant may elect to defer any amount of his or her Salary or Bonus, or both, to the extent that any portion of such amounts would not be deductible by the Company pursuant to Section 162(m) of the Code. In addition, a Participant may elect to defer from 10% to 100% of his or her Bonus paid during a Deferral Year in 1% increments.

In the event a Participant elects to defer an amount of his or her Salary and/or Bonus that would not allow for the full payment of all FICA, federal, state and/or local income tax liabilities, the Company may withhold all or a portion of any applicable taxes from the Participant's Salary to the extent required by law.

In no event may the amount of a Participant's deferral election related to his or her Bonus paid during a Deferral Year be less than $5,000. The deferral opportunity shall extend through December 31, 2006. A Participant shall make an annual election for the upcoming Deferral Year in the year preceding the Deferral Year for which the election is being made. Except as provided in Section 3.5, "Emergency Benefit: Waiver of Deferral," any election so made shall be irrevocable with respect to Salary and Bonus applicable to that Deferral Year.

Notwithstanding anything in this Plan to the contrary, a Participant may not elect to defer any amount under this Plan unless the Participant files a statement with the Committee that the Participant had individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

3.3 Timing of Deferral Credits. The amount of Salary or Bonus, or both that a Participant elects to defer in the Agreement shall cause an equivalent reduction in the Participant's Salary and Bonus, respectively. Deferrals shall be credited throughout each Deferral Year as the Participant is paid the non-deferred portion of Salary and Bonus for such Deferral Year.

3.4 New Participants. An individual who is hired into a position which satisfies the requirements of a Participant shall be eligible to participate in the Plan thirty (30) days after satisfying the criteria for participation. The eligible employee shall be bound by all terms and conditions of the Plan, provided, however, that his Agreement must be filed no later than thirty (30) days following his eligibility to participate.

Employees who satisfy the criteria of a Participant as a result of a promotion or Salary increase will be eligible to participate in the Plan beginning on January 1st of the calendar year following eligibility.

3.5 Emergency Benefit: Waiver of Deferral. In the event that the Committee, upon written petition of the Participant or his or her Beneficiary, determines in its sole discretion, that the Participant or his or her Beneficiary has suffered an unforeseeable financial emergency, the Company shall pay to the Participant or his or her Beneficiary as soon as possible following such determination, an amount from the Participant's Deferred Benefit Account not in excess of the amount necessary to satisfy the emergency. For purposes of this Plan, an "unforeseeable financial emergency" is an unanticipated emergency that is caused by an event beyond the control of the Participant or Beneficiary and that would result in severe financial hardship to the individual if the emergency distribution were not permitted. Cash needs arising from foreseeable events, such as the purchase of a residence or education expenses for children shall not be considered the result of an unforeseeable financial emergency. For purposes of this Plan, an "unforeseeable financial emergency" is limited to an event described in Treasury Regulation section 1.401(k)-1(d)(2)(iv)(A)(1) or (4). For purposes of this Plan, a distribution is in "the amount necessary to satisfy the emergency" only if the requirements of Treasury Regulation section 1.401(k)-1(d)(2)(iv)(B) are satisfied. The Committee shall also grant a waiver of the Participant's agreement to defer a stated amount of Salary and Bonus upon finding that the Participant has suffered an unforeseeable financial emergency. The waiver shall be for such period of time as the Committee deems necessary under the circumstances to relieve the hardship.

3.6 Crediting of Earnings - As of the close of business on each Valuation Date the designated Deferred Benefit Account of each Participant shall be capable of being valued and adjusted to preserve for each Participant his or her proportionate interest in the related funds as if such account held actual assets and such assets were among such investment funds as the Participant, retired Participant or Beneficiary elected pursuant to Section 3.8. As of each Valuation Date the Deferred Benefit Account of each Participant shall be capable of being adjusted to reflect the effect of income, collected and accrued, realized and unrealized profits and losses, expenses which would have been incurred in connection with the sale, investment and reinvestment of the investment funds (such as brokerage, postage, express and insurance charges and transfer taxes), and all other transactions with respect to the related fund. The effect of such transactions shall be determined by the Committee in accordance with generally accepted valuation principles applied on a consistent basis. Each Participant's Deferred Benefit Account shall then be appropriately credited with his or her deferred amounts as set forth in Section 3.7.

3.7 Determination of Account. The balance of each Participant's Deferred Benefit Account as of each Valuation Date shall be calculated, in a manner determined by the Committee in accordance with generally accepted valuation principles applied on a consistent basis, as follows: the beginning balance of each Participant's Deferred Benefit Account; less distributions payable pursuant to Section 4.11 as of the Valuation Date coincident with the Determination Date set forth in Section 4.11 or, if none, the Valuation Date immediately following such Determination Date; plus investment earnings, gains and losses determined pursuant to Section 3.6 credited to each Participant's Deferred Benefit Account; plus Participant deferrals credited to each Participant's Deferred Benefit Account pursuant to Section 3.3.

3.8 Investment Funds and Elections. - Participants, retired Participants, and Beneficiaries may elect that their Deferred Benefit Account be credited with earnings, gains and losses as if such accounts held actual assets and such assets were among such investment funds as the Company may designate. Any such direction of investment shall be subject to such rules as the Company and the Committee may prescribe, including, without limitation, rules concerning the manner of providing investment directions, the frequency of changing such investment directions, and method of crediting earnings, gains and losses for any portion of a Deferred Benefit Account which is not covered by any valid investment directions. Participants, retired Participants, and Beneficiaries shall allocate their Deferred Benefit Account among the deemed investment options by making an election online or filing an election with the Committee at such time and in such form as the Committee may require or permit. A Participant, retired Participant or Beneficiary may elect to allocate his or her Deferred Benefit Account in 1% increments (minimum of 5% per investment option), among as many of the investment options which are offered by the Company. The investment funds which the Company may designate shall include but not be limited to the following types of funds, which can be managed on an individual basis or as part of a mutual fund, as the Company shall determine:

(a) money market funds;
(b) common stock funds;
(c) bond funds;
(d) balanced funds;
(e) investment funds which are primarily invested in insurance contracts; and
(f) investment funds which are provided for under insurance contracts.

The Company shall have the sole discretion to determine the number of investment funds to be designated hereunder and the nature of the funds and may change or eliminate the investment funds provided hereunder from time to time. The Committee shall determine the rate of earnings, gains and losses to be credited to Participant's Deferred Benefit Accounts under this Plan with respect to any such investment fund for any period, taking into account the return, net of any expenses which would have been incurred in connection with the sale, investment and reinvestment of the investment funds (such as brokerage, postage, express and insurance charges and transfer taxes), of such investment funds for such period.

3.9 Reallocations. Prior to January 1, 2001, a Participant may elect to reallocate all or any whole percentage portion of his Deferred Benefit Account effective as of the last Valuation Date of any calendar month.

Effective January 1, 2001, a Participant may elect as of any day on which securities are traded on the New York Stock Exchange to change the manner in which his or her Deferred Benefit Account and his or her future deferrals are deemed invested among the available investment fund options. Any change of investment allocation received will be effective as of the close of business on that business day if received by 3:00 p.m. Central Time (or, if earlier, the closing time of the New York Stock Exchange or such other time and under such other conditions as may be imposed by the recordkeeper or the Committee under the Company Incentive Investment Plan). The determination of a Participant's having timely elected a change of investment allocation shall be made under the same terms and conditions as are applicable to "Timely Notice" of elections to reallocate under the terms of the Company Incentive Investment Plan.

3.10 Vesting of Deferred Benefit Account. A Participant shall be 100 percent vested in his or her Deferred Benefit Account equal to the amount of Salary and Bonus he or she deferred into the Deferred Benefit Account and the earnings, gains or losses credited thereon.

IV. BENEFITS

4.1 Inservice Distribution. At the time a Participant executes an Agreement, he or she may elect to receive a return of his or her deferrals. The amount of the return of deferral shall be equal to the lesser of the amount deferred in a specific year or the Participant's Deferred Benefit Account. Each such return of deferral shall be made in a lump sum as soon as administratively feasible on or after the last business day of October, which shall be no less than five (5) Deferral Years following the year in which the deferral was originally made, provided that the Participant continues in the employ of the Company, its subsidiary or affiliated company until such date. Once the Participant elects to receive his or her return of deferral, the election shall be irrevocable. A return of deferral pursuant to this Section 4.1 shall only be paid prior to a Participant's Termination of Service. Any return of deferral paid shall be deemed a distribution, and shall be deducted from the Participant's Deferred Benefit Account. A separate return of deferrals election shall be made for each Deferral Year.

4.2 Retirement Benefit. Subject to Section 4.6 below, upon a Participant's Retirement Date, he or she shall be entitled to receive the amount of his or her Deferred Benefit Account. The form of benefit payment, and the commencement of such benefit, shall be as provided in Section 4.6.

4.3 Termination Benefit. Upon the Termination of Service of a Participant prior to his or her Retirement Date, for reasons other than death or Disability, the Company shall pay to the Participant, a benefit equal to his or her Deferred Benefit Account.

Unless otherwise directed by the Committee, the termination benefit shall be payable in a lump sum as set forth in Section 4.11 following the Participant's Termination of Service. Upon a Termination of Service, the Participant shall immediately cease to be eligible for any other benefit provided under this Plan.

4.4 Death Benefit. Upon the death of a Participant or a retired Participant, the Beneficiary of such Participant shall receive the Participant's remaining Deferred Benefit Account. Payment of a Participant's remaining Deferred Benefit Account shall be in accordance with Section 4.6.

4.5 Disability. In the event of a Termination of Service due to Disability prior to his or her Retirement Date, a disabled Participant shall receive his or her remaining Deferred Benefit Account. Payment of a Participant's remaining Deferred Benefit Account shall be in accordance with Section 4.6.

4.6 Form of Benefit Payment.

(a) Upon the happening of an event described in Sections 4.1, 4.2, 4.3, 4.4, or 4.5, the Company shall pay to the Participant the amount specified therein in a lump sum.

(b) In the event that a Participant retires as described in Section 4.2, the Participant may, with the consent of the Committee, elect an installment form of benefit payments. The written request must be made prior to December 31 of the calendar year preceding prior to December 31 of the calendar year preceding the Participant's Retirement Date. The Committee may, in its sole and absolute discretion, grant the Participant's request. If, upon a Participant's Retirement Date, the balance of a Participant's Deferred Benefit Account is less than $25,000, the Participant will be paid his or her Deferred Benefit Account balance as of the Participant's Retirement Date, in a final lump sum payment.

(c) In the event of the death of the Participant, as described in Section 4.4, the Participant's Beneficiary may, with the consent of the Committee, elect an installment benefit payment. This written request must be made no later than thirty (30) days after the Participant's date of death. The Committee may, in its sole discretion, grant such Beneficiary's request.

(d) In the event that a Participant terminates service due to a Disability as described in Section 4.5, the Participant may, with the consent of the Committee, elect an installment form of benefit payment. The written request must be made no later than thirty (30) days after the date the Participant is determined to be disabled by the Retirement Committee of the Kimberly-Clark Salaried Employees' Retirement Plan. The Committee may, in its sole discretion, grant the Participant's request.

(e) In the event that installment payments are to made pursuant to Subsections 4.6(b), (c) or
(d), such payments shall be in quarterly installments commencing as soon as administratively feasible after the Committee grants the request for an installment form of benefit payment. Such quarterly installments shall be payable in approximately equal amounts over a period, no less than two (2) calendar years and no more than twenty (20) calendar years. In addition, if, at the time a Participant is scheduled to receive an installment payment, the balance of his or her Deferred Benefit Account is less than $5,000, the Participant will be paid his or her remaining Deferred Benefit Account balance in a final lump sum payment.

Initially, the amount of any installments under the installment form of payment described in this Subsection 4.6(e) shall be equal to the balance of the Participant's Deferred Benefit Account to be distributed divided by the number of installments to be paid. The amount of the installment payments shall be recomputed annually and the installment payments shall be increased or decreased to reflect any changes in the Participant's Deferred Benefit Account due to fluctuations in earnings, gains and losses on the remaining balance and the number of remaining installments. Quarterly installments payments will be made on the last business day of January, April, July and October.

4.7 Limitations on the Annual Amount Paid to a Participant. Notwithstanding any other provisions of this Plan to the contrary, in the event that a portion of the payments due a Participant pursuant to Sections 3.5, 4.1, 4.2, 4.3, 4.4, 4.5, or 4.6 would not be deductible by the Company pursuant to
Section 162(m) of the Code, the Company, at its sole discretion, may postpone payment of such amounts to the Participant until such time that the payments would be deductible by the Company. Provided, however, that no payment postponed pursuant to this Section 4.7 shall be postponed beyond the first anniversary of such Participant's Termination of Service.

4.8 Change of Control and Lump Sum Payments.

(a) If there is a Change of Control, notwithstanding any other provision of this Plan, any Participant who has a Deferred Benefit Account hereunder may, at any time during a twenty-four (24) month period immediately following a Change of Control, elect to receive an immediate lump sum payment of the balance of his or her Deferred Benefit Account, reduced by a penalty equal to ten percent (10%) of the Participant's Deferred Benefit Account as of the Determination Date. The ten percent (10%) penalty shall be permanently forfeited and shall not be paid to, or in respect of, the Participant.

(b) If there is a Change of Control, notwithstanding any other provision of this Plan, any retired or disabled Participant, or Beneficiary, who has a Deferred Benefit Account hereunder may, at any time during a twenty-four (24) month period immediately following a Change of Control, elect to receive an immediate lump sum payment of the balance of his or her Deferred Benefit Account, reduced by a penalty equal to five percent (5%) of the Participant's Deferred Benefit Account as of the Determination Date. The five percent (5%) penalty of the retired or disabled Participant's or Beneficiary's Deferred Benefit Account shall be permanently forfeited and shall not be paid to, or in respect of, the retired or disabled Participant or Beneficiary.

(c) In the event no such request is made by a Participant, a retired or disabled Participant or Beneficiary, the Plan and Agreement shall remain in full force and effect.

4.9 Change In Credit Rating and Lump Sum Payments.

In the event the Company's financial rating falls below Investment Grade, a Participant, retired or disabled Participant, or Beneficiary may at any time during a six (6) month period following the reduction in the Company's financial rating, elect to receive an immediate lump sum payment of the balance of his or her Deferred Benefit Account reduced by a penalty equal to ten percent (10%) of the Participant's Deferred Benefit Account or five percent (5%) of the retired or disabled Participant's or Beneficiary's Deferred Benefit Account. The penalties accrued hereunder shall be permanently forfeited and shall not be paid to, or in respect of, the Participant, retired or disabled Participant or Beneficiary.

In the event no such request is made by a Participant, retired or disabled Participant or Beneficiary, the Plan and Agreement shall remain in full force and effect.

4.10 Tax Withholding. To the extent required by law in effect at the time payments are made, the Company shall withhold any taxes required to be withheld by any Federal, State or local government.

4.11 Commencement of Payments. Unless otherwise provided, commencement of payments under this Plan shall be as soon as administratively feasible on or after the Determination Date after receipt of notice by the Committee of an event which entitles a Participant or a Beneficiary to payments under this Plan.

4.12 Recipients of Payments: Designation of Beneficiary. All payments to be made by the Company under the Plan shall be made to the Participant during his or her lifetime, provided that if the Participant dies prior to the completion of such payments, then all subsequent payments under the Plan shall be made by the Company to the Beneficiary determined in accordance with this Section. The Participant may designate a Beneficiary by filing a written notice of such designation with the Committee in such form as the Committee requires and may include contingent Beneficiaries. The Participant may from time-to-time change the designated Beneficiary by filing a new designation in writing with the Committee. If no designation is in effect at the time when any benefits payable under this Plan shall become due, the Beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

V. CLAIMS FOR BENEFITS PROCEDURE

5.1 Claim for Benefits. Any claim for benefits under the Plan shall be made in writing to any member of the Committee. If such claim is wholly or partially denied by the Committee, the Committee shall, within a reasonable period of time, but not later than sixty (60) days after receipt of the claim, notify the claimant of the denial of the claim. Such notice of denial shall be in writing and shall contain:

(a) The specific reason or reasons for denial of the claim;

(b) A reference to the relevant Plan provisions upon which the denial is based;

(c) A description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary; and

(d) An explanation of the Plan's claim review procedure.

If no such notice is provided, the claim shall be deemed to have been denied.

5.2 Request for Review of a Denial of a Claim for Benefits. Upon the receipt by the claimant of written notice of denial of the claim, the claimant may file a written request to the Committee, requesting a review of the denial of the claim, which review shall include a hearing if deemed necessary by the Committee. In connection with the claimant's appeal of the denial of his or her claim, he or she may review relevant documents and may submit issues and comments in writing.

5.3 Decision Upon Review of Denial of Claim for Benefits. The Committee shall render a decision on the claim review promptly, but no more than sixty (60) days after the receipt of the claimant's request for review, unless special circumstances (such as the need to hold a hearing) require an extension of time, in which case the sixty (60) day period shall be extended to 120 days. Such decision shall:

(a) Include specific reasons for the decision;

(b) Be written in a manner calculated to be understood by the claimant; and

(c) Contain specific references to the relevant Plan provisions upon which the decision is based.

The decision of the Committee shall be final and binding in all respects on both the Company and the claimant.

VI. ADMINISTRATION

6.1 Committee. The Plan shall be administered by the Committee. The Committee shall elect one of its members as chairman. Members of the Committee shall not receive compensation for their services. Committee expenses shall be paid by the Company. Members of the Committee or agents of the Committee may be Participants under the Plan. No member of the Committee who is also a Participant shall be involved in the decisions of the Committee regarding any determination of any claim for benefit with respect to himself or herself.

6.2 General Rights, Powers, and Duties of Committee. The Committee shall be responsible for the management, operation, and administration of the Plan. The Committee may designate a Committee member or an officer of the Company as Plan Administrator. Absent such delegation, the Committee shall be the Plan Administrator. The Plan Administrator shall perform duties as designated by the Committee. In addition to any powers, rights and duties set forth elsewhere in the Plan, it shall have the following powers and duties:

(a) To adopt such rules and regulations consistent with the provisions of the Plan as it deems necessary for the proper and efficient administration of the Plan;

(b) To administer the Plan in accordance with its terms and any rules and regulations it establishes;

(c) To maintain records concerning the Plan sufficient to prepare reports, returns and other information required by the Plan or by law;

(d) To construe and interpret the Plan including any doubtful or contested terms and resolve all questions arising under the Plan;

(e) To direct the Company to pay benefits under the Plan, and to give such other directions and instructions as may be necessary for the proper administration of the Plan;

(f) To employ or retain agents, attorneys, actuaries, accountants or other persons, who may also be Participants in the Plan or be employed by or represent the Company, as it deems necessary for the effective exercise of its duties, and may delegate to such agents any power and duties, both ministerial and discretionary, as it may deem necessary and appropriate; and

(g) To be responsible for the preparation, filing and disclosure on behalf of the Plan of such documents and reports as are required by any applicable Federal or State law.

6.3 Information to be Furnished to Committee. The Company shall furnish the Committee such data and information as it may require. The records of the Company shall be determinative of each Participant's period of employment, termination of employment and the reason therefor, leave of absence, reemployment, Years of Service, personal data, and Salary and Bonus reductions.

Participants and their Beneficiaries shall furnish to the Committee such evidence, data, or information, and execute such documents as the Committee requests.

6.4 Responsibility. No member of the Committee, the Compensation Committee or the Board of Directors of the Company shall be liable to any person for any action taken or omitted in connection with the administration of this Plan.

6.5 Committee Review. Any action on matters within the discretion of the Committee shall be final and conclusive as to all Participants, retired Participants, disabled Participants, Beneficiaries and other persons claiming rights under the Plan. The Committee shall exercise all of the powers, duties and responsibilities set forth hereunder in its sole discretion.

VII. AMENDMENT AND TERMINATION

7.1 Amendment. The Plan may be amended in whole or in part by either the Board of Directors or the Compensation Committee at any time. Notice of any such amendment shall be given in writing to the Committee and to each Participant and each Beneficiary. No amendment shall decrease the value of a Participant's Deferred Benefit Account.

7.2 Company's Right to Terminate. The Board of Directors may terminate the Plan and may terminate any Agreements pertaining to the Participant at any time after the Effective Date of the Plan. In the event of any such termination, the Participant shall be entitled to the amount of his or her Deferred Benefit Account determined under Section 3.7 as of the date of any such termination. Such benefit shall be paid to the Participant in quarterly installments over a period of no more than ten (10) years, except that the Company, in its sole discretion, may pay out such benefit in a lump sum or in installments over a period shorter than ten (10) years.

VII. MISCELLANEOUS

8.1 No Implied Rights; Rights on Termination of Service. Neither the establishment of the Plan nor any amendment thereof shall be construed as giving any Participant, retired Participant, disabled Participant, Beneficiary, or any other person any legal or equitable right unless such right shall be specifically provided for in the Plan or conferred by specific action of the Company in accordance with the terms and provisions of the Plan. Except as expressly provided in this Plan, the Company shall not be required or be liable to make any payment under the Plan.

8.2 No Right to Company Assets. Neither the Participant nor any other person shall acquire by reason of the Plan any right in or title to any assets, funds or property of the Company whatsoever including, without limiting the generality of the foregoing, any specific funds, assets, or other property which the Company, in its sole discretion, may set aside. Any benefits which become payable hereunder shall be paid from the general assets of the Company. The Participant shall have only a contractual right to the amounts, if any, payable hereunder unsecured by any asset of the Company. Nothing contained in the Plan constitutes a guarantee by the Company that the assets of the Company shall be sufficient to pay any benefit to any person.

8.3 No Employment Rights. Nothing herein shall constitute a contract of employment or of continuing service or in any manner obligate the Company to continue the services of the Participant, or obligate the Participant to continue in the service of the Company, or as a limitation of the right of the Company to discharge any of its employees, with or without cause. Nothing herein shall be construed as fixing or regulating the Salary and Bonus payable to the Participant.

8.4 Offset. If, at the time payments or installments of payments are to be made hereunder, the Participant, retired Participant, disabled Participant, or the Beneficiary are indebted or obligated to the Company, then the payments remaining to be made to the Participant, retired Participant, disabled Participant, or the Beneficiary may, at the sole discretion of the Company, be reduced by the amount of such indebtedness or obligation, provided, however, that an election by the Company not to reduce any such payment or payments shall not constitute a waiver of its claim for such indebtedness or obligation.

8.5 Non-assignability. Neither the Participant nor any other person shall have any voluntary or involuntary right to commute, sell, assign, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are expressly declared to be unassignable and non-transferable. No part of the amounts payable shall be, prior to actual payment, subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by the Participant or any other person, or be transferable by operation of law in the event of the Participant's or any other person's bankruptcy or insolvency.

8.6 Successors, Mergers, and Consolidations. The Plan and any Agreement thereunder shall inure to the benefit of and be binding upon (i) the Company and its successors and assigns, including without limitation, any corporation into which the Company may be merged or consolidated, or which acquires all or substantially all of the assets and business of the Company and (ii) the Participant and his or her heirs, executors, administrators and legal representatives.

8.7 Notice. Any notice required or permitted to be given under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, and if given to the Company, delivered to the principal office of the Company, directed to the attention of the Committee. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or the receipt for registration or certification.

8.8 Governing Laws. The Plan shall be construed and administered according to the laws of the State of Wisconsin.

Exhibit No. (10)g

KIMBERLY-CLARK CORPORATION
OUTSIDE DIRECTORS'
STOCK COMPENSATION PLAN

(April 2, 1997)

1. INTRODUCTION

The Kimberly-Clark Outside Directors' Stock Compensation Plan (the "Plan") specifies the compensation to be paid by Kimberly-Clark Corporation (the "Company") in the form of shares of restricted common stock, par value $1.25 per share, of the Company ("Stock") for services performed by Outside Directors (as hereinafter defined).

The Plan is intended to promote the interests of the Company and its stockholders by enhancing the Company's ability to attract, motivate and retain as Outside Directors persons of training, experience and ability, and to encourage the highest level of Outside Director performance by aligning the Outside Directors' economic interests more closely with those of the Company's stockholders.

2. DEFINITIONS

Unless otherwise defined in the text of the Plan, capitalized terms herein shall have the meanings set forth in this Section 2.

(a) "Account" means the internal account maintained by the Company in which cash dividends and interest thereon are accumulated for the benefit of each Outside Director pursuant to the Plan.
(b) "Board" means the Board of Directors of the Company.
(c) "Committee" means the Compensation Committee of the Board.
(d) "Director" means a member of the Board.
(e) "Effective Date" means January 1, 1996, subject to the Plan being approved by the stockholders of the Company as provided in Section 7 below.
(f) "Outside Director" means a Director who is not on the date of grant of Stock pursuant to the Plan, or within one year prior to the date of such grant, an "employee" of the Company, or any of its subsidiaries or equity companies, within the meaning of Section 3(6) of the Employee Retirement Income Security Act of 1974, as amended.
(g) "Retainer" means the annual retainer payable to an Outside Director for services rendered as a Director.
(h) "Rule 16b-3" means Rule 16b-3 under the Securities Exchange Act of 1934, as amended.
(i) "Stock" means the restricted shares of the Company's common stock, par value $1.25 per share, derived from a pool of 70,000 shares available for grant under the Plan.
(j) "Stock Retainer" means the portion of each Outside Director's Retainer that is payable in the form of Stock pursuant to the Plan.

3. PARTICIPANTS

Participation in the Plan is limited to Outside Directors. It is intended that all Outside Directors will be participants in the Plan.

4. ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Committee, which shall have sole and complete discretion and authority with respect thereto, except as expressly limited by the Plan. All action taken by the Committee in the administration and interpretation of the Plan shall be final and binding on all matters relating to the Plan. All questions of interpretation, administration and application of the Plan shall be determined by a majority of the members of the Committee, except that the Committee may authorize any Directors, officers or employees of the Company to assist the Committee in the administration of the Plan and to execute documents on behalf of the Committee. The Committee also may delegate to such Directors, officers and employees such other ministerial and limited discretionary duties as it sees fit. No member of the Committee shall be liable for any act done or omitted to be done by such member, or by any other member of the Committee, in connection with the Plan, except for such member's own willful misconduct or as otherwise expressly provided by statute.

All expenses of administering the Plan shall be paid by the Company.

5. TERM OF PLAN

The Plan shall become effective as the Effective Date, subject to the Plan being approved by the holders of the Company's common stock as provided in
Section 7 below. The Plan shall remain in effect until all authorized shares of Stock have been issued, unless sooner amended or terminated by the Committee pursuant to Section 11 hereof.

6. SHARES TO BE GRANTED; ADJUSTMENTS

(a) Shares To Be Granted

The aggregate maximum number of shares of Stock available for grant under the Plan shall be 70,000 shares, subject to the adjustment provision set forth in Section 6(b) below. Shares subject to the Plan will be either authorized and unissued shares, or shares that were once issued and subsequently reacquired by the Company in the form of treasury stock.

(b) Adjustments

In the event of a stock dividend, stock split, reverse stock split, recapitalization, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange or similar corporate transaction or event affecting the Stock, the Committee shall make appropriate proportional adjustments as are necessary to the number of shares of Stock that may be awarded under the Plan in order to prevent the dilution or enlargement of any rights of any Outside Director, provided that such adjustment shall not result in the issuance of fractional shares. Any fractional share resulting from an adjustment pursuant to this section shall be canceled and a cash equivalent shall be credited to the Outside Director's Account.

7. REGISTRATION AND APPROVAL OF SHARES

Prior to the distribution of any shares under the Plan, the Stock must be registered with the Securities and Exchange Commission and the Plan must be approved by the affirmative vote of the holders of a majority of the shares of the Company's common stock present or represented by proxy and entitled to vote at the 1996 Annual Meeting of the Company's stockholders.

8. TERMS OF THE GRANTS

(a) Annual Grant

As part of his or her annual Retainer and subject to the availability of shares under Section 6(a), each Outside Director shall be granted, without any further action or authorization, 600 shares of Stock on December 31 of each calendar year during the term of the Plan, commencing on December 31, 1996. Upon the termination of an Outside Director's service as a member of the Board, the Outside Director will be granted, without any further action or authorization, that number of shares of Stock (rounded to the nearest whole number) which is equal to 600 multiplied by a fraction, the numerator of which is the number of full and partial calendar months served by the Outside Director during the applicable year and the denominator of which is 12.

(b) Dividends

Each Outside Director will be entitled to receive all cash dividends and other distributions made with respect to the Stock granted under the Plan. Cash dividends on the Stock shall be credited to each Outside Director's Account if, as and when dividends are declared and paid by the Company with respect to its outstanding shares of common stock. In the case of dividends paid in property other than cash, the amount of the dividend shall be deemed to be the fair market value of the property at the time of the payment of the dividend, as determined in good faith by the Committee. As of the last day of each calendar quarter, or as of the date the Account is distributed, if earlier, such Account shall be credited with an additional amount equal to the product of (a) the daily average balance in such Account during such quarter, and (b) one-fourth of a rate yielding interest equal to the per annum market discount rate for six-month U.S. Treasury Bills as published by the Federal Reserve Board for the seven calendar days immediately prior to January 1 (for additional amounts to be credited for the subsequent fiscal quarters ending on March 31 and June 30) or July 1 (for additional amounts to be credited for the subsequent fiscal quarters ending September 30 and December 31). In no case, however, shall such interest rate be less than six percent per annum.

The Accounts established for Outside Directors are merely an administrative convenience and the Company shall not be required to segregate any cash or other property of the Company. Any amounts which become payable to an Outside Director shall be paid from the general assets of the Company.

(c) Voting Rights

Each Outside Director shall have the right to vote or execute proxies with respect to the shares of Stock registered in his or her name.

(d) Registration, Possession, Issuance and Delivery

Each grant of Stock under the Plan shall be immediately registered on the transfer ledgers of the Company in the name of the Outside Director who receives the grant. Possession of the certificate representing shares of Stock shall be retained by the Treasurer of the Company for the benefit of each Outside Director until the provisions of the Plan relating to removal of restrictions have been satisfied as to particular shares of Stock. Thereupon, the Treasurer of the Company shall promptly deliver the certificates for such shares of the Outside Director. Notwithstanding any other provision of the Plan, the grant, issuance or delivery of any shares of Stock may be postponed for such period as may be required to comply with any applicable requirements of any national securities exchange or any requirements under any other law or regulation applicable to the grant, issuance or delivery of such shares. The Company shall not be obligated to grant, issue or deliver any such shares if the grant, issuance or delivery thereof would constitute a violation of any provision of any law or of any regulation of any governmental authority or any national securities exchange.

(e) Transfer Restrictions

The shares of Stock granted to an Outside Director under the Plan may not be sold, assigned, pledged or otherwise transferred or encumbered by the Outside Director, unless and until the provisions of the Plan relating to removal of restrictions have been satisfied. Thereafter, an Outside Director may transfer or encumber such shares of Stock free from any restrictions under the Plan.

(f) Removal of Restrictions

All of the shares of Stock granted to an Outside Director under the Plan, together with all cash dividends and interest thereon accumulated in the Outside Director's Account, shall become free of restrictions imposed by this
Section 8 and shall be distributed to the Outside Director entitled thereto upon his or her termination of service as a member of the Board. None of the shares of Stock granted to an Outside Director under the Plan shall be subject to forfeiture upon the termination of such Outside Director's service as a member of the Board prior to completion of his or her term.

9. NONTRANSFERABILITY OF RIGHTS

Any distribution under the Plan shall be made only to the applicable Outside Director or his or her estate. No award, sum or other interest under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt by an Outside Director or any beneficiary under the Plan to do so shall be void. No interest under the Plan shall in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of any Outside Director or his or her estate.

10. NOTICES; DELIVERY OF STOCK CERTIFICATES

Any notice required or permitted to be given by the Company or the Committee pursuant to the Plan shall be deemed given when personally delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to the Outside Director at the last address shown for the Outside Director on the records of the Company. Delivery of Stock certificates to persons entitled to receive distributions under the Plan shall be deemed effected for all purposes when the Company or a stock transfer agent of the Company shall have deposited such certificates in the United States mail, addressed to such person at his or her last known address on file with the Company.

11. AMENDMENT AND TERMINATION

The Plan may be amended at any time by the Committee; provided that, except as provided in Section 6(b), the Committee may not, without Company stockholder approval: (i) modify the number of shares of Stock to be awarded to an Outside Director in any given year; (ii) change the times at which, or the period within which, Stock may be delivered under the Plan, or (iii) adopt any amendment which would disqualify the Plan for the exemption afforded by Rule 16b-3. Any modification of any of the terms and provisions of the Plan, including this Section 11, shall be made more than once every six (6) months, other than to comport with changes in the Internal Revenue Code, as amended, or the rules thereunder.

The Plan shall terminate, except with respect to previously awarded grants, upon the earlier of the following dates or events:

(a) when all Stock available for issuance hereunder has been issued (or been made subject to a grant of Stock);
(b) upon a date determined by the Committee; or

(c) December 31, 2005

Notwithstanding the foregoing, no termination of the Plan shall materially or adversely affect any rights of any Outside Director under any grant previously made pursuant to the Plan.

12. TAXES

The Company shall require the withholding of any and all taxes that the Company believes to be required to be withheld by any government or agency thereof. The Company, in its discretion, may withhold Stock, with the Company remitting to the appropriate tax authorities the fair market value of the Stock withheld. The Outside Director or his or her estate shall bear all taxes, irrespective of whether withholding is required.

13. GOVERNING LAW

The terms of the Plan shall be governed, construed, administered and regulated in accordance with the laws of the state of Delaware and applicable federal law. In the event any provision of the Plan shall be determined to be illegal or invalid for any reason, the other provisions of the Plan shall continue in full force and effect as if such illegal or invalid provision had never been included herein.

14. DIRECTOR'S SERVICE

Nothing contained in the Plan, or with respect to any grant hereunder, shall interfere with or limit in any way the right of stockholders of the Company to remove any Outside Director from the Board, nor confer upon any Outside Director any right to continue to serve on the Board as an Outside Director.

Exhibit No. (10)h

SUPPLEMENTAL BENEFIT PLAN
TO THE
KIMBERLY-CLARK CORPORATION
PENSION PLAN

Amended and Restated Effective as of April 15, 2002

This Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan (the "Plan") is intended to be an unfunded "excess benefit plan" within the meaning of Section 3(36) and 4(b)(5) of the Employee Retirement Income Security Act of 1974. As such, the purpose of this Plan is solely to provide benefits to participants in the Kimberly-Clark Corporation Pension Plan as amended and restated from time to time (the "Retirement Plan"), which exceed the limitation on benefits imposed by Section 415 of the Internal Revenue Code of 1986, or any comparable provision of any future legislation which amends, supplements or supersedes that Section ("Section 415 of the Code").

The terms and provisions of this Plan are as follows:

1. Each term which is used in this Plan and also used in the Retirement Plan shall have the same meaning herein as under the Retirement Plan.

Notwithstanding the above, for purposes of this Plan, where the following words and phrases appear in this Plan they shall have the respective meanings set forth below unless the context clearly indicates otherwise:

(a) Benefit: A benefit payable pursuant to, and determined in accordance with the provisions of this Plan.

(b) Change of Control: A Change of Control shall be deemed to have taken place if: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, acquires shares of the Corporation having 20 percent or more of the total number of votes that may be cast for the election of Directors of the Corporation, or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, the persons who were directors of the Corporation before the transaction shall cease to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

(c) Investment Grade: A bond rating of BBB minus, or its equivalent, by one of the nationally recognized rating agencies.

(d) Lump Sum Payment: A form of benefit payable as a lump sum cash payment, actuarially determined based on the rate of interest equivalent to the yield on a 30-year Treasury Bond as published in the Federal

Reserve Statistical Release for the week that contains the first business day of the month prior to the date such Lump Sum payment is payable under this Plan, or such other rate as determined pursuant to uniform Committee rules, and the mortality table set forth for determining actuarial equivalent benefits under Section 10.1(a) of the Retirement Plan, and (i) in the case of a lump sum payment pursuant to Section 4(a) or (b) of this Plan, based on the Participant's Benefit payable from this plan and his age at the date of such lump sum payment, and
(ii) in the case of a lump sum payment pursuant to
Section 4(c) or 4(d) of this Plan, based on the Participant's Benefit payable under this Plan, the earliest age at which his Benefit from the Retirement Plan could commence if he terminated employment, and the early retirement reduction factor applicable at such age of commencement. Notwithstanding the foregoing, the 30-year Treasury Bond yield shall be used in determining a lump sum cash payment so long as such rate is published by the Federal Reserve. In the event that the Federal Reserve ceases to publish the 30-year Treasury Bond rate, a lump sum cash payment will be actuarially determined based on the rate of interest equivalent to the yield on the longest term Treasury Bond published in the Federal Reserve Statistical Release which is no more than 30-years but not less than for a 10-year term.

(e) Participant: A participant in the Retirement Plan who
(i) is a "managerial or highly compensated employee" of an Employer, within the meaning of Title I of ERISA, and (ii) is eligible to receive a Benefit upon his termination of employment.

(f) "Timely Elected" shall mean as follows:

(i) For payments which commence under the Retirement Plan prior to January 1, 1996, the Participant has elected to receive such Lump Sum Payment either (aa) in the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan or (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Supplemental Benefit Plan;

(ii) For payments which commence under the Retirement Plan on or after January 1, 1996 and prior to February 18, 2002, the Participant has elected to receive such Lump Sum Payment no later than the earlier of
(aa) the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan, (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Supplemental Benefit Plan or (cc) for Participants who terminate employment prior to having attained age 55, the calendar year in which the Participant attained age 54.

(iii) For payments which commence under the Retirement Plan on or after February 18, 2002 the Participant has elected to receive such Lump Sum Payment no later than the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan.

(iv) In the event of the death of the Participant who has not commenced payments under this Supplemental Benefit Plan, the Participant's surviving spouse or designated beneficiary, as the case may be may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty
(30) days after the Participant's date of death.

(v) In the event that a Participant terminates service due to a Disability as described in
Section 4.5, the Participant may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty (30) days after the date the Participant is determined to be disabled by the Committee for the Pension Plan.

2. So long as a Pensioner (or the spouse or designated beneficiary, as the case may be of a former Employee) shall be entitled to receive benefits under the Retirement Plan, there shall be paid under this Plan to such Pensioner (or such spouse or designated beneficiary, as the case may be) such amounts of Disability Benefit, Basic Benefit, Optional Joint and Survivor Benefit, Pensioners Benefit, Survivors Benefit, Optional Years Certain and Life Benefit, Deferred Benefit, Automatic Survivor's Benefit, and any other benefits including benefits distributed upon termination of the Plan (as the case may be) as would have been paid to such person under the Retirement Plan without regard to the limitation on benefits imposed by Section 415 of the Code, but only to the extent that the amount of such benefits exceeds such limitation. Except as provided in Section 4, such amounts shall be paid to such person on the same terms and conditions, at the same times, and pursuant to the same elections made by the Employee, as they would have been if paid under the Retirement Plan, were it not for such limitation on benefits.

3. The Employer may enter into a contract with any Employee who it is projected will be entitled to receive benefits under this Plan, or with any Pensioner (or any spouse or designated beneficiary) who is entitled to receive benefits under this Plan, stipulating the terms and manner of payments to be made under this Plan, but the entitlement of a Pensioner (or spouse or designated beneficiary) to receive benefits under this Plan shall not be conditioned upon the entering into of such a contract prior to the entitlement to benefits under this Plan.

4. Notwithstanding any other provision of the Retirement Plan, a Participant (or surviving spouse or designated beneficiary, as the case may be) shall be entitled to elect to receive his Benefit payable under Section 2 as a Lump Sum Payment (subject to any applicable payroll or other taxes required to be withheld) under the following circumstances:

(a) The Participant (or surviving spouse or designated beneficiary, as the case may be) has Timely Elected to receive such Lump Sum Payment;

(b) the Corporation experiences a Change in Control; or

(c) the Corporation's long-term credit rating falls below Investment Grade.

If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsection 4(a) above, such election is subject to approval by the Retirement Trust Committee in its sole discretion. In addition, the Lump Sum Payment shall be payable at the same time as the payments are eligible to commence under the Retirement Plan.

If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsections 4(b) or 4(c) above, the Lump Sum Payment shall be reduced for active Employees by a penalty equal to ten percent (10%) of the Benefit otherwise payable and for former Employees (or spouses or designated beneficiaries) by a penalty equal to five percent (5%) of the Benefit otherwise payable. Such penalty shall be permanently forfeited and shall not be paid to, or in respect of, the Employee, former Employee, or spouse or designated beneficiary. In addition, such election must be made within two years after a Change in Control or within 90 days after the date the Corporation's long-term credit rating falls below Investment Grade. Such Lump Sum Payment shall be paid within thirty days of the date of election.

Notwithstanding any other provisions of this Plan to the contrary, except where waived by the Participant's spouse as required under the provisions of the Retirement Plan, all retirement benefits payable to a Participant shall be paid in the same form as the benefits would be payable under the Retirement Plan. Provided, however, for each Participant whose employment terminates after February 18, 2002, if the amount of the Lump Sum Distribution, calculated as if such Participant (or surviving spouse or designated beneficiary, as the case may be) had made an election to receive a Lump Sum Distribution at the earliest time that such person could have made an election under subsection 4(a), does not exceed $25,000, then such Lump Sum Distribution shall be paid at the earliest time such person could have made an election under subsection 4(a).

Notwithstanding any other provisions of this Plan to the contrary, in the event that a portion of the Lump Sum Payment due a Participant pursuant to this Section 4 would not be deductible by the Company pursuant to Section 162(m) of the Code, the Company, at its discretion, may postpone payment of such amounts to the Participant until such time that the payments would be deductible by the Company. Provided, however, that no payment postponed pursuant to this paragraph shall be postponed beyond the first anniversary of the date such Participant terminated employment. Any Lump Sum Payment postponed pursuant to this paragraph shall include interest for the period such Lump Sum Payment is postponed at a rate yielding interest equivalent to the per annum secondary market discount rate for six-month U.S. Treasury Bills as published by the Federal Reserve Board for the calendar week ending prior to January 1 (for interest to be credited for either of the two subsequent fiscal quarters ending March 31 or June 30) or prior to July 1 (for interest to be credited for either of the subsequent fiscal quarters ending on September 30 or December 31), or such other rate as determined pursuant to uniform Committee rules.

5. If a Participant has received a Lump Sum Payment pursuant to Section 4 above, such Participant may accrue an additional Benefit under this Plan after the date of such Lump Sum Payment, provided, however, that such future participation shall not result in duplication of benefits. Accordingly, if he has received a distribution of a Benefit under the Plan by reason of prior participation, his Benefit shall be reduced by the actuarial equivalent (at the date of the later distribution) of the present value of the Benefit previously paid hereunder.

6. This Plan shall not be a funded plan, and the Corporation shall be under no obligation to set aside any funds for the purpose of making payments under this Plan. Any payments hereunder shall be made out of the general assets of the Employer.

7. The Corporation by action of the Board of Directors, shall have the right at any time to amend this Plan in any respect, or to terminate this Plan; provided, however, that no such amendment or termination shall be effective to the extent it eliminates or reduces any "Section 411(d)(6) protected benefit" or adds or modifies conditions relating to "Section 411(d)(6) protected benefits" the result of which is a further restriction on such benefit unless such protected benefits are preserved with respect to benefits accrued as of the later of the adoption date or effective date of the amendment. "Section 411(d)(6) protected benefits" are benefits described in Section 411(d)(6)(A) of the Internal Revenue Code of 1986, early retirement benefits and retirement-type subsidies, and optional forms of benefit.

8. The Committee under the Retirement Plan, as constituted from time to time, shall administer this Plan and shall have the same powers and duties, and shall be subject to the same limitations as are set forth in the Retirement Plan.

9. Subject to the provisions of Section 5, this Plan shall terminate when the Retirement Plan terminates.

Exhibit No. (10)i

SECOND SUPPLEMENTAL BENEFIT PLAN
TO THE
KIMBERLY-CLARK CORPORATION
PENSION PLAN

Amended and Restated Effective as of April 15, 2002

1. Use of Defined Terms. Capitalized terms used herein have the respective meanings ascribed to such terms as set forth in Section 6 below.

2. Purpose. The Second Supplemental Benefit Plan is for the purpose of providing Participants and their Beneficiaries with such benefits, in addition to the Retirement Plan and the Supplemental Plan, as are necessary to fulfill the intent of the Retirement Plan without regard to Section 415 of the Code or any dollar limit imposed by the Code on the amount of compensation considered under the Retirement Plan. It is intended that the Second Supplemental Benefit Plan constitute an unfunded plan of deferred compensation for a select group of management or highly compensated employees, within the meaning of Title I of ERISA.

3. Benefit. The Benefit of a Participant or a Survivor under the Second Supplemental Benefit Plan shall be the difference between:

(a) the monthly amount payable under the Retirement Plan, which monthly amount shall be calculated (i) without regard to Article XI of the Retirement Plan and (ii) using the term Earnings defined as set forth in Section 6(f) of the Second Supplemental Benefit Plan below; less

(b) the sum of (i) the monthly amount payable under the Retirement Plan and (ii) the monthly amount payable under the Supplemental Plan.

4. Lump Sum Payments.

(a) Notwithstanding any other provision of the Retirement Plan, a Participant (or surviving spouse or designated beneficiary, as the case may be) shall be entitled to elect to receive his Benefit payable under Section 3 as a Lump Sum Payment (subject to any applicable payroll or other taxes required to be withheld) under the following circumstances:

(i) The Participant (or surviving spouse or designated beneficiary, as the case may be) has Timely Elected to receive such Lump Sum Payment;

(ii) the Corporation experiences a Change of Control; or

(iii) the Corporation's long-term credit rating falls below Investment Grade.

(b) If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsection 4(a)(i) above, such election is subject to approval by the Retirement Trust Committee in its sole discretion. In addition, the Lump Sum Payment shall be payable at the same time as the payments are eligible to commence under the Retirement Plan.

(c) If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsections 4(a)(ii) or 4(a)(iii) above, the Lump Sum Payment shall be reduced for active employee Participants by a penalty equal to ten percent (10%) of the Benefit otherwise payable and for a former employee, or a surviving spouse or designated beneficiary, by a penalty equal to five percent (5%) of the Benefit otherwise payable. Such penalty shall be permanently forfeited and shall not be paid to or in respect of, the Participant or surviving spouse or designated beneficiary. In addition, such election must be made within two years after a Change of Control or within 90 days after the date the Corporation's long-term credit rating falls below Investment Grade. Such Lump Sum Payment shall be made within thirty days of the date of election.

(d) If a Participant has received a Lump Sum Payment pursuant to this Section 4, such Participant may accrue an additional Benefit under this Plan after the date of such Lump Sum Payment, provided, however, that such future participation shall not result in duplication of benefits. Accordingly, if he has received a distribution of a Benefit under the Plan by reason of prior participation, his Benefit shall be reduced by the actuarial equivalent (at the date of the later distribution) of the present value of the Benefit previously paid hereunder.

(e) Notwithstanding any other provisions of this Second Supplemental Benefit Plan to the contrary, in the event that a portion of the Lump Sum Payment due a Participant pursuant to this Section 4 would not be deductible by the Company pursuant to Section 162(m) of the Code, the Company, at its discretion, may postpone payment of such amounts to the Participant until such time that the payments would be deductible by the Company. Provided, however, that no payment postponed pursuant to this subsection 4(e) shall be postponed beyond the first anniversary of the date such Participant terminated employment. Any Lump Sum Payment postponed pursuant to this subsection 4(e) shall include interest for the period such Lump Sum Payment is postponed at a rate yielding interest equivalent to the per annum secondary market discount rate for six-month U.S. Treasury Bills as published by the Federal Reserve Board for the calendar week ending prior to January 1 (for interest to be credited for either of the two subsequent fiscal uarters ending March 31 or June 30) or prior to July 1 (for interest to be credited for either of the subsequent fiscal quarters ending on September 30 or December 31), or such other rate as determined pursuant to uniform Committee rules.

(f) Notwithstanding any other provisions of this Plan to the contrary, except where waived by the Participant's spouse as required under the provisions of the Retirement Plan, all retirement benefits payable to a Participant shall be paid in the same form as the benefits would be payable under the Retirement Plan. Provided, however, for each Participant whose employment terminates after February 18, 2002, if the amount of the Lump Sum Distribution, calculated as if such Participant (or surviving spouse or designated beneficiary, as the case may be) had made an election to receive a Lump Sum Distribution at the earliest time that such person could have made an election under subsection 4(a)(i), does not exceed $25,000, then such Lump Sum Distribution shall be paid at the earliest time such person could have made an election under subsection 4(a)(i).

5. Amendment and Termination. The Corporation, by action of its Board of Directors, may amend the Second Supplemental Benefit Plan in any respect, or terminate the Second Supplemental Benefit Plan; provided, however, that no such amendment or termination shall be effective to the extent it eliminates or reduces any "Section 411(d)(6) protected benefit" or adds or modifies conditions relating to "Section 411(d)(6) protected benefits" the result of which is a further restriction on such benefit unless such protected benefits are preserved with respect to benefits accrued as of the later of the adoption date or effective date of the amendment. "Section 411(d)(6) protected benefits" are benefits described in Section 411(d)(6)(A) of the Internal Revenue Code of 1986, early retirement benefits and retirement-type subsidies, and optional forms of benefit.

6. Definitions. The following capitalized terms shall have the respective meanings set forth below:

(a) "Benefit" shall mean a benefit payable pursuant to, and determined in accordance with the provisions of the Second Supplemental Benefit Plan.

(b) "Change of Control" shall mean that: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, has acquired shares of the Corporation having 20 percent or more of the total number of votes that may be cast for the election of Directors of the Corporation, or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, the persons who were directors of the Corporation before the transaction have ceased to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) "Corporation" shall mean Kimberly-Clark Corporation, and any successor corporation.

(e) "Committee" shall mean the Committee named under the Retirement Plan.

(f) "Earnings" shall mean compensation paid by one or more of the designated affiliated companies shown in Appendix B of the Retirement Plan for personal services rendered to one or more of such companies (before any withholding required by law or authorized by the person to whom such compensation is payable), including overtime, bonuses, incentive compensation, Regular Deferred Deposits and special Deferred Deposits under the Kimberly-Clark Corporation Salaried Employees' Incentive Investment Plan, and any salary or bonus, or both, deferred under the Kimberly-Clark Corporation Deferred Compensation Plan, but excluding any payments in lieu of vacation, severance payments, compensation paid in a form other than cash (such as goods, services, and, except as otherwise provided herein, contributions to employee benefit programs), service or suggestion awards, and all other special or unusual compensation of any kind.

Notwithstanding the above, for Plan Years of the Retirement Plan beginning on or after January 1, 1980, in the case of a Participant on foreign assignment, as determined by the Employer pursuant to rules adopted by the Committee, earnings shall be base salary, as determined by the Participant's Employer pursuant to rules adopted by the committee (without regard to any limitation under Section 401(a)(17) of the Code) plus overtime, bonuses, incentive compensation, and Regular Deferred Deposits and Special Deferred Deposits under the Kimberly-Clark Corporation Salaried Employees' Incentive Investment Plan, and any salary or bonus, or both, deferred under the Kimberly-Clark Corporation Deferred Compensation Plan, but shall exclude foreign service premium, cost of living adjustments, housing payments, tax equalization payments, payments in lieu of vacation, severance payments, compensation in a form other than cash (such as goods, services, and, except as otherwise provided herein, contributions to employee benefit programs), service or suggestion award and all other special or unusual compensation of any kind.

(g) "Employer" shall mean a participating employer shown in Appendix A of the Retirement Plan.

(h) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

(i) "Investment Grade" shall mean a bond rating of BBB minus, or its equivalent, by one of the nationally recognized rating agencies.

(j) "Lump Sum Payment" shall mean a form of benefit payable as a lump sum cash payment, actuarially determined based on the rate of interest equivalent to the yield on a 30-year Treasury Bond as published in the Federal Reserve Statistical Release for the week that contains the first business day of the month prior to the date such Lump Sum payment is payable under this Second Supplemental Benefit Plan, or such other rate as determined pursuant to uniform Committee rules, and the mortality table set forth for determining actuarial equivalent benefits under Section 10.1(a) of the Retirement Plan, and (i) in the case of a lump sum payment pursuant to subsection 4(a)
(i) of this Plan, based on the Participant's Benefit payable from this Plan and his age at the date of such lump sum payment, and (ii) in the case of a lump sum payment pursuant to subsections 4(a)(ii) or 4(a)(iii) of this Plan, based on the Participant's Benefit

payable under this plan, the earliest age at which his Benefit from the Retirement Plan could commence if he terminated employment, and the early retirement reduction factor applicable at such age of commencement. Notwithstanding the foregoing, the 30-year Treasury Bond yield shall be used in determining a lump sum cash payment so long as such rate is published by the Federal Reserve. In the event that the Federal Reserve ceases to publish the 30-year Treasury Bond rate, a lump sum cash payment will be actuarially determined based on the rate of interest equivalent to the yield on the longest term Treasury Bond published in the Federal Reserve Statistical Release which is no more than 30-years but not less than for a 10-year term.

(k) "Participant" shall mean a participant in the Retirement Plan who (i) is a "managerial or highly compensated employee" of an Employer, within the meaning of Title I of ERISA, and (ii) has earnings in excess of the limit provided under Section 401(a)(17) of the Code for any calendar year in which the Participant participates in the Retirement Plan, except that no individual shall be a participant herein to the extent that such participation is precluded by an agreement between the Corporation and such individual or such individual is subject to a separate agreement regarding deferred compensation which provides for similar benefits.

(l) "Retirement Plan" shall mean the Kimberly-Clark Corporation Pension Plan, or any successor defined benefit pension plan.

(m) "Second Supplemental Benefit Plan" shall mean the Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan.

(n) "Supplemental Plan" shall mean the Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, or any successor to such plan.

(o) "Survivor" shall refer to any of a Designated Beneficiary, surviving spouse or Surviving Minor Children of a Participant, within the meaning of the Retirement Plan.

(p) "Timely Elected" shall mean as follows:

(i) For payments which commence under the Retirement Plan prior to January 1, 1996, the Participant has elected to receive such Lump Sum Payment either (aa) in the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan or (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Second Supplemental Benefit Plan;

(ii) For payments which commence under the Retirement Plan on or after January 1, 1996 and prior to February 18, 2002 the Participant has elected to receive such Lump Sum Payment no later than the earlier of (aa) the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan, (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Second Supplemental Benefit Plan or (cc) for Participants who terminate employment prior to having attained age 55, the calendar year in which the Participant attained age 54.

(iii) For payments which commence under the Retirement Plan on or after February 18, 2002 the Participant has elected to receive such Lump Sum Payment no later than the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan.

(iv) In the event of the death of the Participant who has not commenced payments under this Second Supplemental Benefit Plan, the Participant's surviving spouse or designated beneficiary, as the case may be may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty
(30) days after the Participant's date of death.

(v) In the event that a Participant terminates service due to a Disability as described in Section 4.5, the Participant may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty (30) days after the date the Participant is determined to be disabled by the Committee for the Pension Plan.

7. Miscellaneous

(a) The Corporation is the Plan Sponsor and Named Fiduciary of the Second Supplemental Benefit Plan, within the meaning of ERISA.

(b) The Committee shall administer the Second Supplemental Benefit Plan and shall have the same power and duties, and shall be subject to the same limitations, as are set forth in the Retirement Plan.

(c) An application or claim for a benefit under the Retirement Plan, or an election to receive his benefit in a Lump Sum Payment, shall constitute a claim for a Benefit under the Second Supplemental Benefit Plan.

Exhibit No. (10)l

KIMBERLY-CLARK CORPORATION
OUTSIDE DIRECTORS'
COMPENSATION PLAN
(Effective November 12, 2002)

1. INTRODUCTION

The Kimberly-Clark Corporation Outside Directors' Compensation Plan (the "Plan") is intended to promote the interests of Kimberly-Clark Corporation (the "Company") and its stockholders by enhancing the Company's ability to attract, motivate and retain as Outside Directors persons of training, experience and ability, and to encourage the highest level of Outside Director performance. The Plan is intended to permit the Company maximum flexibility in implementing a compensation policy including aligning the Outside Directors' economic interests closely with those of the Company's stockholders by use of equity based compensation awards.

2. DEFINITIONS

Unless otherwise defined in the text of the Plan, capitalized terms herein shall have the meanings set forth in this Section 2.

"Affiliate" means any company in which the Company owns 20 percent or more of the equity interest (collectively, the "Affiliates").

"Award" has the meaning set forth in Section 3 of this Plan.

"Board" means the Board of Directors of the Company.

"Change of Control" means an event deemed to have taken place if: (i) a third person, including a "group" as defined in section 13(d)(3) of the Securities Exchange Act of 1934, acquires shares of the Company having 20 percent or more of the total number of votes that may be cast for the election of Directors of the Company; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), the persons who were directors of the Company before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company.

"Code" means the Internal Revenue Code of 1986 and the regulations thereunder, as amended from time to time.

"Committee Rules" means the Committee Rules for the Kimberly-Clark Corporation 1992 Equity Participation Plan or any successor plan.

"Compensation Committee" means the Compensation Committee of the Board.

"Director" means a member of the Board.

"Effective Date" means January 1, 2001.

"Exchange Act" means the Securities Exchange Act of 1934 and the rules and regulations thereunder, as amended from time to time.

"Fair Market Value" means the reported closing price of the Stock, on the relevant date as reported on the composite list used by The Wall Street Journal for reporting stock prices or, if no such sale shall have been made on that day, on the last preceding day on which there was such a sale.

"Nominating and Corporate Governance Committee" means the Nominating and Corporate Governance Committee of the Board.

"Option" means a right to purchase a specified number of shares of Stock at a fixed option price equal to no less than 100 percent of the Fair Market Value of the Stock on the date the Option is granted. For purposes of this Plan, Options shall be issued either as "Annual Options," as described in subsection 8(a)(iii), or "Additional Options," as described in subsection 8(b).

"Outside Director" means a Director who is not on the date of grant of an Award pursuant to the Plan, or within one year prior to the date of such grant, an employee of the Company or any of its Affiliates.

"Restricted Period" shall mean the period of time during which the Transferability Restrictions applicable to Awards will be in force.

"Restricted Share" shall mean a share of Stock which may not be traded or sold, until the date the Transferability Restrictions expire.

"Restricted Share Unit" means the right, as described in Section 10, to receive an amount, payable in either cash or shares of Stock, equal to the value of a specified number of shares of Stock. No certificates shall be issued with respect to such Restricted Share Unit, except as provided in subsection 10(d), and the Company shall maintain a bookkeeping account in the name of the Outside Director to which the Restricted Share Unit shall relate.

"Retainer" means the annual retainer payable to an Outside Director for services rendered as a Director. As of the Effective Date, the amount of the cash portion of such Retainer shall be $50,000 per year, payable in quarterly installments in advance. The Board may, from time to time, establish a different retainer amount and/or the method of paying the retainer.

"Rule 16b-3" means Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

"Retirement" and "Retires" means the termination of service as a Director on or after the date the Director has attained age 55.

"Stock" means the shares of the Company's common stock, par value $1.25 per share.

"Stock Appreciation Right (SAR)" has the meaning set forth in subsection 8(l)(i) of this Plan.

"Transferability Restrictions" means the restrictions on transferability imposed on Awards of Restricted Shares or Restricted Share Units.

3. COMPENSATION

The Outside Directors will be entitled to receive compensation for their services as a member of the Board, and any of its committees, as may be determined from time to time by the Board following a review of, and recommendation on, Outside Director compensation made by the Nominating and Corporate Governance Committee. The compensation paid to each Outside Director is referred to herein as an "Award", and may be paid in cash, Stock, Options, Restricted Shares, Restricted Share Units, other forms of equity or any combination thereof as is determined by the Board.

4. PARTICIPATION AND FORM OF GRANT

Participation in the Plan is limited to Outside Directors. It is intended that all Outside Directors will be participants in the Plan.

All Awards under the Plan shall be made in the form of Options, Stock, Cash, Restricted Shares, Restricted Share Units, other forms of equity or any combination thereof. Notwithstanding anything in this Plan to the contrary, any Awards shall contain restrictions on assignability to the extent required under Rule 16b-3 of the Exchange Act.

5. ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Board, which shall have sole and complete discretion and authority with respect thereto, except as expressly limited by the Plan. All action taken by the Board in the administration and interpretation of the Plan shall be final and binding on all matters relating to the Plan. All questions of interpretation, administration and application of the Plan shall be determined by a majority of the members of the Board, except that the Board may authorize any Directors, officers or employees of the Company to assist the Board in the administration of the Plan and to execute documents on behalf of the Board. The Board also may delegate to a committee of the Board, or such other Directors, officers or employees, as the Board determines, such other ministerial and discretionary duties as it sees fit.

The Company or the Board may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan, and may rely upon any advice or opinion received from any such counsel or consultant and any computation received from any such consultant or agent. No member of the Board shall be liable for any act done or omitted to be done by such member, or by any other member of the Board, in connection with the Plan, except for such member's own willful misconduct or as otherwise expressly provided by statute.

The Board shall have the power to promulgate rules and other guidelines in connection with the performance of its obligations, powers and duties under the Plan, including its duty to administer and construe the Plan and the Awards.

All expenses of administering the Plan shall be paid by the Company.

6. TERM OF PLAN

The Plan shall become effective as the Effective Date. The Plan shall remain in effect until December 31, 2011, unless the Plan is terminated prior thereto by the Board. No Awards may be granted after the termination date of the Plan, but Awards theretofore granted shall continue in force beyond that date pursuant to their terms.

7. SHARES SUBJECT TO THE PLAN; ADJUSTMENTS

(a) Shares Subject to the Plan. The aggregate maximum number of shares of Stock available for grant under the Plan shall be 1,000,000 shares, subject to the adjustment provision set forth in subsection 7(b) below. Shares of Stock subject to the Plan will be shares that were once issued and subsequently reacquired by the Company in the form of treasury stock. Shares subject to Awards which become ineligible for purchase, and Restricted Shares forfeited, will be available for Awards under the Plan to the extent permitted by section 16 of the Exchange Act (or the rules and regulations promulgated thereunder) and to the extent determined to be appropriate by the Board. Notwithstanding anything in this Plan to the contrary, each grant of Awards under this Plan shall be subject to the availability of shares under this subsection 7(a).

(b) Adjustments. In the event there are any changes in the Stock or the capitalization of the Company through a corporate transaction, such as any merger, any acquisition through the issuance of capital stock of the Company, any consolidation, any separation of the Company (including a spin-off or other distribution of stock of the Company), any reorganization of the Company (whether or not such reorganization comes within the definition of such term in section 368 of the Code), or any partial or complete liquidation by the Company, recapitalization, stock dividend, stock split or other change in the corporate structure, appropriate adjustments and changes shall be made by the Board, to the extent necessary to preserve the benefit to the Outside Director contemplated hereby, to reflect such changes in (a) the aggregate number of shares subject to the Plan, (b) the number of shares and the Award Price per share of all shares of Stock subject to outstanding Awards, and (c) such other provisions of the Plan as may be necessary and equitable to carry out the foregoing purposes, provided, however, that no such adjustment or change may be made to the extent that such adjustment or change will result in the dilution or enlargement of any rights of any Outside Director.

8. STOCK OPTIONS

(a) Annual Grant of Options. Except to the extent that the Board determines otherwise, options shall be granted to Outside Directors under the Plan as follows:

(i) Each Outside Director in office on January 1 of the calendar year shall be automatically granted an Option to purchase 2,500 shares. Each Outside

Director who is first elected or appointed to the Board after January 1 of the calendar year, shall be automatically granted a pro rata number of Options hereunder, without further action by the Board or the stockholders of the Company, on the earlier of the date of the first regular meeting during the calendar year of the Board or the Compensation Committee after the date such Outside Director first becomes eligible for the grant of Options under this subsection 8(a). The Options to be pro rated will be the amount that would have been paid during the calendar year.

(ii) In addition, each Outside Director who during the calendar year is designated to serve as the Chair of any one or more of the Audit, Compensation, or Nominating and Corporate Governance Committees of the Board, or such other committee as may be determined by the Board, shall be granted an Option to purchase an additional 300 shares for each Chair.

(iii) A grant of Options as payment of either the annual retainer or for each applicable Chair of a Committee are referred to herein as "Annual Options."

(iv) Except as otherwise determined by the Board, each Outside Director, and each Chair of the Audit, Compensation, or Nominating and Corporate Governance Committees, as of January 1 of the calendar year, shall be automatically granted the Options hereunder, without further action by the Board or the stockholders of the Company, on the date of the February Compensation Committee meeting.

(b) Election of Additional Option. Each Outside Director may elect to receive the cash portion of his or her annual Retainer in the form of an additional option (hereinafter referred to as an "Additional Option"), in increments of 50 percent of such cash portion of the Retainer. Except as otherwise provided below, such election must be made prior to the date that services are rendered in the calendar year in which such Retainer otherwise would be paid and shall be irrevocable thereafter for such calendar year; provided, however, that an election by an Outside Director pursuant to this subsection for a calendar year (or portion thereof) shall be valid and effective for all purposes for all succeeding calendar years, unless and until such election is revoked or modified by such Outside Director prior to the date that services are rendered in such succeeding calendar year(s); and, provided further, that no such election, revocation or modification may be made within six months of another such election, revocation or modification if the exemption afforded by Rule 16b-3 would not be available as a result thereof.

Notwithstanding the preceding, an individual who is first elected to the Board as an Outside Director during a calendar year shall be permitted to make an election to receive the cash portion of his or her annual Retainer in the form of an Additional Option, in increments of 50 percent of such cash portion of the Retainer, during the thirty day period following his or her election date. An election under this paragraph shall be subject to the terms and conditions of this Section.

The number of shares subject to this Additional Option shall be based on 85 percent of the Black-Scholes valuation of the cash portion of the Retainer elected to be received as an Additional Option as of the date of grant. Each Outside Director as of

January 1 of the calendar year, shall be automatically granted the Additional Options elected hereunder, without further action by the Board or the stockholders of the Company, on the date of the February Compensation Committee meeting. Each Outside Director who first becomes eligible for a grant after January 1 of the calendar year, shall be automatically granted the Additional Options elected hereunder, without further action by the Board or the stockholders of the Company, on the earlier of the date of the first regular meeting during the calendar year of either the Board or the Compensation Committee after the date such Outside Director first becomes eligible and elects the grant of Additional Options under this subsection 8(b).

(c) Form of Additional Option Election. An election by an Outside Director to receive some or all of the cash portion of his or her Retainer as an Additional Option shall (i) be in writing, (ii) be delivered to the Secretary of the Company, and (iii) be irrevocable in all respects with respect to the calendar year(s) to which the election relates. If no election has ever been made by the Outside Director pursuant to subsection 8(b) above, he or she shall be deemed to have made an election to receive the entire cash portion of the Retainer in cash.

(d) Period of Option. The period of each Option shall be 10 years from the date it is granted.

(e) Option Price. The exercise price of an Option shall be the Fair Market Value of the Stock at the time the Option is granted.

(f) Limitations on Exercise. Each Option shall not be exercisable until at least one year has expired after the granting of the Option, during which time the Outside Director shall have been in the continuous service as a Director of the Company; provided, however, that the provisions of this subsection 8(f) shall not apply and all Options outstanding under the Plan shall be exercisable in full if a Change in Control occurs. Commencing one year after the date the Option was granted, the Outside Director may purchase the total number of shares covered by the Option; provided, however, that if the Director's service is terminated for any reason other than death, Retirement, a voluntary decision by the Outside Director not to stand for reelection to the Board or total and permanent disability, the Option shall be exercisable only for the number of shares of Stock which were exercisable on the date of such termination. In no event, however, may an Option be exercised more than 10 years after the date of its grant.

(g) Exercise; Notice Thereof. Options shall be exercised by delivering to the Company, as directed by the office of the Treasurer at the World Headquarters, written notice of the number of shares with respect to which Option rights are being exercised and by paying in full the Option Price of the shares at the time being acquired. Payment may be made in cash, a check payable to the Company or in shares of Stock transferable to the Company and having a Fair Market Value on the transfer date equal to the amount payable to the Company. The date of exercise shall be deemed to be the date the Company receives the written notice and payment for the shares being purchased. An Outside Director shall have none of the rights of a stockholder with respect to shares covered by an Option until the Outside Director becomes the record holder of such shares.

(h) Exercise after Death, Retirement, Disability or Voluntary Termination of Service. If a Director dies, retires, becomes totally and permanently disabled, or terminates service on the Board by reason of a voluntary decision by the Outside Director not to stand for reelection to the Board, without having exercised an Option in full, the remaining portion of such Option may be exercised, without regard to the limitations in subsection 8(f), within the remaining period of the Option. Upon an Outside Director's death, the Option may be exercised by the person or persons to whom such Outside Director's rights under the Option shall pass by will or the laws of descent and distribution or, if no such person has such rights, by his executor or administrator.

(i) Non-transferability. During the Outside Director's lifetime, Options shall be exercisable only by such Outside Director. Options shall not be transferable other than by will or the laws of descent and distribution upon the Outside Director's death. Notwithstanding anything in this subsection 8(i) to the contrary, Outside Directors shall have the right to transfer Options, to the extent allowed under Rule 16b-3 of the Exchange Act, subject to the same terms and conditions applicable to options granted to the Chief Executive Officer of the Company under Committee Rules.

(j) Purchase for Investment. It is contemplated that the Company will register shares sold to Directors pursuant to the Plan under the Securities Act of 1933. In the absence of an effective registration, however, an Outside Director exercising an Option hereunder may be required to give a representation that he/she is acquiring such shares as an investment and not with a view to distribution thereof.

(k) Options for Nonresident Aliens. In the case of any Option awarded to an Outside Director who is not a resident of the United States, the Board may
(i) waive or alter the conditions set forth in subsections 8(a) through 8(j) to the extent that such action is necessary to conform such Option to applicable foreign law, or (ii) take any action, either before or after the award of such Option, which it deems advisable to obtain approval of such Option by an appropriate governmental entity; provided, however, that no action may be taken hereunder if such action would (1) increase any benefits accruing to any Outside Directors under the Plan, (2) increase the number of securities which may be issued under the Plan, (3) modify the requirements for eligibility to participate in the Plan, or (4) result in a failure to comply with applicable provisions of the Securities Act of 1933, the Exchange Act or the Code.

(l) Election to Receive Cash Rather than Stock.

(i) At the same time as Options are granted the Board may also grant to designated Outside Directors the right to convert a specified number of shares of Stock covered by such Options to cash, subject to the terms and conditions of this subsection 8(l). For each such Option so converted, the Outside Director shall be entitled to receive cash equal to the difference between the Outside Director's Option Price and the Fair Market Value of the Stock on the date of conversion. Such a right shall be referred to herein as a Stock Appreciation Right ("SAR"). Outside Directors to whom an SAR has been granted shall be notified of such grant and of the Options to which such SAR pertains. An SAR may be revoked by the Board, in its sole discretion, at any time, provided, however, that no such revocation may be taken hereunder if such action would result in the disallowance of a deduction to the Company under section 162(m) of the Code or any successor section.

(ii) An Outside Director who has been granted an SAR may exercise such SAR during such periods as provided for in the rules promulgated under section 16 of the Exchange Act. The SAR shall expire when the period of the subject Option expires.

(iii) At the time an Outside Director converts one or more shares of Stock covered by an Option to cash pursuant to an SAR, such Outside Director must exercise one or more Options, which were granted at the same time as the Option subject to such SAR, for an equal number of shares of Stock. In the event that the number of shares and the Option Price per share of all shares of Stock subject to outstanding Options is adjusted as provided in the Plan, the above SARs shall automatically be adjusted in the same ratio which reflects the adjustment to the number of shares and the Option Price per share of all shares of Stock subject to outstanding Options.

(m) Deferral of Award Payment. The Board may establish one or more programs under the Plan to permit Outside Directors the opportunity to elect to defer receipt of consideration upon exercise of an Award or other event that absent the election would entitle the Outside Director to payment or receipt of Stock or other consideration under an Award. The Compensation Committee may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts of Stock so deferred, and such other terms, conditions, rules and procedures that the Compensation Committee deems advisable for the administration of any such deferral program.

9. RESTRICTED SHARES

The Board may from time to time designate those Outside Directors who shall receive Restricted Share Awards. Each grant of Restricted Shares under the Plan shall be evidenced by a notice from the Board to the Outside Director. The notice shall contain such terms and conditions, not inconsistent with the Plan, as shall be determined by the Board and shall indicate the number of Restricted Shares awarded and the following terms and conditions of the award.

(a) Grant of Restricted Shares. The Board shall determine the number of Restricted Shares to be included in the grant and the period or periods during which the Transferability Restrictions applicable to the Restricted Shares will be in force (the "Restricted Period"). The Restricted Period may be the same for all Restricted Shares granted at a particular time to any one Outside Director or may be different with respect to different Outside Directors or with respect to various of the Restricted Shares granted to the same Outside Director, all as determined by the Board at the time of grant.

(b) Transferability Restrictions. During the Restricted Period, Restricted Shares may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. Furthermore, an Outside Director's right, if any, to

receive Stock upon termination of the Restricted Period may not be assigned or transferred except by will or by the laws of descent and distribution. In order to enforce the limitations imposed upon the Restricted Shares the Board may (i) cause a legend or legends to be placed on any such certificates, and/or
(ii) issue "stop transfer" instructions as it deems necessary or appropriate. Holders of Restricted Shares limited as to sale under this subsection 9(b) shall have rights as a shareholder with respect to such shares to receive dividends in cash or other property or other distribution or rights in respect of such shares, and to vote such shares as the record owner thereof. With respect to each grant of Restricted Shares, the Board shall determine the Transferability Restrictions which will apply to the Restricted Shares for all or part of the Restricted Period. By way of illustration but not by way of limitation, the Board may provide (i) that the Outside Director will not be entitled to receive any shares of Stock unless he or she still serves as a Director of the Company at the end of the Restricted Period, (ii) that the Outside Director will become vested in Restricted Shares according to a schedule determined by the Board, or under other terms and conditions determined by the Board, and (iii) how any Transferability Restrictions will be applied, modified or accelerated in the case of the Outside Director's death or total and permanent disability.

(c) Manner of Holding and Delivering Restricted Shares. Each certificate issued for Restricted Shares shall be registered in the name of the Outside Director and deposited with the Company or its designee. These certificates shall remain in the possession of the Company or its designee until the end of the applicable Restricted Period or, if the Board has provided for earlier termination of the Transferability Restrictions following an Outside Director's death, total and permanent disability or earlier vesting of the shares of Stock, such earlier termination of the Transferability Restrictions. At whichever time is applicable, certificates representing the number of shares to which the Outside Director is then entitled shall be delivered to the Outside Director free and clear of the Transferability Restrictions; provided that in the case of an Outside Director who is not entitled to receive the full number of Restricted Shares evidenced by the certificates then being released from escrow because of the application of the Transferability Restrictions, those certificates shall be returned to the Company and canceled and a new certificate representing the shares of Stock, if any, to which the Outside Director is entitled pursuant to the Transferability Restrictions shall be issued and delivered to the Outside Director, free and clear of the Transferability Restrictions.

10. RESTRICTED SHARE UNITS

The Board shall from time to time designate those Outside Directors who shall receive Restricted Share Unit Awards. The Compensation Committee shall advise such Outside Directors of their Awards by a letter indicating the number of Restricted Share Units awarded and the following terms and conditions of the award.

(a) Restricted Share Units may be granted to Outside Directors as of the first day of a Restricted Period. The number of Restricted Share Units to be granted to each Outside Director and the Restricted Period shall be determined by the Board in its sole discretion.

(b) Transferability Restrictions. During the Restricted Period, Restricted Share Units may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. Furthermore, an Outside Director's right, if any, to receive cash or Stock upon termination of the Restricted Period may not be assigned or transferred except by will or by the laws of descent and distribution. With respect to each grant of Restricted Share Units, the Compensation Committee shall determine the Transferability Restrictions which will apply to the Restricted Share Units for all or part of the Restricted Period. By way of illustration but not by way of limitation, the Compensation Committee may provide (i) that the Outside Director will forfeit any Restricted Share Units unless he or she still serves as a Director of the Company at the end of the Restricted Period, (ii) that the Outside Director will become vested in Restricted Share Units according to a schedule determined by the Compensation Committee, or under other terms and conditions determined by the Compensation Committee, and (iii) how any Transferability Restrictions will be applied, modified or accelerated in the case of the Outside Director's death or total and permanent disability.

(c) During the Restricted Period, Outside Directors will be credited with dividends, equivalent in value to those declared and paid on shares of Stock, on all Restricted Share Units granted to them. These dividends will be regarded as having been reinvested in Restricted Share Units on the date of the Stock dividend payments based on the then Fair Market Value of the Stock thereby increasing the number of Restricted Share Units held by an Outside Director. Holders of Restricted Share Units under this subsection 10(c) shall have none of the rights of a shareholder with respect to such shares. Holders of Restricted Share Units are not entitled to receive dividends in cash or other property, nor other distribution of rights in respect of such shares, nor to vote such shares as the record owner thereof.

(d) Payment of Restricted Share Units. The payment of Restricted Share Units shall be made in cash or shares of Stock, or a combination of both, as determined by the Board at the time of grant. The payment of Restricted Share Units shall be made within 90 days following the end of the Restricted Period.

11. NOTICES; DELIVERY OF STOCK CERTIFICATES

Any notice required or permitted to be given by the Company or the Board pursuant to the Plan shall be deemed given when personally delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to the Outside Director at the last address shown for the Outside Director on the records of the Company.

12. AMENDMENT AND TERMINATION

The Board may at any time amend, suspend, or discontinue the Plan or alter or amend any or all Awards under the Plan to the extent (i) permitted by law, (ii) permitted by the rules of any stock exchange on which the Stock or any other security of the Company is listed, and (iii) permitted under applicable provisions of the Securities Act of 1933, as amended, the Exchange Act (including Rule 16b-3 thereof); provided, however, that if any of the foregoing requires the approval by the stockholders of any such amendment, suspension or discontinuance, then the Board may take such action subject to the approval of the stockholders. Except as provided in subsection 7(b), no such amendment, suspension or termination of the Plan shall, without the consent of the

Director, adversely alter or change any of the rights or obligations under any Award granted to the Director. The Board may in its sole and absolute discretion, by written notice to a Director, (i) limit the period in which an Award may be exercised to a period ending at least three months following the date of such notice, and/or (ii) limit or eliminate the number of shares subject to Award after a period ending at least three months following the date of such notice. Except as provided in subsection 8(k) and this Section 12, no such amendment, suspension, or termination of the Plan shall, without the consent of the Director, adversely alter or change any of the rights or obligations under any Options or other rights previously granted the Director under the Plan.

13. TAXES

The Company shall require the withholding of all taxes as required by law. An Outside Director may elect to have any portion of the federal, state or local income tax withholding required with respect to an Award satisfied by tendering Stock to the Company, which, in the absence of such an election, would have been issued to the Director in connection with the Award.

14. GOVERNING LAW

The terms of the Plan shall be governed, construed, administered and regulated in accordance with the laws of the state of Delaware and applicable federal law. In the event any provision of the Plan shall be determined to be illegal or invalid for any reason, the other provisions of the Plan shall continue in full force and effect as if such illegal or invalid provision had never been included herein.

15. DIRECTOR'S SERVICE

Nothing contained in the Plan, or with respect to any grant hereunder, shall interfere with or limit in any way the right of stockholders of the Company to remove any Director from the Board, nor confer upon any Director any right to continue to serve on the Board as a Director.

Exhibit No. (12)

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
(Dollar amounts in millions)

	Year Ended December 31				
	1998	1999	2000	2001	2002
Consolidated Companies					
Income before income taxes	$1,523.3	$2,251.7	$2,436.0	$2,164.4	$2,297.4
Interest expense	198.7	213.1	221.8	191.6	182.1
Interest factor in rent expense	52.3	50.5	48.6	53.5	55.7
Amortization of capitalized interest	9.4	10.0	9.6	10.8	12.0
Equity Affiliates					
Share of 50%-owned:					
Income before income taxes	47.6	43.4	43.0	(.6)	(2.2)
Interest expense	9.9	8.0	7.5	5.5	2.7
Interest factor in rent expense	1.2	.9	.9	.8	.1
Amortization of capitalized interest	.5	.6	.5	.2	-
Distributed income of less than 50%-owned	98.1	88.0	96.4	103.8	104.3
Earnings	$1,941.0	$2,666.2	$2,864.3	$2,530.0	$2,652.1
Consolidated Companies					
Interest expense	$ 198.7	$ 213.1	$ 221.8	$ 191.6	$ 182.1
Capitalized interest	12.4	12.9	20.9	19.6	11.0
Interest factor in rent expense	52.3	50.5	48.6	53.5	55.7
Equity Affiliates					
Share of 50%-owned:					
Interest and capitalized interest	10.0	8.1	7.5	5.5	2.7
Interest factor in rent expense	1.2	.9	.9	.8	.1
Fixed Charges	$ 274.6	$ 285.5	$ 299.7	$ 271.0	$ 251.6
Ratio of earnings to fixed charges	7.07	9.34	9.56	9.34	10.54

Note: The Corporation is contingently liable as guarantor, or directly liable as the original obligor, for certain debt and lease obligations of S.D. Warren Company, which was sold in December 1994. The buyer provided the Corporation with a letter of credit from a major financial institution guaranteeing repayment of these obligations. No losses are expected from these arrangements and they have not been included in the computation of earnings to fixed charges.

Exhibit No. (13)

MANAGEMENT'S DISCUSSION AND ANALYSIS
Kimberly-Clark Corporation and Subsidiaries

Business Segments

The Corporation is organized into 12 operating segments based on product groupings. These operating segments have been aggregated into three reportable business segments: Personal Care; Consumer Tissue; and Business-to-Business. Each reportable segment is headed by an executive officer who reports to our Chief Executive Officer and is responsible for the development and execution of global strategies to drive growth and profitability of the Corporation's worldwide personal care, consumer tissue and business-to-business operations. These strategies include global plans for branding and product positioning, technology and research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses. The principal sources of revenue in each of our global business segments are described below.

The Personal Care segment manufactures and markets disposable diapers, training and youth pants and swimpants; feminine and incontinence care products; and related products. Products in this segment are primarily for household use and are sold under a variety of brand names, including Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.

The Consumer Tissue segment manufactures and markets facial and bathroom tissue, paper towels and napkins for household use; wet wipes; and related products. Products in this segment are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Page, Huggies and other brand names.

The Business-to-Business segment manufactures and markets facial and bathroom tissue, paper towels, wipers and napkins for away-from-home use; health care products such as surgical gowns, drapes, infection control products, sterilization wraps, disposable face masks and exam gloves, respiratory products, and other disposable medical products; printing, premium business and correspondence papers; specialty and technical papers; and other products. Products in this segment are sold under the Kimberly-Clark, Kleenex, Scott, Kimwipes, WypAll, Surpass, Safeskin, Tecnol, Ballard and other brand names.

PROFILE BY SEGMENT

```
2002 consolidated net sales

      [BAR GRAPH]

CONSUMER TISSUE...................
37%
PERSONAL CARE.....................
37%
B2B...............................
26%
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PROFILE BY GEOGRAPHY

```
2002 consolidated net sales

      [BAR GRAPH]

NORTH AMERICA.....................
63%
EUROPE............................
18%
ASIA, LATIN AMERICA,
AND OTHER.........................
19%
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Analysis of Consolidated Net Sales - Three Years Ended December 31, 2002

By Business Segment

(Millions of dollars)	2002	2001	2000
Personal Care	$ 5,101.7	$ 5,156.6	$ 4,959.9
Consumer Tissue	5,018.6	4,747.9	4,552.0
Business-to-Business	3,593.0	3,544.6	3,593.4
Intersegment sales	(147.0)	(161.5)	(195.8)
Consolidated	$13,566.3	$13,287.6	$12,909.5

By Geographic Area

(Millions of dollars)	2002	2001	2000
United States	$ 8,649.4	$ 8,638.3	$ 8,460.5
Canada	831.4	900.7	954.2
Intergeographic sales	(601.2)	(694.7)	(673.5)
Total North America	8,879.6	8,844.3	8,741.2
Europe	2,482.8	2,341.3	2,201.7
Asia, Latin America and other	2,751.5	2,661.7	2,515.8
Intergeographic sales	(547.6)	(559.7)	(549.2)
Consolidated	$13,566.3	$13,287.6	$12,909.5

Net sales for all years presented are stated net of the cost of trade promotions and both the face value of consumer coupons and other applicable promotional activities as required under an accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") in Emerging Issues Task Force ("EITF") Issue 01-9. (See additional information under Accounting Standards Changes and New Pronouncements.)

Commentary:

2002 versus 2001

Consolidated net sales increased 2.1 percent over 2001. Excluding changes in foreign currency exchange rates, net sales increased nearly 3 percent. Unfavorable currency effects, primarily in Argentina and Venezuela, were partially offset by favorable currency effects in Europe. Sales volumes increased approximately 5 percent, including the acquisition of majority ownership of Kimberly-Clark Australia Pty. Ltd. ("KCA") effective July 1, 2001, which contributed about one-third of the gain. Net selling prices decreased about 2 percent, primarily due to higher promotional spending in North America in the personal care and consumer tissue segments.

o Worldwide sales of personal care products declined 1.1 percent. Sales volume growth of over 3 percent, about one-half of which was due to the consolidation of KCA, was more than offset by lower net selling prices and negative effects of changes in currency exchange rates. In North America, net sales decreased about 2 percent as lower net selling prices, driven by competitive activities, more than offset sales volume gains of nearly 4 percent. Net sales in Europe increased about 4 percent, however, excluding favorable currency effects, net sales declined about 1 percent. Decreased net selling prices overcame 1 percent higher sales volumes. In Latin America, net sales declined primarily because of the effects of the recession in Argentina. KCA was a significant contributor to higher sales volumes in Asia, along with growth in sales of infant and feminine care products in Korea, partially offset by lower sales volumes in the Philippines.

o Worldwide sales of consumer tissue products increased 5.7 percent. Excluding favorable currency effects, net sales grew about 5 percent on the strength of 8 percent higher sales volumes tempered by 3 percent lower net selling prices. In North America, a 5 percent increase in net sales was driven by more than 9 percent growth in sales volumes, with strong increases in sales of Scott towels and Cottonelle and Scott bathroom tissue, partially offset by lower net selling prices, including the effect of higher promotion spending. Excluding a near 5 percent boost from currency effects, net sales in Europe increased more than 2 percent. Higher sales volumes of over 3 percent, including the launch of baby wipes, were partially offset by lower net selling prices. In Latin America, the unfavorable currency effects not recovered through selling price increases partially reduced the overall increase in sales volumes. In addition to the contribution of KCA, Asia benefited from higher sales volumes in Korea, tempered by market weakness in Taiwan.

o Worldwide sales of products in the business-to-business segment increased
1.4 percent. Sales volumes for the segment increased nearly 3 percent, on the strength of higher volumes in the health care and professional businesses of 7 percent and 4 percent, respectively. However, net sales in the North American printing and technical paper businesses declined due to the effects of the weak U.S. economy.

ANALYSIS OF CHANGE IN SALES

[BAR GRAPH]

2001
2002
Net selling price................ +1%
-2%
Volume........................... +5%
+5%
Currency......................... -3%
-1%

2001 versus 2000

Consolidated net sales increased 2.9 percent above 2000. Excluding changes in foreign currency exchange rates, primarily in Europe, Korea and Brazil, net sales increased more than 5 percent. Sales volumes advanced nearly 5 percent with each business segment contributing to the gain. Acquisitions, including Linostar, S.p.A. ("Linostar") in Italy, S-K Corporation ("S-K") in Taiwan and KCA, contributed about 3 percentage points of the increased net sales. Net selling prices increased less than 1 percent.

o Worldwide net sales of personal care products increased 4.0 percent. Sales volume growth of more than 7 percent was partially offset by a negative effect of over 3 percent due to changes in currency exchange rates. Excluding currency effects, net sales increased in every geographic region. Net selling prices increased less than 1 percent. In North America, net sales advanced because of 2 percent higher net selling prices. In Europe, sales volumes rose 22 percent driven by strong sales of Huggies diapers, including a 13 percentage point contribution from the acquisition of Linostar. Strong volume gains in the Caribbean region of Latin America were partially offset by lower volumes in Brazil resulting from market contraction in that country. Asia's sales volume benefited from the acquisitions of KCA and S-K and from growth in Korea for diapers and feminine care products, partially offset by a sales volume decline in China.

o Worldwide net sales of consumer tissue products increased 4.3 percent. Excluding currency effects, primarily in Europe and Korea, net sales were about 7 percent higher with increased sales volumes contributing almost 5 percent of the gain. Net selling prices rose about 2 percent. More than half of the increase in sales volumes was due to higher sales of bathroom tissue, particularly Scott tissue, and Huggies baby wipes in North America. Sales volumes in Latin America grew over 8 percent. Asia produced nearly half the increase in sales volumes, primarily due to KCA and higher sales in Korea. The gain in net selling prices was principally attributable to Europe.

o Net sales for the business-to-business segment declined 1.4 percent. Excluding currency effects, net sales were about equal to the prior year. Net sales for health care products expanded over 9 percent, principally due to increased sales volumes. However, net sales in North America for K-C Professional, Neenah Paper and Technical Paper declined due to lower sales volumes that reflected the slowdown in market demand associated with the economic downturn.

Analysis of Consolidated Operating Profit - Three Years Ended December 31, 2002

By Business Segment

(Millions of dollars)	2002	2001	2000
Personal Care	$1,042.7	$1,042.7	$1,136.7
Consumer Tissue	921.7	863.7	825.1
Business-to-Business	670.0	599.4	666.0
Other income (expense), net	(73.3)	(83.7)	104.2
Unallocated - net	(97.3)	(83.9)	(98.2)
Consolidated	$2,463.8	$2,338.2	$2,633.8

By Geographic Area

(Millions of dollars)	2002	2001	2000
United States	$2,018.9	$1,927.5	$1,937.1
Canada	100.5	156.9	211.3
Europe	191.0	176.2	149.7
Asia, Latin America and other	324.0	245.2	329.7
Other income (expense), net	(73.3)	(83.7)	104.2
Unallocated - net	(97.3)	(83.9)	(98.2)
Consolidated	$2,463.8	$2,338.2	$2,633.8

Note: Unallocated - net consists of expenses not associated with the business segments or geographic areas.

Commentary:

2002 versus 2001

Consolidated operating profit increased 5.4 percent. Operating profit as a percentage of net sales increased from 17.6 percent in 2001 to 18.2 percent in 2002. The Corporation recorded charges of approximately $67 million in 2002 related to business improvement and other programs and a litigation settlement. Charges related to the previously announced plans to streamline manufacturing and administrative operations in Latin America and Europe totaled $14.3 million and $19.1 million, respectively, and consisted principally of employee severance of $16.8 million and asset write-off and disposal costs of $8.4 million. The Corporation also recorded charges of approximately $4 million for employee severance to complete actions that had been initiated in 2001, approximately $2 million for an arbitration settlement and approximately $4 million for a one-time national security tax levied on all corporations in Colombia. In addition, the Corporation recorded $21 million of charges related to the settlement in December 2002 of securities and shareholder derivative litigation involving Safeskin Corporation ("Safeskin"). As previously disclosed, the litigation predated the Corporation's February 2000 acquisition of Safeskin.

The above charges were recorded in the business segments as follows:
personal care $14.8 million; consumer tissue $21.8 million; business-to-business $7.6 million and the portion not allocated to the segments was $23.1 million, consisting principally of the Safeskin litigation charges. On a geographic basis these charges are included as follows: North America $6.8 million; Europe $19.1 million; Asia, Latin America and other $18.3 million and the portion not allocated to the regions was $23.1 million. These charges are included in the consolidated income statement as follows: cost of products sold - $19.9 million, consisting principally of employee severance and asset write-off costs; marketing, research and general expenses - $24.3 million, consisting principally of severance, training and other integration costs in Europe, and other (income) expense, net - $23.1 million, consisting principally of the Safeskin litigation charges.

Operating profit in 2001 included charges totaling nearly $213 million, principally for asset write-off and disposal costs of $107 million, employee severance costs of $26 million, contract termination costs of $15 million, costs to assimilate acquired businesses of $13 million and arbitration rulings of $43 million. In November 2001, the Corporation announced plans for the streamlining of manufacturing operations in Latin America, including the shutdown of four small, older plants, as well as the closure of a technical paper mill in North America. Total cash charges for these plans were $18.4 million, including a one-time $11 million payment to settle a vendor contract agreement in North America. Noncash costs for these plans recorded in the fourth quarter totaled $66.7 million, including the write-off of the assets associated with the technical paper mill that was closed in December 2001. Also included in those plans were the write-off of excess manufacturing equipment in North America of approximately $14 million. These plans were substantially completed prior to the end of 2002. Also included in the $213 million of charges were workforce severance costs of about $6 million and asset write-off and disposal costs of approximately $34 million to streamline personal care operations in North America and China. These programs were completed during 2001. As part of the integration of acquired businesses, including Linostar, S-K, and Safeskin, costs totaling approximately $13 million related to assimilating these operations, such as changing packaging and labeling and duplicative labor costs, were expensed as incurred. In addition, in 2001 a charge of $43.2 million was recorded pursuant to arbitration rulings released on January 21 and 31, 2002. The rulings resolved two disputes related to the closure of the Corporation's Mobile, Ala., pulp mill in 1999 and the supply of energy to the Corporation's Mobile tissue mill.

The above charges were recorded in the business segments as follows:
personal care $76.8 million; consumer tissue $39.2 million; business-to-business $51.4 million and the portion not allocated to the segments was $45.5 million, consisting principally of the charges related to the arbitration rulings. On a geographic basis these charges are included as follows: North America $109.5 million; Europe $12.6 million; Asia, Latin America and other $45.3 million and the portion not allocated to regions was $45.5 million. These charges are included in the consolidated income statement as follows: cost of products sold - $141.7 million, consisting principally of asset write-off and disposal costs and severance costs; marketing, research and general expenses - $25.7 million, consisting principally of severance costs for administrative employees in Europe and certain costs related to the business integrations; and other (income) expense, net - $45.5 million, consisting principally of the charges related to the arbitration rulings.

In accordance with Statement of Financial Accounting Standards ("SFAS") 142, Goodwill and Other Intangible Assets, the Corporation ceased amortizing goodwill in 2002. Goodwill amortization by segment in 2001 was: personal care $16.0 million; consumer tissue $14.6 million and business-to-business $58.8 million. By geographic region, goodwill amortization in 2001 was: North America $57.8 million; Europe $9.2 million and Asia, Latin America and other $22.4 million.

In 2002, the Corporation incurred higher net pension costs for its defined benefit plans of approximately $52 million compared with 2001.

o Operating profit for personal care products was even with last year. The costs of promotional spending that were driven by competitive activity, especially in the second half of the year, offset the increased sales volumes, lower costs for business improvement plans and the discontinuation of goodwill amortization in 2002. In North America, operating profit declined despite increased sales volumes, particularly for Depend and Poise adult incontinence care products, and increased productivity and cost savings programs. This decline primarily reflected the high levels of promotional activity to defend the infant and child care brands' market positions. While operating profit in Europe improved, in part due to lower raw material costs, that business experienced competitive pressure similar to North America. Operating profit in Asia benefited from the acquisition of KCA and growth in Korea, tempered by lower earnings in the Philippines.

o Operating profit for consumer tissue products increased 6.7 percent. Increased sales volumes, particularly in North America for Scott and Cottonelle bathroom tissue and Scott towels, and lower pulp costs were the primary drivers behind this growth. These gains were partially offset by increased levels of promotional and marketing spending.

o Operating profit for the business-to-business segment increased 11.8 percent. On a pro forma basis, excluding the amortization of goodwill in 2001, operating profit increased 1.8 percent. In addition, the segment recorded approximately $51 million of costs in 2001 primarily related to a North American mill closing and costs to integrate acquired businesses compared to about $8 million of similar costs in 2002. While earnings for the health care business benefited from the higher sales volumes, this gain was offset by lower results in the other businesses due to the economic slowdown in North America.

o From 1999 through early 2001, two of our affiliates in Brazil purchased unused tax credits, as permitted by law, to reduce taxes otherwise payable. During the fourth quarter 2001, we determined that it was probable that a portion of the purchased tax credits would not be allowed by tax authorities nor would collection of the collateral or amounts pledged under sellers' guarantees occur. Accordingly, in the fourth quarter 2001, we recorded a charge of $33 million to other expense for these tax credits.

In 2002, we established a team to investigate and to pursue actions to recover these losses. In the second quarter 2002, evidence was discovered to suggest fraud by at least one employee of our affiliates and possibly several others in connection with the tax credit purchases. We determined that the remaining purchased tax credits were invalid and that the collateral backing them was worthless. We had previously concluded, during the December 2001 review, based on the advice of our outside advisors that these credits represented legitimate tax credits. Accordingly, in the second quarter 2002, we recorded a charge of $26.5 million to other expense for losses associated with these tax credits. We have no remaining financial exposure for purchased tax credits.

We have implemented various corrective actions to prevent this matter from recurring in the future, including terminating all the employees responsible for the decisions to purchase these tax credits. We have also filed civil and criminal actions against a former employee; third parties (i.e., intermediaries who sold or arranged for our affiliates' purchase of tax credits); tax credit sellers; and legal counsel associated with the purchase of the tax credits.

In addition, we have restricted the affiliates' purchasing authority and control procedures have been re-emphasized. Personnel changes have been made to strengthen the affiliates' organizations and their internal control compliance.

o Other income (expense), net included the Safeskin litigation settlement in 2002, the arbitration rulings in 2001, and $17.1 million of operating losses in 2002 related to the Corporation's participation in affordable housing and historic renovation real estate projects, an increase of $11.8 million compared with 2001. Included in 2002 and 2001 were charges of $26.5 million and $33 million, respectively, for the tax credits discussed above. Also included were currency transaction gains in 2002 compared with losses in 2001.

2001 versus 2000

Consolidated operating profit declined 11.2 percent primarily due to other income (expense), net. Operating profit as a percentage of net sales decreased from 20.4 percent in 2000 to 17.6 percent in 2001. As previously discussed, charges of nearly $213 million were recorded in 2001 while 2000 included charges for business improvement ($24 million, principally to complete previously announced plans, which involved employee severance of $5 million and asset write-off and disposal costs of $19 million) and business integration and other costs of $35 million, including $20 million to assimilate acquisitions and to reorganize our North American health care sales force as part of integrating those acquisitions, and about $6 million for asset write-off and disposal costs. Also included in 2000 were charges of $15 million for litigation settlements, a favorable patent settlement of about $56 million and the reversal of $20 million of estimated liabilities that ceased to be required, which related to a prior asset disposition. The 2000 charges described above were recorded in the business segments as follows: personal care $5.2 million; consumer tissue $22.0 million; business-to-business $32.3 million and the portion not allocated to the segments was a net gain of $60.6 million, consisting of the litigation and patent settlements and the liability reversal. On a geographic basis these charges are

included as follows: North America $36.3 million; Europe $23.2 million and the portion not allocated to regions was the net gain of $60.6 million. These net charges (credits) are included in the consolidated income statement as follows:
cost of products sold - $30.3 million for employee severance and asset write-off and disposal costs; marketing, research and general expenses - $29.2 million, consisting of expenses to assimilate the health care acquisitions and sales force integration; and other (income) expense, net - $(60.6) million, consisting of the litigation and patent settlements and the liability reversal.

The results of the business segments were affected in North America by higher energy costs early in 2001, significant start-up costs to support the rollout of new and improved products, increased fringe benefit costs primarily due to lower returns on pension assets and lower earnings for most of the business-to-business operations resulting from the downturn in the economy. These results were also affected by a decline in earnings from Latin American operations due to difficult business conditions and overall higher marketing expenses. These factors offset the higher sales volumes, the increased net selling prices and lower pulp costs.

In 2001, the Corporation incurred higher net pension costs for its defined benefit plans of approximately $65 million compared with 2000.

o Operating profit for personal care products decreased 8.3 percent. Operating profit benefited from sales volume gains including the consolidation of KCA. Strong contributors to the volume gains were diapers in Europe, training pants in North America and diapers and feminine care products in Korea. However, higher marketing expenses, particularly in Europe, and the increased fringe benefit costs in North America more than offset the effect of the higher sales volumes.

o Operating profit for consumer tissue products increased 4.7 percent. Net selling price increases in North America for facial tissue and towel products and in Europe, primarily for bathroom tissue, combined with lower pulp costs and the increase in sales volumes were the drivers behind the increase. Partially offsetting these gains were higher energy, start-up and fringe benefit costs in North America and higher marketing costs in North America and Europe.

o Operating profit for the business-to-business segment decreased 10.0 percent. Health care operating profit increased more than 30 percent on the strength of the higher sales volumes. As previously stated, the other North American operations in this segment were adversely affected by the downturn in the economy. The benefit of lower pulp costs did not offset the impacts of lower sales volumes and higher energy and fringe benefit costs. In 2001, the segment recorded business integration costs of $13.5 million compared with similar costs of $19.5 million in 2000.

o Other income (expense), net for 2001 includes the previously mentioned charge of approximately $33 million in Brazil for tax credits and currency transaction losses versus gains in 2000. Also included in 2000 were gains on minor asset sales.

Additional Income Statement Commentary

2002 versus 2001

o Interest expense decreased primarily due to lower interest rates, partially offset by higher average levels of debt.

o The Corporation's effective income tax rate was 29.0 percent in 2002 compared with 29.8 percent in 2001. The lower effective tax rate was primarily due to the discontinuance, for financial reporting purposes, of goodwill amortization that had not been deductible for income tax purposes.

o The Corporation's share of net income of equity companies was $113.3 million in 2002 compared with $154.4 million in 2001. The decrease was primarily due to lower earnings at Kimberly-Clark de Mexico, S.A. de C.V. ("KCM") due to negative currency effects and a higher effective tax rate due to changes in Mexican tax law. Although KCM's sales volumes increased more than 4 percent, operating profit declined about 3 percent due to lower net selling prices reflecting the competitive environment. The consolidation of KCA also impacted the Corporation's share of net income of equity companies.

o Minority owners' share of subsidiaries' net income decreased 8.1 percent primarily due to a lower return on the preferred securities held by the minority interest in the Corporation's consolidated foreign financing subsidiary (as described under Financing Commentary).

o On a diluted basis, net income was $3.22 per share in 2002 compared with $3.02 per share in 2001, an increase of 6.6 percent.

2001 versus 2000

o Interest expense decreased primarily due to lower interest rates, partially offset by a higher average debt level.

o The Corporation's effective income tax rate was 29.8 percent in 2001 compared with 31.1 percent in 2000. The lower effective tax rate was primarily due to tax initiatives and the resolution of prior years' income tax matters, and because the mix of the Corporation's income continued to shift to jurisdictions with lower effective tax rates.

o The Corporation's share of net income of equity companies was $154.4 million in 2001 compared with $186.4 million in 2000. The decrease was primarily due to the previously mentioned consolidation of KCA and net losses at the Corporation's affiliates in Brazil and Argentina due to the unstable and contracting economies of those countries. Argentina's results were also affected by the devaluation of its currency.

o Minority owners' share of subsidiaries' net income was even with 2000. The effect of the consolidation of KCA and the recognition in 2001 of the return on preferred securities held by the minority interest in the Corporation's consolidated foreign financing subsidiary were offset by the lower earnings in Latin America.

o On a diluted basis, net income was $3.02 per share in 2001 compared with $3.31 per share in 2000, a decrease of 8.8 percent.

Sales of Principal Products

(Billions of dollars)	2002	2001	2000
Family care tissue products	$ 4.4	$ 4.2	$ 4.0
Diapers	3.0	3.0	2.9
Away-from-home products	1.9	1.9	1.9
All other	4.3	4.2	4.1
Consolidated	$13.6	$13.3	$12.9

Approximately 12 percent, 11 percent and 10 percent of net sales were to Wal-Mart Stores, Inc. in 2002, 2001 and 2000, respectively, primarily in the Personal Care and Consumer Tissue businesses.

Liquidity and Capital Resources

(Millions of dollars)	Year Ended December 31 2002	2001
Cash provided by operations	$2,424.2	$2,253.8
Capital spending	870.7	1,099.5
Acquisitions of businesses, net of cash acquired	410.8	135.0
Proceeds from issuance of preferred securities of subsidiary	-	516.5
Ratio of net debt and preferred securities to capital	39.8%	38.9%
Pretax interest coverage - times	13.3	11.7

Cash Flow Commentary:

o Cash provided by operations increased by $170.4 million. Net income plus noncash charges included in net income of $2.6 billion in 2002 was $.1 billion higher than in 2001. The Corporation invested $197.6 million in working capital in 2002 versus $232.6 million in 2001.

o Capital spending decreased by $228.8 million as the Corporation focused on carefully targeting expenditures to benefit operations and maximize free cash flow.

CAPITAL SPENDING TRENDS
Percent of net sales

[BAR GRAPH]

2001.............................. 8.3% 2002.............................. 6.4%

Contractual Obligations

The following table presents the Corporation's total contractual obligations for which cash flows are fixed or determinable.

(Millions of dollars)	Total	2003	2004	2005	2006	2007	2008+
Contractual obligations							
Long-term debt	$2,868.3	$ 24.3	$125.1	$540.5	$14.9	$325.1	$1,838.4
Operating leases	246.5	60.7	48.1	36.0	27.2	18.4	56.1
Unconditional purchase obligations	629.4	379.2	99.3	65.2	36.1	26.1	23.5
Total contractual obligations	$3,744.2	$464.2	$272.5	$641.7	$78.2	$369.6	$1,918.0

The unconditional purchase obligations are for the purchase of raw materials, primarily pulp, and utilities, principally natural gas. Although the Corporation is primarily liable for payments on the above operating leases and unconditional purchase obligations, management believes the Corporation's exposure to losses, if any, under these arrangements is not material.

A consolidated financing subsidiary of the Corporation has issued preferred securities that are in substance perpetual and are callable by the subsidiary in November 2008 and each 20-year anniversary thereafter. Management anticipates extending the call date of these securities in November 2008 and therefore they are not included in the above table (see the Financing Commentary section of this Management's Discussion and Analysis for additional detail regarding these securities).

Financing Commentary:

o In 2002, the Corporation repurchased 11.85 million shares of its common stock in connection with its share repurchase program at a total cost of $675.5 million. At December 31, 2002, authority to repurchase 9.65 million shares remained under November 2000 repurchase authority from the Corporation's board of directors. The Corporation announced in February 2003 that its board of directors authorized the repurchase of an additional 20 million shares of its common stock. In 2001, the Corporation repurchased 15.0 million shares of its common stock at a total cost of $900.1 million. All share repurchases by the Corporation were effected through brokers on the New York Stock Exchange. No shares were repurchased directly from any officer or director of the Corporation.

o In February 2001, a newly formed Luxembourg-based consolidated financing subsidiary of the Corporation issued 1 million shares of preferred securities (the "Securities") with an aggregate par value of $520 million to a nonaffiliated entity for cash proceeds of $516.5 million. Approximately 97 percent of the subsidiary's funds are invested in long-term, variable rate loans to the Corporation or its consolidated subsidiaries on terms that would be substantially similar to other borrowings by the Corporation or its consolidated subsidiaries. The remaining funds are invested in other financial assets. The Securities pay no dividend but accrue a variable rate of return based on three-month LIBOR plus 0.764 percent, which at December 31, 2002 equated to an annual rate of approximately 2.144 percent. The Securities are in substance perpetual and are callable by the subsidiary at par value plus any accrued but unpaid return on the Securities in November 2008 and each 20-year anniversary thereafter. The common equity securities, all of which are owned by the Corporation, are entitled to all of the residual equity after satisfaction of the preferred interests. As of December 31, 2002 and 2001, the authorized, issued and outstanding 1 million shares of preferred securities had a balance (and a liquidating value) of $553.5 million and $538.4 million, respectively, which is shown as preferred securities of subsidiary on the consolidated balance sheet. The increase in the balance of the Securities of $15.1 million and $21.9 million during 2002 and 2001, respectively, is the return on the Securities, which was included in minority owners' share of subsidiaries' net income on the Corporation's consolidated income statement.

o At December 31, 2002, total debt and preferred securities was $4.5 billion, an increase of $.3 billion above the prior year-end total. Net debt (total debt net of cash, cash equivalents and time deposits) and preferred securities was $3.9 billion at December 31, 2002 compared with $3.8 billion at December 31, 2001. The ratio of net debt and preferred securities to capital at December 31, 2002 was 39.8 percent, which is within the Corporation's targeted range of 35 to 45 percent.

o At December 31, 2002, the Corporation had $1.425 billion of syndicated revolving credit facilities. These facilities, unused at December 31, 2002, permit borrowing at competitive interest rates and are available for general corporate purposes, including backup for commercial paper borrowings. The Corporation pays commitment fees on the unused portion but may cancel the facilities without penalty at any time prior to their expiration. Of these facilities, $712.5 million expires in October 2003 and the balance expires in November 2007.

o On February 8, 2002, the Corporation issued $400 million of 5 5/8% Notes due February 15, 2012 and used the proceeds to retire commercial paper.

o On March 19, 2002, the Corporation issued $400 million of 4 1/2% Notes due July 30, 2005 and used the proceeds to retire commercial paper. In connection with the borrowing, the Corporation entered into an interest rate swap agreement maturing on July 30, 2005 with a counterparty under which the difference between the fixed- and floating-rate interest amounts calculated on a $400 million notional amount is exchanged on a quarterly basis. The floating rate is 3-month LIBOR minus 29.5 basis points. The swap agreement permits the Corporation to maintain its desired ratio of fixed- and floating-rate borrowings.

o The Corporation's long-term debt securities have a Double-A rating and its commercial paper is rated in the top category.

Variable Interest Entities

The Corporation has a controlling financial interest in the following three types of variable interest entities despite not having voting control of them. Accordingly, because the Corporation is the primary beneficiary under these arrangements, it is reasonably possible that the Corporation will be required to consolidate such entities beginning in the third quarter of 2003 in accordance with the requirements of FASB Interpretation 46. No current or former officer or employee of the Corporation, its subsidiaries or affiliates or any person related to such officer or employee is a participant in any of these arrangements. Therefore, they could not personally benefit in any way, financially or otherwise, from any of these arrangements. (See additional information regarding Interpretation 46 under Accounting Standards Changes and New Pronouncements.)

Financing Entities

The Corporation has sold certain nonstrategic timberlands and related assets in 1999 and 1989 to nonaffiliated buyers and received long-term notes from the buyers of these assets. These transactions qualified for the installment method of accounting for income tax purposes and met the criteria for immediate profit recognition for financial reporting purposes contained in SFAS 66, Accounting for Sales of Real Estate. The 1999 sale involved notes receivable having an aggregate face value of $397 million and a fair value of approximately $383 million at the date of sale. These notes do not require principal payments before their December 31, 2009 maturity, are extendable at the option of the note holder in five-year increments to December 31, 2029, and have floating interest rates of LIBOR minus 15 basis points. The 1989 sale involved notes receivable having an aggregate face value of $220 million and a fair value of approximately $210 million at the date of sale. These notes do not require principal payments before their July 7, 2011 maturity, are extendable at the option of the note holder in three-year increments to July 7, 2019, and have floating interest rates of LIBOR minus 12.5 basis points. The notes receivable are backed by irrevocable standby letters of credit issued by money center banks, which aggregated $617 million at December 31, 2002.

Because the Corporation desired to monetize the $617 million of notes receivable and continue the deferral of current income taxes on the gains, in 1999 the Corporation transferred the notes received from the 1999 sale to a noncontrolled financing entity, and in 2000 it transferred the notes received from the 1989 sale to another noncontrolled financing entity. The Corporation has minority voting interests in each of the financing entities (collectively, the "Financing Entities"), and has accounted for these minority ownership interests using the equity method of accounting. The transfers of the notes and certain other assets to the Financing Entities were made at fair value, were accounted for as asset sales and resulted in no gain or loss to the Corporation. A nonaffiliated financial institution has made substantive capital investments in each of the Financing Entities, has majority voting control over them and has substantive risks and rewards of ownership of the assets in the Financing Entities. The Financing Entities became obligated for $617 million in third-party debt financing. The Corporation also contributed intercompany notes receivable (guaranteed by the Corporation) aggregating $662 million and intercompany preferred stock of $50 million to the Financing Entities, which serve as secondary collateral for the third-party lending arrangements. The Corporation retains equity interests in the Financing Entities for which the legal right of offset exists against the intercompany notes. As a result, the intercompany notes payable have been offset against the Corporation's equity interests in the Financing Entities for financial reporting purposes. In the unlikely event of default by the money center banks that provided the irrevocable standby letters of credit, the Corporation could experience a maximum loss of $617 million under these arrangements.

If payment of the outstanding notes were to be accelerated in the above financing arrangements, previously provided deferred income taxes totaling $188 million at December 31, 2002 may become payable.

In 1988, Scott Paper Company ("Scott"), prior to its merger with the Corporation, together with Mead Corporation ("Mead"), sold their joint ownership interests in a pulp and paper manufacturing facility and related timberlands to Georgia-Pacific Corporation ("G-P") for $665 million, less related debt. The purchase price consisted of cash and ten-year G-P notes in the principal amount of $300 million. In 1998, G-P extended the maturity of the notes for an additional five years.

In 1988, in order to monetize the G-P notes and continue the deferral of current income taxes of $55 million on the gain, Scott and Mead formed a jointly-owned partnership and each contributed their G-P notes to the partnership. The partnership borrowed $300 million from a third party under a ten-year bank loan agreement. The loan was prepaid in December 2002 by tendering the G-P notes to the bank, at which time the deferred taxes became a current tax obligation.

Real Estate Entities

In 1994, the Corporation began participating in the U.S. affordable and historic renovation real estate markets. Investments in these markets are encouraged by laws enacted by the United States Congress and related federal income tax rules and regulations. Accordingly, these investments generate income tax credits and depreciation deductions that are used to reduce the Corporation's income tax liabilities. The Corporation has invested in these markets through (i) a partnership arrangement in which it is a limited partner, (ii) limited liability companies ("LLCs") in which it is a nonmanaging member and (iii) investments in various funds in which the Corporation is one of many noncontrolling investors. The partnership, LLCs and funds borrow money from third parties on a nonrecourse basis and invest in and own various real estate projects. These entities are not consolidated because they are not controlled by the Corporation. The Corporation has accounted for its interests in these entities by the equity method of accounting or by the effective yield method, as appropriate, and accounts for related income tax credits as a reduction in the income tax provision.

As of December 31, 2002, the Corporation had net equity of $65 million in these real estate entities. Income tax credits to be generated by these investments are expected to exceed $163 million, of which approximately $101 million will be claimed on the Corporation's income tax returns through December 31, 2002. As of December 31, 2002, total permanent financing debt for the projects was $325 million. This permanent financing debt is secured solely by the properties, is nonrecourse to the Corporation and is not supported or guaranteed by the Corporation. From time to time, temporary interim financing is guaranteed by the Corporation. In general, the Corporation's interim financing debt guarantees are eliminated at the time permanent financing is obtained. At December 31, 2002, $76 million of temporary interim financing debt was guaranteed by the Corporation. The Corporation considers its default risk from these real estate investments and its temporary interim financing debt guarantees to be minimal as a result of geographical dispersion of the projects and because the permanent financing debt of the projects is nonrecourse to the Corporation.

As of December 31, 2002, the total underlying market value of the properties is estimated to be in excess of the total related permanent financing debt. If the Corporation's investments in these real estate entities were to be disposed of at their carrying amounts, a portion of the tax credits and depreciation deductions claimed on the Corporation's income tax returns may be recaptured and may result in a charge to income. As of December 31, 2002, this recapture risk is estimated to be $41 million. The Corporation has no current intention of disposing of these investments, nor does it anticipate the need to do so in the foreseeable future in order to satisfy any anticipated liquidity need. Accordingly, the Corporation considers its recapture risk to be remote.

At December 31, 2002, the Corporation's maximum loss exposure for its real estate entities totaled $182 million and was composed of its net equity in these entities of $65 million, its loan guarantees of $76 million and the income tax credit recapture risk of $41 million.

Synthetic Leases

From time to time, the Corporation acquires the use of certain assets, such as automobiles, fork lifts, trucks, warehouses and some manufacturing equipment through synthetic leases. Synthetic leases are often desirable when they offer administrative benefits, as would be the case in avoiding the burden of acquiring and disposing of automobiles, fork lifts and trucks, or when long-term interest-only financing is available, as is often the case in real estate synthetic leases. Synthetic leases usually are cost-effective alternatives to traditional operating leases because of their more favorable interest rates and treatment under income tax laws. Under applicable accounting rules for such leases, rent expense is recorded for financial reporting purposes and no asset or debt obligation is recorded on the Corporation's balance sheet. At December 31, 2002, the fair value of synthetically leased assets totaled about $27 million.

These synthetic leases have termination penalties or residual value guarantees. However, because the assets under these leases are used in the conduct of the Corporation's business operations, it is unlikely that any significant portion of these leases would be terminated prior to the normal expiration of their lease terms. At December 31, 2002, the Corporation's maximum loss exposure under residual value guarantees for synthetic leases was approximately $24 million.

Other Commentary:

o Effective June 30, 2002, the Corporation purchased the remaining 45 percent ownership interest in KCA at a cost of A$697.5 million (approximately $390 million). This acquisition was part of the Corporation's strategy to expand its three business segments within Australia. The acquisition of the additional 45 percent ownership of KCA resulted in recognizing goodwill of $317 million reflecting the Corporation's expectation of continued growth and profitability of KCA.

o Management believes that the Corporation's ability to generate cash from operations, which has exceeded $2 billion in each of the last three years, and its capacity to issue short-term and long-term debt are adequate to fund working capital, capital spending and other needs in the foreseeable future.

Risk Sensitivity

As a multinational enterprise, the Corporation is exposed to changes in foreign currency exchange rates, interest rates and commodity prices. A variety of practices are employed to manage these market risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Derivative instruments are used only for risk management purposes and not for speculation or trading. All derivative instruments are either exchange traded or are entered into with major financial institutions. The Corporation's credit exposure under these arrangements is limited to the fair value of the agreements with a positive fair value at the reporting date. Additionally, credit risk with respect to the counterparties is considered minimal in view of the financial strength of the counterparties.

Effective January 1, 2001, the Corporation adopted SFAS 133, Accounting for Derivative Instruments and Hedging Activities, as amended. This accounting standard requires that all derivative instruments be recognized as assets or liabilities on the balance sheet at fair value. Changes in the fair value of derivatives are either recorded in income or other comprehensive income, depending on whether the derivative has been designated and qualifies as part of a hedging relationship. The gain or loss on derivatives designated as fair value hedges and the offsetting loss or gain on the hedged item attributable to the hedged risk are included in current income in the period that changes in fair value occur. The gain or loss on derivatives designated as cash flow hedges is included in other comprehensive income in the period that changes in fair value occur and is reclassified to income in the same period that the hedged item affects income. The gain or loss on derivatives that have not been designated as hedging instruments is included in current income in the period that changes in fair value occur. Upon adoption of SFAS 133, the Corporation recognized a pretax loss of $.5 million in other (income) expense, net.

Foreign Currency Risk

Foreign currency risk is managed by the use of foreign currency forward and swap contracts. The use of these contracts allows management of transactional exposure to exchange rate fluctuations because the gains or losses incurred on the derivative instruments will offset, in whole or in part, losses or gains on the underlying foreign currency exposure. Management of foreign currency transactional exposures was not changed during 2002, and management does not foresee or expect any significant change in such exposures or in the strategies it employs to manage them in the near future.

Foreign currency contracts and transactional exposures are sensitive to changes in foreign currency exchange rates. As of December 31, 2002, our largest exposures to losses on monetary assets due to changes in foreign currency exchange rates were the pound sterling, the Mexican peso and the euro. If a 10 percent unfavorable change in each of these foreign currencies were to occur, pretax losses of approximately $12 million, $12 million and $2 million, respectively, would result. As of December 31, 2002, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of our significant foreign currencies involving balance sheet transactional exposures would have resulted in a net pretax loss of approximately $30 million. These hypothetical losses on transactional exposures are based on the difference between the December 31, 2002 rates and the assumed exchange rates. In the view of management, the above hypothetical losses resulting from these assumed changes in foreign currency exchange rates are not material to the Corporation's consolidated financial position, results of operations or cash flows.

The translation of the balance sheets of our non-U.S. operations into U.S. dollars also is sensitive to changes in foreign currency exchange rates. As of December 31, 2002, our largest translation exposures due to changes in foreign currency exchange rates were the Australian dollar, the euro, the Canadian dollar and the Mexican peso. If a 10 percent unfavorable change in each of these foreign currency exchange rates were to occur, our unrealized translation adjustment ("UTA") would increase by about $55 million, $52 million, $48 million and $34 million, respectively. These increases in UTA would reduce stockholders' equity. As of December 31, 2002, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of all of our significant foreign currency translation exposures would have reduced stockholders' equity approximately $290 million. These hypothetical increases in UTA are based on the difference between the December 31, 2002 exchange rates and the assumed exchange rates. In the view of management, the above hypothetical UTA adjustments resulting from these assumed changes in foreign currency exchange rates are not material to the Corporation's consolidated financial position.

Interest Rate Risk

Interest rate risk is managed through the maintenance of a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments. The objective is to maintain a cost-effective mix that management deems appropriate. At December 31, 2002, the debt portfolio was composed of approximately 40 percent variable-rate debt, adjusted for the effect of variable-rate assets, and 60 percent fixed-rate debt. The strategy employed to manage exposure to interest rate fluctuations did not change significantly during 2002, and management does not foresee or expect any significant changes in its exposure to interest rate fluctuations or in how such exposure is managed in the near future.

We perform two separate tests to determine whether changes in interest rates would have a significant effect on our financial position or future results of operations. Both tests are based on our consolidated debt levels at the time of the test. The first test estimates the effect of interest rate changes on our fixed-rate debt. Interest rate changes would result in gains or losses in the market value of fixed-rate debt due to differences between the current market interest rates and the rates governing these instruments. With respect to fixed-rate debt outstanding at December 31, 2002, a 10 percent change in interest rates would have increased the fair value of fixed-rate debt by about $110 million. The second test estimates the potential effect on future pretax income that would result from increased interest rates applied to our current level of variable-rate debt. With respect to commercial paper and other variable-rate debt, a 10 percent increase in interest rates would have had no material effect on the future results of operations or cash flows.

Commodity Price Risk

The Corporation is subject to commodity price risk, the most significant of which relates to the price of pulp. Selling prices of tissue products are influenced, in part, by the market price for pulp, which is determined by industry supply and demand. On a worldwide basis, the Corporation supplies approximately 40 percent of its virgin fiber needs from internal pulp manufacturing operations. Management still intends to reduce its level of pulp integration, when market conditions permit, to approximately 20 percent, and such a reduction in pulp integration, if accomplished, could increase the Corporation's commodity price risk. Specifically, increases in pulp prices could adversely affect earnings if selling prices are not adjusted or if such adjustments significantly trail the increases in pulp prices. Derivative instruments have not been used to manage these risks. Management does not believe that commodity price risk is material to the Corporation's business or its consolidated financial position, results of operations or cash flows.

In addition, the Corporation is subject to price risk for utilities, primarily natural gas, which are used in its manufacturing operations. Derivative instruments are used to hedge this risk when it is deemed prudent to do so by management.

Inflation Risk

The Corporation's inflation risk is managed on an entity-by-entity basis through selective price increases, productivity increases and cost-containment measures. Management does not believe that inflation risk is material to the Corporation's business or its consolidated financial position, results of operations or cash flows.

Other Information

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates. Changes in these estimates are recorded when known. The most critical accounting estimates used by management in the preparation of the Corporation's consolidated financial statements are for consumer and trade promotion and rebate accruals, postretirement and other employee benefits, workers compensation claims and certain product liability risks, excess and obsolete inventory, allowances for doubtful accounts, deferred tax assets and contingencies.

Pension Plans

The Corporation and its subsidiaries in North America and the United Kingdom have defined benefit pension plans (these plans, which comprise more than 90 percent of the total defined benefit pension fund assets and obligations, are referred to as the "Principal Plans") and/or defined contribution retirement plans covering substantially all regular employees. Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. The funding policy for the Principal Plans is to contribute assets to fully fund the accumulated benefit obligation ("ABO"). Subject to regulatory and tax deductibility limits, any funding shortfall will be eliminated over a reasonable number of years. Nonqualified U.S. plans providing benefits in excess of limitations imposed by the U.S. income tax code are not funded. Funding for the remaining defined benefit plans outside the U.S. is based on legal requirements, tax considerations, investment opportunities, and customary business practices in such countries.

Consolidated pension expense for defined benefit pension plans was approximately $32 million in 2002 compared with income of about $20 million for 2001. Pension expense/income is calculated based upon a number of actuarial assumptions applied to each of the defined benefit plans. The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense for 2002 was 9.19 percent and will be 8.42 percent for 2003. The expected long-term rate of return on pension fund assets was determined based on several factors, including input from our pension investment consultant, and our projected long-term returns of broad equity and bond indices. We also considered our historical U.S. plan 10-year and 15-year compounded annual returns of 9.7 percent and 10.1 percent, respectively, which have been in excess of these broad equity and bond benchmark indices. We anticipate that on average the investment managers for each of the plans comprising the Principal Plans will generate annual long-term rates of return of at least 8.5 percent. Our expected long-term rate of return on the assets in the Principal Plans is based on an asset allocation assumption of about 70 percent with equity managers, with expected long-term rates of return of approximately 10 percent, and 30 percent with fixed income managers, with an expected long-term rate of return of about 6 percent. We regularly review our actual asset allocation and periodically rebalance our investments to our targeted allocation when considered appropriate. Also, when deemed appropriate, we execute hedging strategies using index options and futures to limit the downside exposure of certain investments by trading off upside potential above an acceptable level. We executed such a hedging strategy in both 2002 and 2001, and we have a hedging strategy in place for 2003. We will continue to evaluate our long-term rate of return assumptions at least annually and will adjust them as necessary.

We determine pension expense on the fair value of assets rather than a market-related value of assets. Investment gains or losses represent the difference between the expected return calculated using the fair value of assets and the actual return based on the fair value of assets. We recognize the variance between actual and expected gains and losses on pension assets in pension expense more rapidly than we would if we used a market-related value for plan assets. As of December 31, 2002, the Principal Plans had cumulative unrecognized investment losses and other actuarial losses of approximately $1.3 billion. These unrecognized net losses may increase our future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, or (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate our pension obligations, or (iii) other actuarial gains, including whether such accumulated actuarial losses at each measurement date exceed the "corridor" determined under SFAS 87, Employers' Accounting for Pensions.

The discount (or settlement) rate that we utilize for determining the present value of future pension obligations generally has been based in the U.S. on the yield reported for the long-term AA-rated corporate bond indexes, converted to an equivalent one-year compound basis. From time-to-time, and most recently at December 31, 2002, we validated this practice by assembling a hypothetical portfolio of high-quality debt securities where the portfolio cash flows correspond to expected future benefit payments. We use similar techniques for establishing the discount rates for our non-U.S. Principal Plans. The weighted-average discount rate for the Principal Plans decreased to 6.68 percent at December 31, 2002 from 7.07 percent at December 31, 2001.

We estimate that our consolidated pension expense will approximate $170 million annually over the next several years. This estimate reflects the effect of the actuarial losses and is based on an expected weighted-average long-term rate of return on assets in the Principal Plans of 8.50 percent, a weighted-average discount rate of 6.68 percent and various other assumptions. Future actual pension expense will depend on future investment performance, the Corporation's contributions to the pension trusts, changes in discount rates and various other factors related to the covered employees in the plans.

If the expected long-term rate of return on assets for our Principal Plans was lowered by 0.25 percent, our annual pension expense would increase by approximately $8 million. If the discount rate assumptions for these same plans were reduced by 0.25 percent, our annual pension expense would increase by approximately $10 million and our December 31, 2002 minimum pension liability would increase by about $116 million.

The fair value of the assets in our defined benefit plans decreased from $3.7 billion at December 31, 2001 to $3.4 billion at December 31, 2002, primarily due to investment losses and cash pension benefit payments net of our plan contributions. Recent investment performance and lower discount rates have caused the projected benefit obligations (the "PBO") of the defined benefit plans to exceed the fair value of plan assets by approximately $1 billion at December 31, 2002, compared with a shortfall of approximately $.3 billion at December 31, 2001. These same factors have caused the ABO of our defined benefit plans to exceed plan assets by about $.7 billion at the end of 2002. At the end of 2001, the ABO and the fair value of plan assets were essentially even. On a consolidated basis, we contributed $126.0 million to the defined benefit plans in 2002 compared with $12.8 million in 2001. We expect our annual contributions to range from about $75 million to $150 million over the next several years.

The discount rate used for each country's pension obligation is identical to the discount rate used for that country's other postretirement obligation. The discount rates displayed for the two types of obligations for the Corporation's consolidated operations may appear different due to the weighting used in the calculation of the two weighted-average discount rates.

Other

Among those factors affecting the accruals for promotion and rebate costs are estimates of the number of consumer coupons that will be redeemed, the level of support that trade customers have provided to the Corporation and the quantity of products distributors have sold to specific customers. Generally, the Corporation bases its estimates on historical patterns of expense, influenced by judgments about current market conditions. Promotion accruals as of December 31, 2002 and 2001 were $227.7 million and $191.7 million, respectively. The increase was primarily due to higher promotional activity in 2002 driven by the competitive environment.

The Corporation retains selected property and casualty risks, primarily related to workers compensation and certain product liability. Accrued liabilities for incurred but not reported events related to these retained risks are calculated based upon loss development factors provided to the Corporation by its external insurance brokers. The Corporation's total cost for property and casualty risks has in recent years been relatively stable and this trend is expected to continue.

As of December 31, 2002, the Corporation has recorded deferred tax assets related to income tax loss carryforwards and income tax credits totaling $483.2 million and has established valuation allowances against these deferred tax assets of $240.6 million, thereby resulting in a net deferred tax asset of $242.6 million. As of December 31, 2001, the net deferred tax asset was $190.4 million. These income tax losses and credits are in non-U.S. taxing jurisdictions and in certain states within the U.S. In determining the valuation allowances to establish against these deferred tax assets, the Corporation considers many factors, including the specific taxing jurisdiction, the carryforward period, income tax strategies and forecasted earnings for the entities in each jurisdiction. A valuation allowance is recognized if, based on the weight of available evidence, the Corporation concludes that it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Contingencies and Legal Matters

Litigation

The following is a brief description of certain legal and administrative proceedings to which the Corporation or its subsidiaries is a party or to which the Corporation's or its subsidiaries' properties are subject. In management's opinion, none of the legal and administrative proceedings described below, individually or in the aggregate, is expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

As of December 31, 2002, approximately 165 product liability lawsuits seeking monetary damages, in most cases of an unspecified amount, are pending in federal and state courts against Safeskin. Safeskin is typically one of several defendants who manufacture or sell natural rubber latex gloves. These lawsuits allege injuries ranging from dermatitis to severe allergic reactions caused by the residual chemicals or latex proteins in gloves worn by health care workers and other individuals while performing their duties. Safeskin has referred the defense of these lawsuits to its insurance carriers and management believes its insurance coverage is adequate for these types of claims.

Safeskin and certain of its former officers and directors are defendants in two cases filed in 1999, prior to the acquisition of Safeskin by the Corporation. One case is a class action lawsuit alleging violations of the federal securities laws and the other is a shareholder derivative action alleging breach of fiduciary duty, waste of corporate assets and gross negligence in connection with a stock repurchase program undertaken by Safeskin. In December 2002, a settlement agreement was entered into pursuant to which all claims against Safeskin and the other defendants in these two cases are to be released and dismissed with prejudice and without admission of liability or wrongdoing by any party in exchange for $55 million, most of which is covered by insurance. The Corporation recorded a charge of $21 million in the fourth quarter of 2002 related to this matter. The settlement is subject to notice to the class and approval by the U.S. District Court for the Southern District of California. Court approval is expected in March 2003.

As of December 31, 2002, the Corporation, along with many other nonaffiliated companies, was a party to lawsuits with allegations of personal injury resulting from asbestos exposure on the defendants' premises and allegations that the defendants manufactured, sold, distributed or installed products which cause asbestos-related lung disease. These general allegations are often made against the Corporation without any apparent evidence or identification of a specific product or premises of the Corporation. The Corporation has denied the allegations and raised numerous defenses in all of these asbestos cases. All asbestos claims have been tendered to the Corporation's insurance carriers for defense and indemnity. The financial statements reflect appropriate accruals for the Corporation's portion of the costs estimated to be incurred in connection with settling these claims.

Contingency

One of the Corporation's North American tissue mills has an agreement to provide its local utility company a specified amount of electric power per year for the next 16 years. In the event that the mill was shut down, the Corporation would be required to continue to operate the power generation facility on behalf of its owner, the local utility company. The net present value of the cost to fulfill this agreement as of December 31, 2002 is estimated to be approximately $87 million. However, management considers the probability of closure of this mill to be remote.

Environmental Matters

The Corporation has been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business, financial condition or results of operations.

Accounting Standards Changes and New Pronouncements

During 2001, the EITF issued EITF 01-9, Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products. Under EITF 01-9, the cost of promotion activities offered to customers is classified as a reduction in sales revenue. In addition, the estimated redemption value of consumer coupons is required to be recorded at the time the coupons are issued and classified as a reduction in sales revenue. The Corporation adopted EITF 01-9 effective January 1, 2002, and reclassified the face value of coupons and other applicable promotional activities from expense to a reduction in revenue, which reduced net sales by $1.2 billion and $1.1 billion for 2001 and 2000, respectively. The adoption of EITF 01-9 did not change reported earnings for 2001 and 2000 but did require the recording of a cumulative effect of a change in accounting principle in 2002, equal to an after tax charge of approximately $.02 per share, which resulted from a change in the period for recognizing the face value of coupons.

On January 1, 2002, the Corporation adopted SFAS 142. Under this standard, goodwill and intangible assets having indefinite lives are no longer amortized but are subject to annual impairment tests with any resulting impairment loss recognized during the period of impairment. Accordingly, the Corporation discontinued amortization of goodwill and also determined that it has no identified intangible assets with indefinite useful lives. The Corporation has completed the required annual testing of goodwill for impairment and has determined that none of its goodwill is impaired.

On January 1, 2002, the Corporation adopted SFAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets. SFAS 144 contains accounting and reporting requirements for the impairment and disposal of long-lived assets and discontinued operations. Adoption of SFAS 144 had no effect on the Corporation's financial statements.

SFAS 143, Accounting for Asset Retirement Obligations, was issued in June 2001 and is effective beginning January 1, 2003. SFAS 143 addresses the accounting and reporting for the retirement of long-lived assets and related retirement costs. The Corporation does not expect the adoption of SFAS 143 to have a material effect on its financial statements.

In June 2002, the FASB issued SFAS 146, Accounting for Costs Associated with Exit or Disposal Activities. SFAS 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies EITF 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring). The Corporation will adopt SFAS 146 on January 1, 2003, and does not expect its adoption to have a material effect on its financial statements.

In December 2002, the FASB issued SFAS 148, Accounting for Stock-Based Compensation and Disclosure, which amends SFAS 123 and provides alternative methods of transition for a voluntary change to the fair value-based method of accounting for stock-based compensation. The Corporation currently plans to continue to account for stock-based compensation using the intrinsic-value method permitted by Accounting Principles Board Opinion 25.

In November 2002, the FASB issued Interpretation ("FIN") 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. FIN 45 requires disclosure of guarantees. It also requires liability recognition for the fair value of guarantees made after December 31, 2002. The Corporation will adopt the liability recognition requirements of FIN 45 effective January 1, 2003 and does not expect such adoption to have a material effect on its financial statements.

In January 2003, the FASB issued FIN 46, Consolidation of Variable Interest Entities, which interprets Accounting Research Bulletin 51, Consolidated Financial Statements, and requires consolidation of certain entities in which the primary beneficiary has a controlling financial interest despite not having voting control of such entities. It is reasonably possible the Corporation will be required to consolidate the entities described in the Variable Interest Entities section of this Management's Discussion and Analysis beginning in the third quarter of 2003. Consolidation of these entities is not expected to have a material adverse effect on the Corporation's results of operations or financial position, including its ability to obtain financing, because the debt of these entities is nonrecourse and the notes receivable are guaranteed.

Outlook

The Corporation expects 2003 to be another challenging year as it faces a continuing tough competitive environment and an anticipated increase in pension costs of approximately $145 million. However, the Corporation expects net sales to rise in the low-to-mid single digits with product innovation across its three global segments as the key driver of sales growth. The Corporation also has plans to reduce costs by $175 million to $200 million in 2003. The Corporation expects cash flow to continue to be strong in 2003 which will allow it to repurchase approximately 2 percent of its outstanding common stock in 2003, depending on market conditions. The Corporation anticipates spending approximately $900 million on capital projects in 2003, with most of the expenditures earmarked for projects that will deliver growth, cost savings or product improvements. The Corporation's strong cash flow has given it the ability to raise its dividend by 13.3 percent for 2003, marking the 31st consecutive annual increase in its dividend.

Information Concerning Forward-Looking Statements

Certain matters discussed in this report concerning, among other things, the business outlook, including new product introductions, cost savings and acquisitions, anticipated financial and operating results, strategies, contingencies and contemplated transactions of the Corporation, constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the Corporation. There can be no assurance that these events will occur or that the Corporation's results will be as estimated.

The assumptions used as a basis for the forward-looking statements include many estimates that, among other things, depend on the achievement of future cost savings and projected volume increases. Furthermore, the Corporation has assumed that it will continue to identify suitable acquisition candidates in those product markets where it intends to grow by acquisition. In addition, many factors outside the control of the Corporation, including the prices of the Corporation's raw materials, potential competitive pressures on selling prices or advertising and promotion expenses for the Corporation's products, and fluctuations in foreign currency exchange rates, as well as general economic conditions in the markets in which the Corporation does business, also could impact the realization of such estimates.

For a description of these and other factors that could cause the Corporation's future results to differ materially from those expressed in any such forward-looking statements, see the section of Part I, Item I of the Corporation's Annual Report on Form 10-K entitled "Factors That May Affect Future Results."

CONSOLIDATED INCOME STATEMENT
Kimberly-Clark Corporation and Subsidiaries

(Millions of dollars, except per share amounts)	Year Ended December 31 2002	2001	2000
Net Sales	$13,566.3	$13,287.6	$12,909.5
Cost of products sold	8,750.7	8,618.0	8,232.8
Gross Profit	4,815.6	4,669.6	4,676.7
Marketing, research and general expenses	2,278.5	2,158.3	2,065.4
Goodwill amortization	-	89.4	81.7
Other (income) expense, net	73.3	83.7	(104.2)
Operating Profit	2,463.8	2,338.2	2,633.8
Interest income	15.7	17.8	24.0
Interest expense	(182.1)	(191.6)	(221.8)
Income Before Income Taxes	2,297.4	2,164.4	2,436.0
Provision for income taxes	666.6	645.7	758.5
Income Before Equity Interests	1,630.8	1,518.7	1,677.5
Share of net income of equity companies	113.3	154.4	186.4
Minority owners' share of subsidiaries' net income	(58.1)	(63.2)	(63.3)
Income Before Cumulative Effect of Accounting Change	1,686.0	1,609.9	1,800.6
Cumulative effect of accounting change, net of income taxes	(11.4)	-	-
Net Income	$ 1,674.6	$ 1,609.9	$ 1,800.6
Per Share Basis			
Basic			
Income before cumulative effect of accounting change	$ 3.26	$ 3.04	$ 3.34
Net income	$ 3.24	$ 3.04	$ 3.34
Diluted			
Income before cumulative effect of accounting change	$ 3.24	$ 3.02	$ 3.31
Net income	$ 3.22	$ 3.02	$ 3.31

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET
Kimberly-Clark Corporation and Subsidiaries

(Millions of dollars) ASSETS	December 31 2002	2001
Current Assets		
Cash and cash equivalents	$ 494.5	$ 364.5
Accounts receivable, net	1,952.1	1,672.4
Inventories	1,430.1	1,494.1
Deferred income taxes	191.3	239.8
Prepaid expenses and other	205.9	142.2
Total Current Assets	4,273.9	3,913.0
Property		
Land	266.0	242.5
Buildings	2,042.9	1,921.8
Machinery and equipment	10,812.5	10,073.0
Construction in progress	442.6	477.4
	13,564.0	12,714.7
Less accumulated depreciation	5,944.6	5,388.2
Net Property	7,619.4	7,326.5
Investments in Equity Companies	571.2	705.3
Goodwill	2,254.9	1,949.2
Other Assets	866.4	1,113.6
	$15,585.8	$15,007.6

See Notes to Consolidated Financial Statements.

(Millions of dollars) LIABILITIES AND STOCKHOLDERS' EQUITY	December 31 2002	2001
Current Liabilities		
Debt payable within one year	$ 1,086.6	$ 1,236.1
Trade accounts payable	844.5	768.9
Other payables	277.5	335.3
Accrued expenses	1,271.4	1,225.3
Accrued income taxes	404.3	456.2
Dividends payable	154.0	146.5
Total Current Liabilities	4,038.3	4,168.3
Long-Term Debt	2,844.0	2,424.0
Noncurrent Employee Benefit and Other Obligations	1,390.0	916.0
Deferred Income Taxes	854.2	1,004.6
Minority Owners' Interests in Subsidiaries	255.5	309.4
Preferred Securities of Subsidiary	553.5	538.4
Stockholders' Equity		
Preferred stock - no par value - authorized 20.0 million shares, none issued	-	-
Common stock - $1.25 par value - authorized 1.2 billion shares; issued 568.6 million shares at December 31, 2002 and 2001	710.8	710.8
Additional paid-in capital	419.0	415.6
Common stock held in treasury, at cost - 57.8 million and 47.6 million shares at December 31, 2002 and 2001	(3,350.6)	(2,748.2)
Accumulated other comprehensive income (loss)	(2,157.7)	(1,696.2)
Retained earnings	10,054.0	8,999.5
Unearned compensation on restricted stock	(25.2)	(34.6)
Total Stockholders' Equity	5,650.3	5,646.9
	$15,585.8	$15,007.6

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
Kimberly-Clark Corporation and Subsidiaries

(Dollars in millions, shares in thousands)	Common Stock Issued Shares	Common Stock Issued Amount	Additional Paid-in Capital	Treasury Stock Shares	Treasury Stock Amount	Unearned Compensation on Restricted Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Comprehensive Income
Balance at December 31, 1999	568,597	$710.8	$166.4	27,969	$(1,420.4)	$(13.5)	$ 6,764.6	$(1,114.8)	
Net income	-	-	-	-	-	-	1,800.6	-	$1,800.6
Other comprehensive income:									
Unrealized translation	-	-	-	-	-	-	-	(218.8)	(218.8)
Minimum pension liability......	-	-	-	-	-	-	-	(4.0)	(4.0)
Total comprehensive income........									$1,577.8
Options exercised and other awards	-	-	(63.7)	(2,901)	154.0	-	-	-	
Stock option income tax benefits..	-	-	25.2	-	-	-	-	-	
Shares repurchased	-	-	-	21,217	(1,190.7)	-	-	-	
Acquisition of Safeskin	-	-	282.4	(10,695)	464.0	-	-	-	
Net issuance of restricted stock, less amortization	-	-	2.0	(357)	19.0	(12.6)	-	-	
Dividends declared	-	-	-	-	-	-	(583.2)	-	
Balance at December 31, 2000	568,597	710.8	412.3	35,233	(1,974.1)	(26.1)	7,982.0	(1,337.6)	
Net income	-	-	-	-	-	-	1,609.9	-	$1,609.9
Other comprehensive income:									
Unrealized translation	-	-	-	-	-	-	-	(256.7)	(256.7)
Minimum pension liability......	-	-	-	-	-	-	-	(102.1)	(102.1)
Other	-	-	-	-	-	-	-	.2	.2
Total comprehensive income........									$1,251.3
Options exercised and other awards	-	-	(17.5)	(2,433)	119.0	-	-	-	
Stock option income tax benefits..	-	-	17.7	-	-	-	-	-	
Shares repurchased	-	-	-	15,141	(909.7)	-	-	-	
Net issuance of restricted stock, less amortization	-	-	3.1	(354)	16.6	(8.5)	-	-	
Dividends declared	-	-	-	-	-	-	(592.4)	-	
Balance at December 31, 2001......	568,597	710.8	415.6	47,587	(2,748.2)	(34.6)	8,999.5	(1,696.2)	
Net income	-	-	-	-	-	-	1,674.6	-	$1,674.6
Other comprehensive income:									
Unrealized translation	-	-	-	-	-	-	-	96.4	96.4
Minimum pension liability......	-	-	-	-	-	-	-	(555.7)	(555.7)
Other	-	-	-	-	-	-	-	(2.2)	(2.2)
Total comprehensive income........									$1,213.1
Options exercised and other awards	-	-	(7.7)	(1,627)	76.6	-	-	-	
Stock option income tax benefits..	-	-	9.9	-	-	-	-	-	
Shares repurchased	-	-	-	11,980	(683.6)	-	-	-	
Net issuance of restricted stock, less amortization	-	-	1.2	(98)	4.6	9.4	-	-	
Dividends declared	-	-	-	-	-	-	(620.1)	-	
Balance at December 31, 2002	568,597	$710.8	$419.0	57,842	$(3,350.6)	$(25.2)	$10,054.0	$(2,157.7)	

See Notes to Consolidated Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT
Kimberly-Clark Corporation and Subsidiaries

(Millions of dollars)	Year Ended December 31 2002	2001	2000
Operations			
Net income	$1,674.6	$1,609.9	$1,800.6
Cumulative effect of accounting change, net of income taxes	11.4	-	-
Depreciation	706.6	650.2	591.7
Goodwill amortization	-	89.4	81.7
Deferred income tax provision	197.6	39.7	84.1
Net losses on asset dispositions	38.4	102.0	19.3
Equity companies' earnings in excess of dividends paid	(8.2)	(39.1)	(67.0)
Minority owners' share of subsidiaries' net income	58.1	63.2	63.3
Increase in operating working capital	(197.6)	(232.6)	(338.3)
Postretirement benefits	(118.2)	(54.7)	(121.9)
Other	61.5	25.8	19.7
Cash Provided by Operations	2,424.2	2,253.8	2,133.2
Investing			
Capital spending	(870.7)	(1,099.5)	(1,170.3)
Acquisitions of businesses, net of cash acquired	(410.8)	(135.0)	(294.5)
Proceeds from dispositions of property and businesses	6.3	34.4	44.5
Investments in marketable securities	(9.0)	(19.7)	-
Proceeds from sales of investments	44.9	33.1	53.1
Net increase in time deposits	(36.8)	(21.3)	(19.9)
Proceeds from notes receivable	-	-	220.0
Other	(18.0)	(39.5)	(26.3)
Cash Used for Investing	(1,294.1)	(1,247.5)	(1,193.4)
Financing			
Cash dividends paid	(612.7)	(590.1)	(580.1)
Net (decrease) increase in short-term debt	(423.9)	288.4	710.7
Proceeds from issuance of long-term debt	823.1	76.5	353.7
Repayments of long-term debt	(154.6)	(271.8)	(422.9)
Issuance of preferred securities of subsidiary	-	516.5	-
Proceeds from exercise of stock options	68.9	101.5	90.3
Acquisitions of common stock for the treasury	(680.7)	(891.5)	(1,190.7)
Other	(34.9)	(33.5)	(25.6)
Cash Used for Financing	(1,014.8)	(804.0)	(1,064.6)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	14.7	(24.5)	(11.3)
Increase (Decrease) in Cash and Cash Equivalents	130.0	177.8	(136.1)
Cash and Cash Equivalents, beginning of year	364.5	186.7	322.8
Cash and Cash Equivalents, end of year	$ 494.5	$ 364.5	$ 186.7

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Kimberly-Clark Corporation and Subsidiaries

Note 1. Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Kimberly-Clark Corporation and all subsidiaries that are more than 50 percent owned and controlled (the "Corporation"). All significant intercompany transactions and accounts are eliminated in consolidation. Certain reclassifications have been made to conform prior year data to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates. Changes in these estimates are recorded when known. Estimates are used in accounting for, among other things, consumer and trade promotion and rebate accruals, postretirement and other employee benefits, workers compensation claims and certain product liability risks, excess and obsolete inventory, allowances for doubtful accounts, deferred tax assets and contingencies.

Cash Equivalents

Cash equivalents are short-term investments with an original maturity date of three months or less.

Inventories and Distribution Costs

Most U.S. inventories are valued at the lower of cost, using the Last-In, First-Out (LIFO) method for financial reporting purposes, or market. The balance of the U.S. inventories and inventories of consolidated operations outside the U.S. are valued at the lower of cost, using either the First-In, First-Out (FIFO) or weighted-average cost methods, or market. Distribution costs are classified as cost of products sold.

Available-for-Sale Securities

Available-for-sale securities, consisting of debt securities issued by non-U.S. governments and unaffiliated corporations with maturity dates of two years or

less, are carried at market value. Securities with original maturity dates of less than one year are included in prepaid and other assets and were $10.5 million and $7.5 million at December 31, 2002 and 2001, respectively. Securities with original maturity dates greater than one year are included in other assets and were $8.9 million and $12.5 million at December 31, 2002 and 2001, respectively. The securities are held by the Corporation's consolidated foreign financing subsidiary formed in February 2001 as described in Note 9. Unrealized holding gains or losses on these securities are recorded in other comprehensive income until realized. No significant gains or losses were recognized in income during 2002 or 2001.

Property and Depreciation

For financial reporting purposes, property, plant and equipment are stated at cost and are depreciated on the straight-line or units-of-production method. Buildings are depreciated over their estimated useful lives ranging from 7 to 50 years. Machinery and equipment are depreciated over their estimated

Note 1. (Continued)

useful lives ranging from 2 to 40 years. For income tax purposes, accelerated methods of depreciation are used. The cost of computer software that is purchased or developed for internal use is capitalized in accordance with the capitalization criteria of Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. These costs are amortized on the straight-line method over the estimated useful life of the software but not in excess of five years.

Estimated useful lives are periodically reviewed and, when warranted, changes are made that generally result in an acceleration of depreciation. Long-lived assets, including computer software, are reviewed for impairment whenever events or changes in circumstances indicate that their cost may not be recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows from the use of the asset and its eventual disposition are less than its carrying amount. Measurement of an impairment loss would be based on discounted future cash flows compared to the carrying amount of the assets. When property is sold or retired, the cost of the property and the related accumulated depreciation are removed from the balance sheet and any gain or loss on the transaction is included in income.

The cost of major maintenance performed on manufacturing facilities, composed of labor, materials and other incremental costs, is charged to operations as incurred. Start-up costs for new or expanded facilities are expensed as incurred.

Investments in Equity Companies

Investments in equity companies over which we exercise significant influence and that, in general, are at least 20 percent owned are stated at cost plus equity in undistributed net income. These investments are evaluated for impairment in accordance with the requirements of Accounting Principles Board ("APB") Opinion 18, The Equity Method of Accounting for Investments in Common Stock. Although no impairment losses on equity company investments have yet been recognized, an impairment loss would be recorded whenever a decline in value of an equity investment below its carrying amount is determined to be other than temporary. In judging "other than temporary", management would consider the length of time and extent to which the value of the investment has been less than the carrying amount of the equity company, the near-term and longer-term operating and financial prospects of the equity company, and management's longer-term intent of retaining its investment in the equity company.

Revenue Recognition

Sales revenue is recognized at the time of product shipment to unaffiliated customers. Sales are reported net of allowances for estimated returns, consumer and trade promotions and freight allowed.

Sales Incentives and Trade Promotion Allowances

During 2001, the Emerging Issues Task Force ("EITF") of the Financial Accounting Standards Board ("FASB") issued EITF 01-9, Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products. Under EITF 01-9, the cost of promotion activities offered to customers is classified as a reduction in sales revenue. In addition, the estimated redemption value of consumer coupons is required to be recorded at the time the coupons are issued and classified as a reduction in sales revenue. The Corporation adopted EITF 01-9 effective January 1, 2002, and reclassified the face value of coupons and other applicable promotional activities from expense to a reduction in revenue, which reduced net sales by $1.2 billion and $1.1 billion for 2001 and 2000, respectively. The adoption of EITF 01-9 did not change reported earnings for 2001 and 2000 but did

Note 1. (Continued)

require the recording of a cumulative effect of a change in accounting principle in 2002, equal to an after-tax charge of approximately $.02 per share, which resulted from a change in the period for recognizing the face value of coupons.

Advertising Expense

Advertising costs are expensed in the year the related advertisement is first presented by the media. For interim reporting purposes, advertising expenses are charged to operations as a percentage of sales based on estimated sales and related advertising expense for the full year.

Research Expense

Research and development costs are charged to expense as incurred.

Environmental Expenditures

Environmental expenditures related to current operations that qualify as property, plant and equipment or which substantially increase the economic value or extend the useful life of an asset are capitalized, and all other expenditures are expensed as incurred. Environmental expenditures that relate to an existing condition caused by past operations are expensed as incurred. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with completion of a feasibility study or a commitment to a formal plan of action.

Stock-Based Employee Compensation

The Corporation's stock-based employee compensation plan is described in Note 7. The expense recognition and measurement principles of APB 25, Accounting for Stock Issued to Employees, and related interpretations are followed in accounting for this plan. No employee compensation for stock options has been charged to earnings because the exercise prices of all stock options granted under this plan have been equal to the market value of the Corporation's common stock at the date of grant. The following presents information about net income and earnings per share as if the Corporation had applied the fair value expense recognition requirements of Statement of Financial Accounting Standards ("SFAS") 123, Accounting for Stock-Based Compensation, to all employee stock options granted under the plan.

	Year Ended December 31		
(Millions of dollars, except per share amounts)	2002	2001	2000
Net income, as reported	$1,674.6	$1,609.9	$1,800.6
Less: Stock-based employee compensation determined under the fair value requirements of SFAS 123, net of income tax benefits	70.2	76.1	53.3
Pro forma net income	$1,604.4	$1,533.8	$1,747.3
Earnings per share			
Basic - as reported	$ 3.24	$ 3.04	$ 3.34
Basic - pro forma	$ 3.10	$ 2.90	$ 3.24
Diluted - as reported	$ 3.22	$ 3.02	$ 3.31
Diluted - pro forma	$ 3.09	$ 2.88	$ 3.21

Note 1. (Continued)

Pursuant to the requirements of SFAS 123, the weighted-average fair value of the individual employee stock options granted during 2002, 2001 and 2000 have been estimated as $16.57, $19.87 and $16.24, respectively, on the date of grant. The fair values were determined using a Black-Scholes option-pricing model using the following assumptions:

	2002	2001	2000
Dividend yield	1.97%	1.61%	2.04%
Volatility	26.91%	25.86%	26.20%
Risk-free interest rate	4.30%	4.70%	6.50%
Expected life	5.8 years	5.8 years	5.8 years

Accounting Standards Changes and New Pronouncements

On January 1, 2002, the Corporation adopted SFAS 142, Goodwill and Other Intangible Assets. Under this standard, goodwill and intangible assets having indefinite lives are no longer amortized but are subject to annual impairment tests with any resulting impairment loss recognized during the period of impairment. Accordingly, the Corporation discontinued amortization of goodwill and also determined that it has no identified intangible assets with indefinite useful lives. The Corporation has completed the required annual testing of goodwill for impairment and has determined that none of its goodwill is impaired.

On January 1, 2002, the Corporation adopted SFAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets. SFAS 144 contains accounting and reporting requirements for the impairment and disposal of long-lived assets and discontinued operations. Adoption of SFAS 144 had no effect on the Corporation's financial statements.

SFAS 143, Accounting for Asset Retirement Obligations, was issued in June 2001 and is effective beginning January 1, 2003. SFAS 143 addresses the accounting and reporting for the retirement of long-lived assets and related retirement costs. The Corporation does not expect the adoption of SFAS 143 to have a material effect on its financial statements.

In June 2002, the FASB issued SFAS 146, Accounting for Costs Associated with Exit or Disposal Activities. SFAS 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies EITF 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring). The Corporation will adopt SFAS 146 on January 1, 2003 and does not expect its adoption to have a material effect on its financial statements.

In December 2002, the FASB issued SFAS 148, Accounting for Stock-Based Compensation and Disclosure, which amends SFAS 123 and provides alternative methods of transition for a voluntary change to the fair value-based method of accounting for stock-based compensation. The Corporation currently plans to continue to account for stock-based compensation using the intrinsic-value method permitted by APB 25.

In November 2002, the FASB issued Interpretation ("FIN") 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. FIN 45 requires disclosure of guarantees. It also requires liability recognition for the fair value of guarantees made after December 31, 2002. The Corporation will adopt the liability recognition requirements of FIN 45 effective January 1, 2003 and does not expect such adoption to have a material effect on its financial statements.

Note 1. (Continued)

In January 2003, the FASB issued FIN 46, Consolidation of Variable Interest Entities, which interprets Accounting Research Bulletin 51, Consolidated Financial Statements, and requires consolidation of certain entities in which the primary beneficiary has a controlling financial interest despite not having voting control of such entities. It is reasonably possible the Corporation will be required to consolidate the entities described in Note 13 beginning in the third quarter of 2003. Consolidation of these entities is not expected to have a material adverse effect on the Corporation's results of operations or financial position, including its ability to obtain financing, because the debt of these entities is nonrecourse and the notes receivable are guaranteed.

Note 2. Income Taxes

An analysis of the provision for income taxes follows:

(Millions of dollars)	Year Ended December 31 2002	2001	2000
Current income taxes:			
United States	$255.4	$363.9	$407.3
State	19.9	52.5	36.5
Other countries	193.7	189.6	230.6
Total	469.0	606.0	674.4
Deferred income taxes:			
United States	183.3	115.4	91.3
State	5.7	(17.9)	14.0
Other countries	8.6	(57.8)	(21.2)
Total	197.6	39.7	84.1
Total provision for income taxes(a)	$666.6	$645.7	$758.5

(a) The 2002 amount excludes income tax benefits of $6.9 million related to the cumulative effect of an accounting change.

Income before income taxes is earned in the following tax jurisdictions:

(Millions of dollars)	Year Ended December 31 2002	2001	2000
United States	$1,758.2	$1,741.8	$1,787.5
Other countries	539.2	422.6	648.5
Total income before income taxes(b)	$2,297.4	$2,164.4	$2,436.0

(b) The 2002 amount excludes a charge of $18.3 million related to the cumulative effect of an accounting change.

Note 2. (Continued)

Deferred income tax assets (liabilities) are composed of the following:

(Millions of dollars)	December 31 2002	2001
Net current deferred income tax asset attributable to:		
Pension, postretirement and other employee benefits	$ 101.5	$ 112.7
Other accrued expenses	90.1	101.2
Inventory	(1.8)	18.0
Other	5.2	8.0
Valuation allowances	(3.7)	(.1)
Net current deferred income tax asset	$ 191.3	$ 239.8
Net noncurrent deferred income tax asset attributable to:		
Accumulated depreciation	$ (59.1)	$ (42.7)
Income tax loss carryforwards	388.4	299.9
Other	40.7	29.6
Valuation allowances	(197.6)	(125.7)
Net noncurrent deferred income tax asset included in other assets	$ 172.4	$ 161.1
Net noncurrent deferred income tax liability attributable to:		
Accumulated depreciation	$(1,215.5)	$ (995.2)
Pension and other postretirement benefits	471.3	207.1
Installment sales	(188.1)	(254.1)
Foreign tax credits	103.3	51.4
Other	14.1	37.6
Valuation allowances	(39.3)	(51.4)
Net noncurrent deferred income tax liability	$ (854.2)	$(1,004.6)

Valuation allowances increased $63.4 million and $18.4 million in 2002 and 2001, respectively. Valuation allowances at the end of 2002 primarily relate to the potentially unusable portion of income tax loss carryforwards of $1,071.2 million in jurisdictions outside the United States. If not utilized against taxable income, $472.6 million of the loss carryforwards will expire from 2003 through 2023. The remaining $598.6 million has no expiration date.

Realization of deferred tax assets is dependent on generating sufficient taxable income prior to expiration of the loss carryforwards. Although realization is not assured, management believes it is more likely than not that all of the deferred tax assets, net of applicable valuation allowances, will be realized. The amount of the deferred tax assets considered realizable could be reduced or increased if estimates of future taxable income change during the carryforward period.

Note 2. (Continued)

Presented below is a reconciliation of the income tax provision computed at the U.S. federal statutory tax rate to the provision for income taxes.

(Millions of dollars)	2002 Amount	2002 Percent	2001 Amount	2001 Percent	2000 Amount	2000 Percent
Income before income taxes	$2,297.4		$2,164.4		$2,436.0	
Tax at U.S. statutory rate	$ 804.1	35.0%	$ 757.5	35.0%	$ 852.6	35.0%
State income taxes, net of federal tax benefit	16.6	.7	22.5	1.0	32.8	1.3
Net operating losses realized	(14.8)	(.6)	(29.7)	(1.4)	(70.1)	(2.9)
Other - net	(139.3)	(6.1)	(104.6)	(4.8)	(56.8)	(2.3)
Provision for income taxes	$ 666.6	29.0%	$ 645.7	29.8%	$ 758.5	31.1%

At December 31, 2002, income taxes have not been provided on approximately $3.4 billion of unremitted earnings of subsidiaries operating outside the U.S. These earnings, which are considered to be invested indefinitely, would become subject to income tax if they were remitted as dividends, were lent to the Corporation or a U.S. affiliate, or if the Corporation were to sell its stock in the subsidiaries. Determination of the amount of unrecognized deferred U.S. income tax liability on these unremitted earnings is not practicable.

Note 3. Postretirement and Other Benefits

Pension Plans

The Corporation and its subsidiaries in North America and the United Kingdom have defined benefit and/or defined contribution retirement plans covering substantially all regular employees. Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. The funding policy for the qualified defined benefit plans in North America and the defined benefit plans in the United Kingdom is to contribute assets to fully fund the accumulated benefit obligation ("ABO"). Subject to regulatory and tax deductibility limits, any funding shortfall will be eliminated over a reasonable number of years. Nonqualified U.S. plans providing pension benefits in excess of limitations imposed by the U.S. income tax code are not funded. Funding for the remaining defined benefit plans outside the U.S. is based on legal requirements, tax considerations, investment opportunities, and customary business practices in such countries.

In accordance with SFAS 87, Employers' Accounting for Pensions, the Corporation was required to record a minimum pension liability for underfunded plans representing the excess of the unfunded ABO over previously recorded pension cost liabilities. The minimum pension liability is included in noncurrent employee benefit and other obligations on the balance sheet. An offsetting charge is included as an intangible asset to the extent of unrecognized prior service cost, and the balance is included in accumulated other comprehensive income. The principal cause of the accrual for additional minimum pension liability in 2002 was a decline in the value of equity securities held by the North American and United Kingdom pension trusts and decreases in the discount rates used to estimate the ABO. The accrual for additional minimum pension liability in 2001 primarily resulted from the decline in the value of equity securities held by the United Kingdom pension trusts.

Information about the minimum pension liability follows:

(Millions of dollars)	December 31 2002	2001
Minimum pension liability	$1,089.4	$181.2
Less intangible asset	51.9	12.9
Accumulated other comprehensive income	$1,037.5	$168.3

Other Postretirement Benefit Plans

Substantially all retired employees of the Corporation and its North American subsidiaries and certain international employees are covered by health care and life insurance benefit plans. Certain benefits are based on years of service and age at retirement. The plans are principally noncontributory for employees who retired before 1993 and are contributory for most employees who retire after 1992. Certain U.S. plans limit the Corporation's cost of future annual per capita retiree medical benefits to no more than 200 percent of the 1992 annual per capita cost. These plans are expected to reach this limitation during 2003. Certain other U.S. plans limit the Corporation's future cost for retiree benefits to a defined fixed annual per capita medical cost. The health care cost trend rate for all other plans, which comprise about 22 percent of the health care obligation as of December 31, 2002, is assumed to be 9.03 percent in 2003, 8.14 percent in 2004 and to decrease to 5.36 percent in 2010 and thereafter. The consolidated weighted-average health care trend rate for 2003 is expected to be 9.22 percent.

Note 3. (Continued)

Summarized financial information about postretirement plans, excluding defined contribution retirement plans, is presented below.

	Pension Benefits		Other Benefits	
	Year Ended December 31			
(Millions of dollars)	2002	2001	2002	2001
Change in Benefit Obligation				
Benefit obligation at beginning of year	$4,014.6	$3,847.1	$ 696.5	$ 661.9
Service cost	69.7	65.4	13.0	12.0
Interest cost	275.1	266.8	50.5	48.2
Participants' contributions	7.1	7.4	5.9	5.3
Actuarial loss	203.3	86.6	57.8	41.8
Acquisitions	-	37.3	-	-
Curtailments	(1.2)	(1.4)	-	-
Special termination benefits	3.7	9.0	-	-
Currency exchange rate effects	95.1	(37.4)	.3	(1.8)
Benefit payments from plans	(262.7)	(256.6)	-	-
Direct benefit payments	(12.2)	(9.6)	(72.6)	(70.9)
Benefit obligation at end of year	4,392.5	4,014.6	751.4	696.5
Change in Plan Assets				
Fair value of plan assets at beginning of year	3,721.5	4,086.5	-	-
Actual loss on plan assets	(250.5)	(130.0)	-	-
Acquisitions	-	36.0	-	-
Employer contributions	126.0	12.8	66.7	65.6
Participants' contributions	7.1	7.4	5.9	5.3
Currency exchange rate effects	65.2	(34.6)	-	-
Benefit payments	(262.7)	(256.6)	(72.6)	(70.9)
Fair value of plan assets at end of year	3,406.6	3,721.5	-	-
Funded Status				
Benefit obligation in excess of plan assets	(985.9)	(293.1)	(751.4)	(696.5)
Unrecognized net actuarial loss (gain)	1,347.3	544.5	59.8	(.6)
Unrecognized transition amount	1.0	(1.0)	-	-
Unrecognized prior service cost	46.9	53.8	(9.1)	(11.3)
Net amount recognized	$ 409.3	$ 304.2	$(700.7)	$(708.4)
Amounts Recognized in the Balance Sheet				
Prepaid benefit cost	$ 4.3	$ 309.4	$ -	$ -
Accrued benefit cost	(684.4)	(186.4)	(700.7)	(708.4)
Intangible asset	51.9	12.9	-	-
Accumulated other comprehensive income	1,037.5	168.3	-	-
Net amount recognized	$ 409.3	$ 304.2	$(700.7)	$(708.4)

The above pension benefits information has been presented on an aggregated basis whereby benefit obligation and plan asset information for plans in which plan assets exceed ABO have been combined with plans where the ABO exceeds plan assets.

Note 3. (Continued)

Summary disaggregated information about these pension plans follows:

(Millions of dollars)	Assets Exceed ABO 2002	Assets Exceed ABO 2001	ABO Exceeds Assets 2002	ABO Exceeds Assets 2001
	December 31			
Projected benefit obligation	$38.9	$3,173.0	$4,353.6	$841.6
ABO	29.7	2,906.3	4,054.3	790.6
Fair value of plan assets	32.9	3,114.2	3,373.7	607.3

	Pension Benefits 2002	Pension Benefits 2001	Other Benefits 2002	Other Benefits 2001
	December 31			
Weighted Average Assumptions				
Discount rate	6.62%	6.98%	6.76%	7.24%
Long-term expected return on plan assets	8.42%	9.19%	-	-
Rate of compensation increase	3.56%	3.90%	-	-
Health care cost trend rate	-	-	9.22%	10.03%

(Millions of dollars)	Pension Benefits 2002	Pension Benefits 2001	Pension Benefits 2000	Other Benefits 2002	Other Benefits 2001	Other Benefits 2000
	Year Ended December 31					
Components of Net Periodic Benefit Cost						
Service cost	$ 69.7	$ 65.4	$ 63.4	$13.0	$12.0	$10.9
Interest cost	275.1	266.8	263.6	50.5	48.2	48.3
Expected return on plan assets(a)	(335.6)	(368.1)	(397.6)	-	-	-
Amortization of prior service cost	7.8	8.6	9.1	(2.1)	(2.1)	(2.1)
Amortization of transition amount	(2.0)	(4.4)	(4.4)	-	-	-
Recognized net actuarial loss (gain)	14.5	4.5	(20.2)	(2.7)	(3.8)	(4.3)
Curtailments	(1.2)	(1.4)	-	-	-	-
Other	3.7	9.0	1.0	-	(.1)	-
Net periodic benefit cost (credit)	$ 32.0	$ (19.6)	$ (85.1)	$58.7	$54.2	$52.8

(a) The expected return on plan assets is determined by multiplying the fair value of the plan assets at the prior year-end (adjusted for estimated current year cash benefit payments and contributions) by the long-term expected rate of return.

Assumed health care cost trend rates affect the amounts reported for postretirement health care benefit plans. A one-percentage-point change in assumed health care trend rates would have the following effects:

(Millions of dollars)	One-Percentage-Point Increase	One-Percentage-Point Decrease
Effect on total of service and interest cost components	$ 3.5	$ 2.7
Effect on postretirement benefit obligation	36.6	29.1

Note 3. (Continued)

Defined Contribution Retirement Plans

The Corporation's contributions to the defined contribution retirement plans are primarily based on the age and compensation of covered employees. The Corporation's contributions, all of which were charged to expense, were $42.2 million, $37.3 million and $29.8 million in 2002, 2001 and 2000, respectively.

Investment Plans

Voluntary contribution investment plans are provided to substantially all North American employees. Under the plans, the Corporation matches a portion of employee contributions. Costs charged to expense under the plans were $29.3 million, $27.5 million and $22.6 million in 2002, 2001 and 2000, respectively.

Note 4. Earnings Per Share

A reconciliation of the average number of common shares outstanding used in the basic and diluted EPS computations follows:

(Millions)	2002	2001	2000
	Average Common Shares Outstanding		
Basic	517.2	529.6	539.5
Dilutive effect of stock options	2.5	3.4	3.9
Dilutive effect of deferred compensation plan shares	.3	.2	.1
Dilutive effect of shares issued for participation share awards	-	-	.3
Diluted	520.0	533.2	543.8

Options outstanding that were not included in the computation of diluted EPS because their exercise price was greater than the average market price of the common shares are summarized below:

Description	2002	2001	2000
Average number of share equivalents (millions)	10.7	5.1	.5
Weighted-average exercise price(a)	$65.89	$71.36	$157.27
Expiration date of options	2006 to 2012	2006 to 2011	2001 to 2010
Options outstanding at year-end	11.4	5.8	.5

(a) The weighted-average exercise price in 2000 represents converted options from the Safeskin Corporation acquisition.

The number of common shares outstanding as of December 31, 2002, 2001 and 2000 was 510.8 million, 521.0 million and 533.4 million, respectively.

Note 5. Debt

Long-term debt is composed of the following:

(Millions of dollars)	Weighted-Average Interest Rate	Maturities	December 31 2002	December 31 2001
Commercial paper to be refinanced			$ -	$ 400.0
Notes and debentures	6.30%	2003 - 2030	2,088.4	1,469.8
Industrial development revenue bonds	5.27%	2004 - 2037	577.1	413.4
Bank loans and other financings in various currencies	6.69%	2003 - 2025	202.8	278.5
Total long-term debt			2,868.3	2,561.7
Less current portion			24.3	137.7
Long-term portion			$2,844.0	$2,424.0

In February 2002, the Corporation issued $400 million of 5 5/8% Notes due February 15, 2012 and used the proceeds to retire commercial paper. At December 31, 2001, the Corporation classified the $400 million of commercial paper to be refinanced as long-term debt.

In March 2002, the Corporation issued $400 million of 4 1/2% Notes due July 30, 2005 and used the proceeds to retire commercial paper. In connection with the borrowing, the Corporation entered into an interest rate swap agreement maturing on July 30, 2005 with a counterparty under which the difference between the fixed- and floating-rate interest amounts calculated on a $400 million notional amount is exchanged on a quarterly basis. The floating rate is 3-month LIBOR minus 29.5 basis points. The swap agreement permits the Corporation to maintain its desired ratio of fixed- and floating-rate borrowings.

Fair value of total long-term debt was $3,080.9 million and $2,639.5 million at December 31, 2002 and 2001, respectively. Scheduled maturities of long-term debt for the next five years are $24.3 million in 2003, $125.1 million in 2004, $540.5 million in 2005, $14.9 million in 2006 and $325.1 million in 2007.

At December 31, 2002, the Corporation had $1.425 billion of syndicated revolving credit facilities. These facilities, unused at December 31, 2002, permit borrowing at competitive interest rates and are available for general corporate purposes, including backup for commercial paper borrowings. The Corporation pays commitment fees on the unused portion but may cancel the facilities without penalty at any time prior to their expiration. Of these facilities, $712.5 million expire in October 2003 and the balance expires in November 2007.

Debt payable within one year is as follows:

(Millions of dollars)	December 31 2002	December 31 2001
Commercial paper	$ 975.0	$ 961.3
Current portion of long-term debt	24.3	137.7
Other short-term debt	87.3	137.1
Total	$1,086.6	$1,236.1

At December 31, 2002 and 2001, the weighted-average interest rate for commercial paper was 1.3 percent and 1.9 percent, respectively.

Note 6. Risk Management

As a multinational enterprise, the Corporation is exposed to changes in foreign currency exchange rates, interest rates and commodity prices. A variety of practices are employed to manage these market risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Derivative instruments are used only for risk management purposes and not for speculation or trading. All derivative instruments are either exchange traded or are entered into with major financial institutions. The Corporation's credit exposure under these arrangements is limited to the fair value of the agreements with a positive fair value at the reporting date. Additionally, credit risk with respect to the counterparties is considered minimal in view of the financial strength of the counterparties.

Effective January 1, 2001, the Corporation adopted SFAS 133, Accounting for Derivative Instruments and Hedging Activities, as amended. This accounting standard requires that all derivative instruments be recognized as assets or liabilities on the balance sheet at fair value. Changes in the fair value of derivatives are either recorded in income or other comprehensive income, depending on whether the derivative has been designated and qualifies as part of a hedging relationship. The gain or loss on derivatives designated as fair value hedges and the offsetting loss or gain on the hedged item attributable to the hedged risk are included in current income in the period that changes in fair value occur. The gain or loss on derivatives designated as cash flow hedges is included in other comprehensive income in the period that changes in fair value occur and is reclassified to income in the same period that the hedged item affects income. The gain or loss on derivatives that have not been designated as hedging instruments is included in current income in the period that changes in fair value occur. Upon adoption of SFAS 133, the Corporation recognized a pretax loss of $.5 million in other (income) expense, net.

Prior to adoption of SFAS 133, and in accordance with generally accepted accounting principles in effect at that time, gains and losses on instruments that hedged firm commitments were deferred and included in the basis of the underlying hedged items. Premiums paid for options were amortized ratably over the life of the option. Contracts used to hedge recorded foreign currency transactions generally matured within one year and were marked to market with the resulting gains or losses included in current income. These gains and losses offset foreign exchange gains and losses on the underlying transactions.

Foreign Currency Risk

Foreign currency risk is managed by the use of foreign currency forward and swap contracts. The use of these contracts allows management of transactional exposure to exchange rate fluctuations because the gains or losses incurred on the derivative instruments will offset, in whole or in part, losses or gains on the underlying foreign currency exposure. Management of foreign currency transactional exposures was not changed during 2002, and management does not foresee or expect any significant change in such exposures or in the strategies it employs to manage them in the near future.

Translation Risk

The income statements of foreign operations, other than those in hyperinflationary economies, are translated into U.S. dollars at rates of exchange in effect each month. The balance sheets of these operations are translated at period-end exchange rates, and the differences from historical exchange rates are reflected in stockholders' equity as unrealized translation adjustments.

The income statements and balance sheets of operations in hyperinflationary economies are translated into U.S. dollars using both current and historical rates of exchange. For balance sheet accounts translated at current exchange rates, such as cash and accounts receivable, the differences from historical exchange rates are reflected in income. Operations that are deemed to be hyperinflationary are as follows: Russia, Turkey and Venezuela (prior to 2002).

Note 6. (Continued)

Translation exposure generally is not hedged. The risk to any particular entity's net assets is minimized to the extent that the entity is financed with local currency borrowing. In addition, many of the Corporation's non-U.S. operations buy the majority of their inputs and sell the majority of their outputs in their local currency, thereby minimizing the effect of currency rate changes on their local operating profit margins.

Interest Rate Risk

Interest rate risk is managed through the maintenance of a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments. The objective is to maintain a cost-effective mix that management deems appropriate. The strategy employed to manage exposure to interest rate fluctuations did not change significantly during 2002 and management does not foresee or expect any significant changes in its exposure to interest rate fluctuations or in how such exposure is managed in the near future.

The Corporation has entered into an interest rate swap agreement maturing on July 30, 2005, that effectively converted $400 million of its fixed-rate debt to a floating-rate basis, thereby permitting the Corporation to benefit from a low short-term interest rate environment.

Commodity Price Risk

The Corporation is subject to commodity price risk, the most significant of which relates to the price of pulp. Selling prices of tissue products are influenced, in part, by the market price for pulp, which is determined by industry supply and demand. On a worldwide basis, the Corporation supplies approximately 40 percent of its virgin fiber needs from internal pulp manufacturing operations. Management still intends to reduce its level of pulp integration, when market conditions permit, to approximately 20 percent, and such a reduction in pulp integration, if accomplished, could increase the Corporation's commodity price risk. Specifically, increases in pulp prices could adversely affect earnings if selling prices are not adjusted or if such adjustments significantly trail the increases in pulp prices.

In addition, the Corporation is subject to price risk for utilities, primarily natural gas, which are used in its manufacturing operations. Derivative instruments are used to hedge this risk when it is deemed prudent to do so by management.

Effect of Derivative Instruments on Results of Operations and Other Comprehensive Income

Fair Value Hedges

The Corporation's fair value hedges were effective in 2002 and 2001 and consequently resulted in no net income effect. In addition, during these years, all of the Corporation's firm commitments continued to qualify for fair value hedge accounting.

Cash Flow Hedges

The Corporation's cash flow hedges were effective in 2002 and 2001 and consequently resulted in no net income effect. During the same period in which the hedged forecasted transactions affected earnings, the Corporation reclassified $5.4 million of after-tax losses from accumulated other comprehensive income to earnings. At December 31, 2002, the Corporation expects to reclassify $1.4 million of after-tax losses from accumulated other comprehensive income to earnings during the next twelve months. The maximum maturity of cash flow derivatives in place at December 31, 2002 is April 2004.

Other

In 2001, the Corporation entered into forward contracts to purchase Australian dollars related to the acquisition of the remaining 45 percent ownership interest in Kimberly-Clark Australia Pty. Ltd. ("KCA") for A$697.5 million (approximately $390 million). These contracts were settled in conjunction with the completion of this acquisition in June 2002. These forward contracts did not qualify for hedge accounting under SFAS 133 and were marked to market each period with the resulting gains or losses included in other (income) expense, net. During 2002, net gains on these contracts were approximately $17 million and, for the year ended December 31, 2001, net losses were approximately $7 million.

The net gain on all other derivative instruments not designated as hedges was approximately $10 million and $21 million in 2002 and 2001, respectively, and has been included in operating profit on the consolidated income statement.

Note 7. Stock Compensation Plans

The Corporation's Equity Participation Plans (the "Plans") provide for awards of stock options, restricted stock and (prior to 1999) participation shares to employees of the Corporation and its subsidiaries. As of December 31, 2002, the number of shares of common stock available for stock option and restricted share awards under the Plans aggregated 23.7 million shares.

Stock Options

The Corporation has granted stock options to executives and other key employees. All stock options are granted at not less than the market value at the date of grant, expire 10 years after the date of grant and generally become exercisable over three years.

Data concerning stock option activity follows:

	2002		2001		2000	
(Options in thousands)	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
Outstanding - Beginning of year	26,665	$52.73	23,941	$ 49.67	20,167	$44.08
Granted	5,742	60.99	5,867	69.71	5,799	52.95
Exercised	(1,627)	42.34	(2,428)	41.75	(2,876)	30.88
Canceled or expired	(472)	58.24	(715)	126.87	(554)	67.96
Converted Safeskin options	-	-	-	-	1,405	85.22
Outstanding - End of year(a)	30,308	54.77	26,665	52.73	23,941	49.67
Exercisable - End of year	18,671	49.98	15,237	46.80	11,330	46.95

(a) Data concerning stock options at December 31, 2002 follows (options in thousands):

	Options Outstanding			Options Exercisable	
Exercise Price Range	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Number of Options	Weighted-Average Price
$12.36 - 37.74	1,622	$24.85	1.6	1,622	$ 24.85
39.94 - 50.41	8,098	46.95	4.8	8,059	46.94
50.50 - 60.08	9,247	53.64	5.5	7,158	53.83
60.99 - 71.74	11,292	65.31	8.6	1,795	69.54
86.28 - 188.53	49	121.01	5.4	37	121.20
	30,308	54.77	6.2	18,671	49.98

Note 7. (Continued)

Restricted Stock Awards

The Plans provide for restricted share awards not to exceed 3.0 million shares. All restricted stock awards vest and become unrestricted shares in three to 10 years from the date of grant. Although participants are entitled to cash dividends and may vote such awarded shares, the sale or transfer of such shares is limited during the restricted period.

Data concerning restricted stock awards follows:

(Shares in thousands)	2002	2001	2000
Number of shares awarded	80	487	508
Weighted-average price per share	$59.79	$55.59	$58.18

The market value of the Corporation's common stock determines the value of the restricted stock, and such value is recorded at the date of the award as unearned compensation on restricted stock in a separate component of stockholders' equity. This unearned compensation is amortized to compensation expense over the periods of restriction. During 2002, 2001 and 2000, $16.8 million, $13.0 million and $10.8 million, respectively, was charged to compensation expense under the plan. The tax effect of differences between compensation expense for financial statement and income tax purposes is recorded as additional paid-in capital.

Participation Shares

Prior to 1999, the Corporation awarded key employees participation shares that are payable in cash at the end of the vesting period. The amount of cash paid to participants is based on the increase in the book value of the Corporation's common stock during the award period. Participants do not receive dividends on the participation shares, but their accounts are credited with dividend shares payable in cash at the maturity of the award. Neither participation nor dividend shares are shares of common stock. Amounts expensed related to participation shares were $13.1 million, $15.0 million and $44.5 million in 2002, 2001 and 2000, respectively. The Corporation will continue recognizing expense related to existing participation shares through 2003, and will make the final payment to participants in February 2004. The Corporation ceased issuing participation shares after 1998.

Data concerning participation and dividend shares follows:

(Thousands of shares)	2002	2001	2000
Outstanding - Beginning of year	4,475	6,608	10,229
Dividend shares credited - net	245	377	602
Matured	(2,238)	(2,356)	(4,015)
Forfeited	(103)	(154)	(208)
Outstanding - End of year	2,379	4,475	6,608

Note 8. Commitments

Leases

The future minimum obligations under operating leases having a noncancelable term in excess of one year as of December 31, 2002, are as follows:

(Millions of dollars)	Amount
Year Ending December 31:	
2003	$ 60.7
2004	48.1
2005	36.0
2006	27.2
2007	18.4
Thereafter	56.1
Future minimum obligations	$246.5

Operating lease obligations have been reduced by approximately $4 million for rental income from noncancelable sublease agreements.

Consolidated rental expense under operating leases was $166.8 million, $159.4 million and $145.9 million in 2002, 2001 and 2000, respectively.

Purchase Commitments

The Corporation has entered into long-term contracts for the purchase of raw materials, primarily pulp, and utilities, principally natural gas. The minimum purchase commitments extend beyond 2008. Commitments under these contracts are approximately $379.2 million in 2003, $99.3 million in 2004, $65.2 million in 2005, $36.1 million in 2006 and $26.1 million in 2007. Total commitments beyond the year 2007 are $23.5 million.

Although the Corporation is primarily liable for rental payments on the above-mentioned leases and purchase commitments described above, management believes the Corporation's exposure to losses, if any, under these arrangements is not material.

Note 9. Preferred Securities of Subsidiary

In February 2001, a newly formed Luxembourg-based consolidated financing subsidiary of the Corporation issued 1 million shares of preferred securities (the "Securities") with an aggregate par value of $520 million to a nonaffiliated entity for cash proceeds of $516.5 million. Approximately 97 percent of the subsidiary's funds are invested in long-term, variable rate loans to the Corporation or its consolidated subsidiaries on terms that would be substantially similar to other borrowings by the Corporation or its consolidated subsidiaries. The remaining funds are invested in other financial assets. The Securities pay no dividend but accrue a variable rate of return based on three-month LIBOR plus 0.764 percent, which at December 31, 2002 equated to an annual rate of approximately 2.144 percent. The Securities are in substance perpetual and are callable by the subsidiary at par value plus any accrued but unpaid return on the Securities in November 2008 and each 20-year anniversary thereafter. The common equity securities, all of which are owned by the Corporation, are entitled to all of the residual equity after satisfaction of the preferred interests. As of December 31, 2002 and 2001, the authorized, issued and outstanding 1 million shares of preferred securities had a balance (and a liquidating value) of $553.5 million and $538.4 million, respectively, which is shown as preferred securities of subsidiary on the consolidated balance sheet. The increase in the balance of the Securities of $15.1 million and $21.9 million during 2002 and 2001, respectively, is the return on the Securities, which was included in minority owners' share of subsidiaries' net income on the Corporation's consolidated income statement.

Note 10. Stockholders' Equity

Stockholders' Equity

At December 31, 2002, unremitted net income of equity companies included in consolidated retained earnings was $778 million.

On June 21, 1988, the board of directors of the Corporation declared a distribution of one preferred share purchase right for each outstanding share of the Corporation's common stock. On June 8, 1995, the board amended the plan governing such rights. The board of directors believed then and it continues to believe that the preferred share purchase rights are important for protecting the stockholders and other corporate constituents against abusive takeover tactics.

A right will entitle its holder to purchase one two-hundredth of a share of Series A Junior Participating Preferred Stock at an exercise price of $225, but will not become exercisable until 10 days after a person or group acquires or announces a tender offer that would result in the ownership of 20 percent or more of the Corporation's outstanding common shares.

Under certain circumstances, a right will entitle its holder to acquire either shares of the Corporation's stock or shares of an acquiring company's common stock, in either event having a market value of twice the exercise price of the right. At any time after the acquisition by a person or group of 20 percent or more, but fewer than 50 percent, of the Corporation's common shares, the Corporation may exchange the rights, except for rights held by the acquiring person or group, in whole or in part, at a rate of one right for one share of the Corporation's common stock or for one two-hundredth of a share of Series A Junior Participating Preferred Stock.

The rights may be redeemed at $.005 per right prior to the acquisition by a person or group of 20 percent or more of the common stock. Unless redeemed earlier, the rights expire on June 8, 2005.

Other Comprehensive Income (Loss)

The changes in the components of other comprehensive income (loss) are as follows:

	Year Ended December 31								
	2002			2001			2000		
(Millions of dollars)	Pretax Amount	Tax Credit	Net Amount	Pretax Amount	Tax Credit	Net Amount	Pretax Amount	Tax Credit	Net Amount
Unrealized translation	$ 96.4	$ -	$ 96.4	$(256.7)	$ -	$(256.7)	$(218.8)	$ -	$(218.8)
Minimum pension liability	(869.2)	313.5	(555.7)	(145.6)	43.5	(102.1)	(6.5)	2.5	(4.0)
Deferred losses on cash flow hedges	(2.6)	.6	(2.0)	(.1)	-	(.1)	-	-	-
Unrealized holding gains on securities	(.2)	-	(.2)	.3	-	.3	-	-	-
Other comprehensive income (loss)	$(775.6)	$314.1	$(461.5)	$(402.1)	$43.5	$(358.6)	$(225.3)	$2.5	$(222.8)

Accumulated balances of other comprehensive income (loss), net of applicable income taxes are as follows:

	December 31	
(Millions of dollars)	2002	2001
Unrealized translation	$(1,483.8)	$(1,580.2)
Minimum pension liability	(671.9)	(116.2)
Deferred losses on cash flow hedges	(2.1)	(.1)
Unrealized holding gains on securities	.1	.3
Accumulated other comprehensive income (loss)	$(2,157.7)	$(1,696.2)

Note 11. Acquisitions and Intangible Assets

Acquisitions

Prior to 2001, the Corporation and its joint venture partner, Amcor Limited ("Amcor"), held a 50/50 ownership interest in KCA. In July 2001, the Corporation purchased an additional 5 percent ownership interest in KCA for A$77.5 million (approximately $39 million), and exchanged options with Amcor for the purchase by the Corporation of the remaining 45 percent ownership interest. In June 2002, the Corporation exercised this option and purchased the remaining 45 percent interest from Amcor for A$697.5 million (approximately $390 million). The acquisition of KCA reflects the Corporation's strategy to expand its three business segments within Australia. As a result of these transactions, KCA became a consolidated subsidiary effective July 1, 2001 and a wholly-owned subsidiary on June 30, 2002. The Corporation recognized total goodwill on this series of transactions of approximately $350 million, reflecting the Corporation's expectation of continued growth and profitability of KCA.

On January 31, 2001, the Corporation acquired Linostar S.p.A., a leading Italian-based diaper manufacturer that produces and markets Lines, Italy's second largest diaper brand. The Corporation accounted for this acquisition using the purchase method which resulted in recognizing goodwill and other intangible assets of $28 million.

In February 2000, the Corporation completed the acquisition of Safeskin Corporation ("Safeskin") through the exchange of approximately 10.7 million shares of the Corporation's common stock for all the outstanding shares of Safeskin. The value of the exchange of stock plus related acquisition costs was approximately $750 million. Safeskin manufactures disposable gloves for the health care, high-technology and scientific industries. In June 2000, the Corporation completed the acquisition of S-K Corporation in Taiwan, a former licensee which held trademark and distribution rights for the manufacture of personal care and tissue products. These two acquisitions were recorded as purchases and resulted in recognizing total goodwill and other intangible assets of $791.1 million.

The costs of other acquisitions relating primarily to increased ownership and expansion in Asia and Latin America in 2002, 2001 and 2000 were $16.2 million, $78.8 million and $175.5 million, respectively. The Corporation recognized goodwill on these other acquisitions of $8.9 million in 2002, $38.1 million in 2001 and $130.0 million in 2000.

Goodwill

The changes in the carrying amount of goodwill by business segment are as follows:

(Millions of dollars)	Personal Care	Consumer Tissue	Business-to-Business	Total
Balance at January 1, 2002	$269.3	$259.1	$1,420.8	$1,949.2
Acquisitions	173.0	88.1	64.8	325.9
Currency changes	(33.8)	9.4	4.2	(20.2)
Balance at December 31, 2002	$408.5	$356.6	$1,489.8	$2,254.9

Note 11. (Continued)

Pro forma disclosure of income and earnings per share as if the goodwill requirements of SFAS 142 had been adopted as of January 1, 2000 follows:

(Millions of dollars, except per share amounts)	Year Ended December 31 2002	2001	2000
Reported net income	$1,674.6	$1,609.9	$1,800.6
Goodwill amortization, net of income taxes	-	94.7	88.0
Adjusted net income	$1,674.6	$1,704.6	$1,888.6
Earnings Per Share - Basic			
Reported net income	$ 3.24	$ 3.04	$ 3.34
Goodwill amortization, net of income taxes	-	.18	.16
Adjusted net income	$ 3.24	$ 3.22	$ 3.50
Earnings Per Share - Diluted			
Reported net income	$ 3.22	$ 3.02	$ 3.31
Goodwill amortization, net of income taxes	-	.18	.16
Adjusted net income	$ 3.22	$ 3.20	$ 3.47

Other Intangible Assets

Intangible assets subject to amortization are included in Other Assets and consist of the following at December 31:

	2002		2001	
(Millions of dollars)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Trademarks	$191.8	$37.7	$184.4	$28.6
Patents	40.9	16.8	40.7	13.5
Other	8.5	2.8	8.7	2.1
Total	$241.2	$57.3	$233.8	$44.2

Amortization expense for intangible assets was approximately $12 million in 2002 and 2001 and $10 million in 2000. For each of the next five years, amortization expense will be approximately $11 million.

Note 12. Contingencies and Legal Matters

Litigation

The following is a brief description of certain legal and administrative proceedings to which the Corporation or its subsidiaries is a party or to which the Corporation's or its subsidiaries' properties are subject. In management's opinion, none of the legal and administrative proceedings described below, individually or in the aggregate, is expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

As of December 31, 2002, approximately 165 product liability lawsuits seeking monetary damages, in most cases of an unspecified amount, are pending in federal and state courts against Safeskin. Safeskin is typically one of several defendants who manufacture or sell natural rubber latex gloves. These lawsuits allege injuries ranging from dermatitis to severe allergic reactions caused by the residual chemicals or latex proteins in gloves worn by health care workers and other individuals while performing their duties. Safeskin has referred the defense of these lawsuits to its insurance carriers and management believes its insurance coverage is adequate for these types of claims.

Safeskin and certain of its former officers and directors are defendants in two cases filed in 1999, prior to the acquisition of Safeskin by the Corporation. One case is a class action lawsuit alleging violations of the federal securities laws and the other is a shareholder derivative action alleging breach of fiduciary duty, waste of corporate assets and gross negligence in connection with a stock repurchase program undertaken by Safeskin. In December 2002, a settlement agreement was entered into pursuant to which all claims against Safeskin and the other defendants in these two cases are to be released and dismissed with prejudice and without admission of liability or wrongdoing by any party in exchange for $55 million, most of which is covered by insurance. The Corporation recorded a charge of $21 million in the fourth quarter of 2002 related to this matter. The settlement is subject to notice to the class and approval by the U.S. District Court for the Southern District of California. Court approval is expected in March 2003.

As of December 31, 2002, the Corporation, along with many other nonaffiliated companies, was a party to lawsuits with allegations of personal injury resulting from asbestos exposure on the defendants' premises and allegations that the defendants manufactured, sold, distributed or installed products which cause asbestos-related lung disease. These general allegations are often made against the Corporation without any apparent evidence or identification of a specific product or premises of the Corporation. The Corporation has denied the allegations and raised numerous defenses in all of these asbestos cases. All asbestos claims have been tendered to the Corporation's insurance carriers for defense and indemnity. The financial statements reflect appropriate accruals for the Corporation's portion of the costs estimated to be incurred in connection with settling these claims.

Contingency

One of the Corporation's North American tissue mills has an agreement to provide its local utility company a specified amount of electric power per year for the next 16 years. In the event that the mill was shut down, the Corporation would be required to continue to operate the power generation facility on behalf of its owner, the local utility company. The net present value of the cost to fulfill this agreement as of December 31, 2002 is estimated to be approximately $87 million. However, management considers the probability of closure of this mill to be remote.

Note 12. (continued)

Environmental Matters

The Corporation has been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business, financial condition or results of operations.

Note 13. Variable Interest Entities

The Corporation has a controlling financial interest in the following three types of variable interest entities despite not having voting control of them. Accordingly, because the Corporation is the primary beneficiary under these arrangements, it is reasonably possible that the Corporation will be required to consolidate such entities beginning in the third quarter of 2003 in accordance with the requirements of FIN 46. No current or former officer or employee of the Corporation, its subsidiaries or affiliates or any person related to such officer or employee is a participant in any of these arrangements and therefore could not personally benefit in any way, financially or otherwise, from any of these arrangements.

Financing Entities

The Corporation has sold certain nonstrategic timberlands and related assets in 1999 and 1989 to nonaffiliated buyers and received long-term notes from the buyers of these assets. These transactions qualified for the installment method of accounting for income tax purposes and met the criteria for immediate profit recognition for financial reporting purposes contained in SFAS 66, Accounting for Sales of Real Estate. The 1999 sale involved notes receivable having an aggregate face value of $397 million and a fair value of approximately $383 million at the date of sale. These notes do not require principal payments before their December 31, 2009 maturity, are extendable at the option of the note holder in five-year increments to December 31, 2029, and have floating interest rates of LIBOR minus 15 basis points. The 1989 sale involved notes receivable having an aggregate face value of $220 million and a fair value of approximately $210 million at the date of sale. These notes do not require principal payments before their July 7, 2011 maturity, are extendable at the option of the note holder in three-year increments to July 7, 2019, and have floating interest rates of LIBOR minus 12.5 basis points. The notes receivable are backed by irrevocable standby letters of credit issued by money center banks, which aggregated $617 million at December 31, 2002.

Because the Corporation desired to monetize the $617 million of notes receivable and continue the deferral of current income taxes on the gains, in 1999 the Corporation transferred the notes received from the 1999 sale to a noncontrolled financing entity, and in 2000 it transferred the notes received from the 1989 sale to another noncontrolled financing entity. The Corporation has minority voting interests in each of the financing entities (collectively, the "Financing Entities"), and has accounted for these minority ownership interests using the equity method of accounting. The transfers of the notes and certain other assets to the Financing Entities were made at fair value, were accounted for as asset sales and resulted in no gain or loss to the Corporation. A nonaffiliated financial institution has made substantive capital investments in each of the Financing Entities, has majority voting control over them and has substantive risks and rewards of ownership of the assets in the Financing Entities. The Financing Entities became obligated for $617 million in third-party debt financing. The Corporation also contributed intercompany notes receivable (guaranteed by the Corporation) aggregating $662 million and intercompany preferred stock of $50 million to the Financing Entities, which serve as secondary collateral for the third-party lending arrangements. The Corporation retains equity interests in the Financing Entities for which the legal right of offset exists against the intercompany notes. As a result, the intercompany notes payable have been offset against the Corporation's equity interests in the Financing Entities for financial reporting purposes. In the unlikely event of default by the money center banks that provided the irrevocable standby letters of credit, the Corporation could experience a maximum loss of $617 million under these arrangements.

Note 13. (Continued)

Real Estate Entities

In 1994, the Corporation began participating in the U.S. affordable and historic renovation real estate markets. Investments in these markets are encouraged by laws enacted by the United States Congress and related federal income tax rules and regulations. Accordingly, these investments generate income tax credits and depreciation deductions that are used to reduce the Corporation's income tax liabilities. The Corporation has invested in these markets through (i) a partnership arrangement in which it is a limited partner, (ii) limited liability companies ("LLCs") in which it is a nonmanaging member and (iii) investments in various funds in which the Corporation is one of many noncontrolling investors. The partnership, LLCs and funds borrow money from third parties on a nonrecourse basis and invest in and own various real estate projects. These entities are not consolidated because they are not controlled by the Corporation. The Corporation has accounted for its interests in these entities by the equity method of accounting or by the effective yield method, as appropriate, and accounts for related income tax credits as a reduction in the income tax provision.

As of December 31, 2002, the Corporation had a net equity of $65 million in these real estate entities. Income tax credits to be generated by these investments are expected to exceed $163 million, of which approximately $101 million will be claimed on the Corporation's income tax returns through December 31, 2002. As of December 31, 2002, total permanent financing debt for the projects was $325 million. This permanent financing debt is secured solely by the properties, is nonrecourse to the Corporation and is not supported or guaranteed by the Corporation. From time to time, temporary interim financing is guaranteed by the Corporation. In general, the Corporation's interim financing debt guarantees are eliminated at the time permanent financing is obtained. At December 31, 2002, $76 million of temporary interim financing debt was guaranteed by the Corporation. The Corporation considers its default risk from these real estate investments and its temporary interim financing debt guarantees to be minimal as a result of geographical dispersion of the projects and because the permanent financing debt of the projects is nonrecourse to the Corporation.

As of December 31, 2002, the total underlying market value of the properties is estimated to be in excess of the total related permanent financing debt. If the Corporation's investments in these real estate entities were to be disposed of at their carrying amounts, a portion of the tax credits and depreciation deductions claimed on the Corporation's income tax returns may be recaptured and may result in a charge to income. As of December 31, 2002, this recapture risk is estimated to be $41 million. The Corporation has no current intention of disposing of these investments, nor does it anticipate the need to do so in the foreseeable future in order to satisfy any anticipated liquidity need. Accordingly, the Corporation considers its recapture risk to be remote.

At December 31, 2002, the Corporation's maximum loss exposure for its real estate entities totaled $182 million and was composed of its net equity in these entities of $65 million, its loan guarantees of $76 million and the income tax credit recapture risk of $41 million.

Synthetic Leases

From time to time, the Corporation acquires the use of certain assets, such as automobiles, fork lifts, trucks, warehouses and some manufacturing equipment through synthetic leases. Synthetic leases are often desirable when they offer administrative benefits, as would be the case in avoiding the burden of acquiring and disposing of automobiles, fork lifts and trucks, or when long-term interest-only financing is available, as is often the case in real estate synthetic leases. Synthetic leases usually are cost-effective alternatives to traditional operating leases because of their more favorable interest rates and treatment under income tax laws. Under applicable accounting rules for such leases, rent expense

Note 13. (Continued)

is recorded for financial reporting purposes and no asset or debt obligation is recorded on the Corporation's balance sheet. At December 31, 2002, the fair value of synthetically leased assets totaled about $27 million.

These synthetic leases have termination penalties or residual value guarantees. However, because the assets under these leases are used in the conduct of the Corporation's business operations, it is unlikely that any significant portion of these leases would be terminated prior to the normal expiration of their lease terms. At December 31, 2002, the Corporation's maximum loss exposure under residual value guarantees for synthetic leases was approximately $24 million.

Note 14. Unaudited Quarterly Data

(Millions of dollars, except per share amounts)	2002 Fourth	2002 Third	2002 Second	2002 First	2001 Fourth	2001 Third	2001 Second	2001 First
Net sales	$3,339.8	$3,486.7	$3,408.9	$3,330.9	$3,345.4	$3,373.7	$3,245.3	$3,323.2
Gross profit	1,120.2	1,240.2	1,242.8	1,212.4	1,147.1	1,211.0	1,140.8	1,170.7
Operating profit	529.8	644.8	624.3	664.9	487.4	629.1	590.6	631.1
Income before cumulative effect of accounting change	369.6	441.2	424.6	450.6	341.7	419.4	415.4	433.4
Net income	369.6	441.2	424.6	439.2	341.7	419.4	415.4	433.4
Per share basis:								
Basic								
Income before cumulative effect of accounting change	.72	.85	.82	.87	.65	.79	.78	.81
Net income	.72	.85	.82	.84	.65	.79	.78	.81
Diluted								
Income before cumulative effect of accounting change	.72	.85	.81	.86	.65	.79	.78	.81
Net income	.72	.85	.81	.84	.65	.79	.78	.81
Cash dividends declared per share	.30	.30	.30	.30	.28	.28	.28	.28
Market price per share:								
High	58.18	63.40	66.79	65.35	62.22	65.10	68.69	72.19
Low	45.30	52.45	60.43	57.05	52.06	53.30	55.15	60.50
Close	47.47	56.64	62.00	64.65	59.80	62.00	55.90	67.83

Note 15. Supplemental Data (Millions of dollars)

Supplemental Income Statement Data

Summary of Advertising and Research Expenses	December 31 2002	2001	2000
Advertising expense	$406.9	$405.5	$370.2
Research expense	289.0	295.3	277.4

Supplemental Balance Sheet Data

Summary of Accounts Receivable, net	December 31 2002	2001
Accounts Receivable:		
From customers	$1,657.5	$1,543.9
Other	362.2	198.3
Less allowance for doubtful accounts and sales discounts	(67.6)	(69.8)
Total	$1,952.1	$1,672.4

Accounts receivable are carried at amounts that approximate fair value.

Summary of Inventories	December 31 2002	2001
Inventories by Major Class:		
At the lower of cost on the FIFO method, weighted-average cost method or market:		
Raw materials	$ 323.2	$ 366.1
Work in process	186.7	179.5
Finished goods	866.9	898.4
Supplies and other	210.7	217.5
	1,587.5	1,661.5
Excess of FIFO cost over LIFO cost	(157.4)	(167.4)
Total	$1,430.1	$1,494.1

FIFO value of total inventories valued on the LIFO method were $642.7 million and $715.2 million at December 31, 2002 and December 31, 2001, respectively.

Summary of Accrued Expenses	December 31 2002	2001
Accrued advertising and promotion	$ 245.7	$ 212.2
Accrued salaries and wages	385.1	351.2
Other	640.6	661.9
Total	$1,271.4	$1,225.3

Note 15. (Continued)

Supplemental Cash Flow Statement Data

Summary of Cash Flow Effects of (Increase) Decrease in Operating Working Capital (a)	Year Ended December 31 2002	2001	2000
Accounts receivable	$(120.2)	$ 202.5	$ (88.8)
Inventories	68.3	(37.7)	(49.0)
Prepaid expenses	(14.2)	(6.9)	10.4
Trade accounts payable	88.2	(162.9)	26.5
Other payables	(13.1)	9.2	(4.4)
Accrued expenses	(28.5)	(81.3)	(116.3)
Accrued income taxes	(219.1)	(125.4)	(77.4)
Currency rate changes	41.0	(30.1)	(39.3)
Increase in operating working capital	$(197.6)	$(232.6)	$(338.3)

(a) Excludes the effects of acquisitions and dispositions.

Other Cash Flow Data	Year Ended December 31 2002	2001	2000
Interest paid	$ 183.3	$ 230.8	$ 233.1
Income taxes paid	649.5	719.2	783.2

Interest Expense	Year Ended December 31 2002	2001	2000
Gross interest cost	$ 193.1	$ 211.2	$ 242.7
Capitalized interest on major construction projects	(11.0)	(19.6)	(20.9)
Interest expense	$ 182.1	$ 191.6	$ 221.8

Note 16. Business Segment and Geographic Data Information

The Corporation is organized into 12 operating segments based on product groupings. These operating segments have been aggregated into three reportable global business segments: Personal Care; Consumer Tissue; and Business-to-Business. Each reportable segment is headed by an executive officer who reports to our Chief Executive Officer and is responsible for the development and execution of global strategies to drive growth and profitability of the Corporation's worldwide personal care, consumer tissue and business-to-business operations. These strategies include global plans for branding and product positioning, technology and research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses. The principal sources of revenue in each of our global business segments are described below. The accounting policies of our reportable segments are the same as those described in Note 1, Accounting Policies.

o The Personal Care segment manufactures and markets disposable diapers, training and youth pants and swimpants; feminine and incontinence care products; and related products. Products in this segment are primarily for household use and are sold under a variety of brand names, including Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.

o The Consumer Tissue segment manufactures and markets facial and bathroom tissue, paper towels and napkins for household use; wet wipes; and related products. Products in this segment are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Page, Huggies and other brand names.

o The Business-to-Business segment manufactures and markets facial and bathroom tissue, paper towels, wipers and napkins for away-from-home use; health care products such as surgical gowns, drapes, infection control products, sterilization wraps, disposable face masks and exam gloves, respiratory products, and other disposable medical products; printing, premium business and correspondence papers; specialty and technical papers; and other products. Products in this segment are sold under the Kimberly-Clark, Kleenex, Scott, Kimwipes, WypAll, Surpass, Safeskin, Tecnol, Ballard and other brand names.

Approximately 12 percent, 11 percent and 10 percent of net sales were to Wal-Mart Stores, Inc. in 2002, 2001 and 2000, respectively, primarily in the Personal Care and Consumer Tissue businesses.

Information concerning consolidated operations by business segment and geographic area, as well as data for equity companies, is presented in the tables on the following pages:

Note 16. (Continued)

Consolidated Operations by Business Segment

(Millions of dollars)	Personal Care	Consumer Tissue	Business-to-Business	Intersegment Sales	Unallocated, Net(a)	Consolidated Total
Net Sales						
2002	$5,101.7	$5,018.6	$3,593.0	$(147.0)	$ -	$13,566.3
2001	5,156.6	4,747.9	3,544.6	(161.5)	-	13,287.6
2000	4,959.9	4,552.0	3,593.4	(195.8)	-	12,909.5
Operating Profit (b)						
2002	1,042.7	921.7	670.0	-	(170.6)	2,463.8
2001	1,042.7	863.7	599.4	-	(167.6)	2,338.2
2000	1,136.7	825.1	666.0	-	6.0	2,633.8
Depreciation						
2002	242.7	287.1	176.0	-	.8	706.6
2001	225.1	259.8	164.2	-	1.1	650.2
2000	200.9	239.1	150.5	-	1.2	591.7
Assets						
2002	4,065.8	5,281.4	4,714.9	-	1,523.7	15,585.8
2001	3,819.5	5,064.5	4,611.3	-	1,512.3	15,007.6
2000	3,667.7	4,732.4	4,624.2	-	1,455.5	14,479.8
Capital Spending						
2002	289.7	340.4	236.5	-	4.1	870.7
2001	381.0	419.6	260.4	-	38.5	1,099.5
2000	410.7	500.7	256.3	-	2.6	1,170.3

(a) Unallocated operating profit consists of other income (expense), net and expenses not associated with the business segments. Unallocated assets include investments in equity companies of $571.2 million, $705.3 million and $798.8 million in 2002, 2001 and 2000, respectively.

(b) Goodwill amortization included in operating profit in the personal care, consumer tissue and business-to-business segments is $16.0 million, $14.6 million and $58.8 million, respectively, in 2001 and $11.8 million, $13.9 million and $56.0 million, respectively, in 2000.

Note 16. (Continued)

Consolidated Operations by Geographic Area

(Millions of dollars)	United States	Canada	Inter-geographic Items(a)	Total North America	Europe	Asia, Latin America & Other	Inter-geographic Items	Unallocated(b)	Consolidated Total
Net Sales									
2002	$8,649.4	$831.4	$(601.2)	$8,879.6	$2,482.8	$2,751.5	$(547.6)	$ -	$13,566.3
2001	8,638.3	900.7	(694.7)	8,844.3	2,341.3	2,661.7	(559.7)	-	13,287.6
2000	8,460.5	954.2	(673.5)	8,741.2	2,201.7	2,515.8	(549.2)	-	12,909.5
Operating Profit (c)									
2002	2,018.9	100.5	-	2,119.4	191.0	324.0	-	(170.6)	2,463.8
2001	1,927.5	156.9	-	2,084.4	176.2	245.2	-	(167.6)	2,338.2
2000	1,937.1	211.3	-	2,148.4	149.7	329.7	-	6.0	2,633.8
Assets									
2002	7,527.5	466.0	(53.3)	7,940.2	2,982.7	3,467.4	(328.2)	1,523.7	15,585.8
2001	7,691.4	538.2	(70.8)	8,158.8	2,474.6	3,134.3	(272.4)	1,512.3	15,007.6
2000	7,599.9	517.0	(79.4)	8,037.5	2,447.3	2,676.0	(136.5)	1,455.5	14,479.8

(a) Intergeographic net sales include $387.4 million, $431.1 million and $409.2 million by operations in Canada to the U.S. in 2002, 2001 and 2000, respectively.

(b) Unallocated operating profit consists of other income (expense), net and expenses not associated with geographic areas. Unallocated assets include investments in equity companies of $571.2 million, $705.3 million and $798.8 million in 2002, 2001 and 2000, respectively.

(c) Goodwill amortization included in operating profit in the U.S., Europe and Asia, Latin America and Other is $57.8 million, $9.2 million and $22.4 million, respectively, in 2001 and $55.1 million, $8.6 million and $18.0 million, respectively, in 2000.

Note 16. (Continued)

Equity Companies' Data by Geographic Area

(Millions of dollars)	Net Sales	Gross Profit	Operating Profit	Net Income	Kimberly-Clark's Share of Net Income
For the year ended: December 31, 2002					
Latin America	$1,824.2	$ 690.6	$435.2	$229.8	$ 108.9
Asia and Middle East	54.2	19.5	9.2	8.9	4.4
Total	$1,878.4	$ 710.1	$444.4	$238.7	$ 113.3
For the year ended: December 31, 2001					
Latin America	$1,855.5	$ 704.4	$490.3	$304.0	$ 140.6
Asia, Australia and Middle East(a)	249.2	77.8	40.7	28.3	13.8
Total	$2,104.7	$ 782.2	$531.0	$332.3	$ 154.4
For the year ended: December 31, 2000					
Latin America	$1,887.8	$ 715.4	$514.7	$339.1	$ 158.5
Asia, Australia and Middle East(b)	531.3	172.2	88.9	56.9	27.9
Total	$2,419.1	$ 887.6	$603.6	$396.0	$ 186.4

(a) As of July 1, 2001, the Corporation consolidated KCA, its Australian affiliate, in which the Corporation made an additional investment to gain majority ownership.

(b) As of March 31, 2000, the Corporation consolidated Hogla-Kimberly Limited, its Israeli affiliate, in which the Corporation made an additional investment to gain majority ownership.

(Millions of dollars)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Stock-holders' Equity
December 31, 2002					
Latin America	$ 745.4	$1,109.6	$598.9	$358.0	$ 898.1
Asia and Middle East	28.9	30.7	17.9	.7	41.0
Total	$ 774.3	$1,140.3	$616.8	$358.7	$ 939.1
December 31, 2001					
Latin America	$ 892.3	$1,291.2	$551.7	$482.6	$1,149.2
Asia and Middle East	25.5	29.3	21.1	.6	33.1
Total	$ 917.8	$1,320.5	$572.8	$483.2	$1,182.3
December 31, 2000					
Latin America	$ 846.6	$1,172.0	$496.7	$382.7	$1,139.2
Asia, Australia and Middle East	163.9	270.7	92.7	151.1	190.8
Total	$1,010.5	$1,442.7	$589.4	$533.8	$1,330.0

Equity companies are principally engaged in operations in the Personal Care and Consumer Tissue businesses.

Note 16. (Continued)

At December 31, 2002, the Corporation's equity companies and ownership interest were as follows: KCK Tissue S.A. (50%), Kimberly-Clark Lever, Ltd. (50%), Kimberly-Clark de Mexico S.A. de C.V. and subsidiaries (47.9%), Klabin Kimberly S.A. (50%), Olayan Kimberly-Clark Arabia (49%), Olayan Kimberly-Clark (Bahrain) WLL (49%), PT Kimsari Paper Indonesia (50%) and Tecnosur S.A. (34%).

Kimberly-Clark de Mexico, S.A. de C.V. is partially owned by the public and its stock is publicly traded in Mexico. At December 31, 2002, the Corporation's investment in this equity company was $417.4 million, and the estimated fair value of the investment was $1.3 billion based on the market price of publicly traded shares.

INDEPENDENT AUDITORS' REPORT
Kimberly-Clark Corporation and Subsidiaries

Kimberly-Clark Corporation, Its Directors and Stockholders:

We have audited the accompanying consolidated balance sheets of Kimberly-Clark Corporation and Subsidiaries as of December 31, 2002 and 2001, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2002. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Kimberly-Clark Corporation and Subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, effective January 1, 2002, the Corporation changed its method of accounting for customer coupons and its method of accounting for goodwill.

/s/Deloitte & Touche LLP

Deloitte & Touche LLP
Dallas, Texas
February 6, 2003

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
Kimberly-Clark Corporation and Subsidiaries

The management of Kimberly-Clark Corporation is responsible for conducting all aspects of the business, including the preparation of the consolidated financial statements in this annual report. The consolidated financial statements have been prepared using generally accepted accounting principles considered appropriate in the circumstances to present fairly the Corporation's consolidated financial position, results of operations and cash flows on a consistent basis. Management also has prepared the other information in this annual report and is responsible for its accuracy and consistency with the consolidated financial statements.

As can be expected in a complex and dynamic business environment, some financial statement amounts are based on management's estimates and judgments. Even though estimates and judgments are used, measures have been taken to provide reasonable assurance of the integrity and reliability of the financial information contained in this annual report. These measures include an effective control-oriented environment in which the internal audit function plays an important role, an Audit Committee of the board of directors that oversees the financial reporting process, and independent audits.

One characteristic of a control-oriented environment is a system of internal control over financial reporting and over safeguarding of assets against unauthorized acquisition, use or disposition, designed to provide reasonable assurance to management and the board of directors regarding preparation of reliable published financial statements and such asset safeguarding. The system is supported with written policies and procedures, contains self-monitoring mechanisms and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to financial statement preparation and such asset safeguarding.

The Corporation also has adopted a code of conduct that, among other things, contains policies for conducting business affairs in a lawful and ethical manner everyplace in which it does business, for avoiding potential conflicts of interest and for preserving confidentiality of information and business ideas. Internal controls have been implemented to provide reasonable assurance that the code of conduct is followed.

The consolidated financial statements have been audited by the independent accounting firm, Deloitte & Touche LLP. During their audits, independent auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of stockholders and the board of directors and all committees of the board. Management believes that all representations made to the independent auditors during their audits were valid and appropriate.

During the audits conducted by both the independent auditors and the internal audit function, management received recommendations to strengthen or modify internal controls in response to developments and changes. Management has adopted, or is in the process of adopting, all recommendations that are cost effective.

The Corporation has assessed its internal control system as of December 31, 2002, in relation to criteria for effective internal control over financial reporting described in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that, as of December 31, 2002, its system of internal control over the preparation of its published interim and annual consolidated financial statements and over safeguarding of assets against unauthorized acquisition, use or disposition met those criteria.

/s/Thomas J. Falk	*/s/Mark A. Buthman*
Thomas J. Falk	*Mark A. Buthman*
Chairman of the Board and and	*Senior Vice President*
Chief Executive Officer	*Chief Financial Officer*

February 18, 2003

Additional Information

Transfer Agent, Registrar and Dividend Disbursing Agent EquiServe Trust Company, N.A. is the Transfer Agent, Registrar and Dividend Disbursing Agent for the Company's common stock and is responsible for maintaining shareholder account records. Inquiries regarding dividend payments, lost certificates, IRS Form 1099, changes in address, name or ownership, or information regarding Kimberly-Clark's Dividend Reinvestment and Stock Purchase Plan should be addressed to:

EquiServe Trust Company, N.A.
P.O. Box 43010
Providence, RI 02940-3010
Telephone: 800-730-4001
Internet: http://www.equiserve.com

Dividends and Dividend Reinvestment Plan Quarterly dividends have been paid continually since 1935. Dividends are paid on or about the second day of January, April, July and October. The Automatic Dividend Reinvestment service of EquiServe Trust Company, N.A. is available to Kimberly-Clark stockholders of record. The service makes it possible for Kimberly-Clark stockholders of record to have their dividends automatically reinvested in common stock and to make additional cash investments up to $3,000 per quarter.

Stock Exchanges
Kimberly-Clark common stock is listed on the New York, Chicago and Pacific stock exchanges. The ticker symbol is KMB.

Annual Meeting of Stockholders
The Annual Meeting of Stockholders will be held at the Company's World Headquarters, 351 Phelps Drive, Irving, Texas, at 11:00 a.m. on Thursday, April 24, 2003.

Investor Relations
Securities analysts, portfolio managers and representatives of institutional investors seeking information about the Company should contact Michael D. Masseth, Vice President - Investor Relations, at 972-281-1478. Investors may also obtain information about Kimberly-Clark and copies of documents released by the Company by calling 800-639-1352.

Calendar
Kimberly-Clark's fiscal year ends December 31. The annual report is distributed in March.

Electronic Delivery of Proxy Materials and Annual Report Stockholders and Plan participants may elect to receive future Annual Reports and Proxy Statements in electronic format rather than in printed form. In electing to do so, you will help the Company save on production and mailing costs. To sign up for electronic delivery service, go to our transfer agent's Web site at www.econsent.com/kmb at any time and follow the instructions. If your shares are not registered in you name, contact your bank or broker for information on electronic delivery service.

Employees and Stockholders

In its worldwide consolidated operations, Kimberly-Clark had 63,900 employees as of December 31, 2002. Equity companies had an additional 10,100 employees. The Corporation had 38,155 stockholders of record and 510.8 million shares of common stock outstanding as of the same date.

Trademarks

The brand names mentioned in this report - Andrex, Ballard, Classic Crest, Cottonelle, Depend, GoodNites, Huggies, Kimberly-Clark, Kimwipes, Kleenex, Kotex, Lightdays, Little Swimmers, Page, Poise, Pull-Ups, Safeskin, Scott, Scottex, Scottfold, Surpass, Tecnol, Thank Goodness for Kleenex Tissue, Viva and WypAll - are trademarks of Kimberly-Clark Corporation or its affiliates.

Exhibit No. (21)

KIMBERLY-CLARK CORPORATION
CONSOLIDATED SUBSIDIARIES

The following list includes certain companies that were owned directly or indirectly by Kimberly-Clark Corporation, a Delaware corporation, Dallas, Texas, as of December 31, 2002.

This list includes all subsidiaries. The place of incorporation or organization is next to the name of the company.

Consolidated Subsidiaries
Abdelia Comercial Ltda., Brazil
Andrex Limited, United Kingdom
*Arabian Medical Products Manufacturing Company, Saudi Arabia Avent, Inc., Delaware
Avent de Honduras, S.A. de C.V., Honduras Avent, S.A. de C.V., Mexico
Avent Slovakia, Inc., Delaware
Avent Slovakia s.r.o., Slovakia
Ballard Medical Products, Utah
Ballard Medical Products (Canada) Inc., Ontario, Canada Balmoral Participacoes Ltda., Brazil
Beco, Inc., Wisconsin
Cabin Bluff Partners, Delaware
Cape Chignecto Lands Limited, Nova Scotia, Canada *Carlkim (Proprietary) Limited, South Africa *Carlton Paper Products (Proprietary) Limited, South Africa *Carlton Paper of South Africa (Proprietary) Limited, South Africa Celulosa de Turrialba, S.A., Costa Rica *City Land Corporation (Proprietary) Limited, South Africa *Colombiana Kimberly Colpapel S.A., Colombia Delaware Overseas Finance, Inc., Delaware
Durafab, Inc., Texas
ELF 1 Papier GmbH, Germany
Excell Paper Sales Co., Pennsylvania
Excell Paper Sales LLC, Delaware
*Fisbra Industria e Comecio Ltd., Brazil *Gerinconfort Industria e Comercio de Productus Higienicos Ltd., Brazil *H-K Overseas Holland B.V., Netherlands
Hakle Kimberly Deutschland GmbH, Germany Hakle Kimberly Papiervertriebs GmbH, Austria Hakle-Kimberly Switzerland GmbH, Switzerland Hercules Global Investments, Cayman Islands Historic Hospitality Investments LLC, Texas

*Hogla Kimberly, Limited, Israel
*Hogla Kimberly Marketing Limited, Israel Hopewell International Insurance Ltd. (Inactive), Bermuda Housing Horizons, LLC, Texas
*Industrial Helvetia S.A., Chile
Industrial Mimosa S.A., Uruguay
K-C Advertising, Inc., Delaware
K-C Enterprise Venezuela C.A., Venezuela K-C Equipment Finance L.P., United Kingdom K-C Financial Services Investment Company, Delaware K-C Guernsey I Ltd., Isle of Guernsey
K-C Guernsey II Ltd., Isle of Guernsey
K-C Holder Spain S.L., Spain
K-C Nevada, Inc., Nevada
KC Tower Corporation,
*KCA Nominees Pty. Limited, Australia
*KCA Retirement Fund Pty. Limited, Australia KCC Comercial Ltda., Sao Paulo, Brazil
*K.C.S.A. Holdings (Proprietary) Limited, South Africa *Kimberly Bolivia S.A., Bolivia
Kimberly-Clark (Barbados) Holding Ltd., Barbados Kimberly-Clark (China) Investment Co., Ltd., People's Republic of China Kimberly-Clark Argentina S.A., Argentina Kimberly-Clark Argentina Holdings S.A., Argentina Kimberly-Clark AB, Sweden
Kimberly-Clark a.s., Czech Republic
Kimberly-Clark Asia Holdings Pte. Ltd., Singapore Kimberly-Clark Asia Pacific Pte. Ltd., Singapore Kimberly-Clark Australia Finance Pty. Limited, Australia Kimberly-Clark Australia Holdings Pty. Limited, Australia *Kimberly-Clark Australia Pty. Limited, Australia
Kimberly-Clark Benelux Holdings B.V., Netherlands Kimberly-Clark B.V., Netherlands
Kimberly-Clark Brasil Holdings Limitada, Brazil Kimberly-Clark Canada Inc., Ontario, Canada Kimberly-Clark Canada Investment Incorporated, Nova Scotia, Canada Kimberly-Clark Canada Services Corporation, Ontario, Canada Kimberly-Clark Cayman Islands Company, Cayman Islands Kimberly-Clark Cayman Islands Finance Company, Cayman Islands Kimberly-Clark Cayman Islands Holding Company, Cayman Islands Kimberly-Clark Cyprus Ltd., Cyprus
Kimberly-Clark CBG (Handan) Hygienic Products Co., Ltd., People's Republic of China
Kimberly-Clark CBG Hygienic Products Co. Ltd., Nanjing, People's Republic of China
Kimberly-Clark CBG Hygienic Products Company Limited, Chengdu, People's Republic of China
Kimberly-Clark CBG Hygienic Products Company Limited, Kunming, People's Republic of China

*Kimberly-Clark Central American Holdings, S.A., Panama Kimberly-Clark Chengdu Hygienic Products Services Company Ltd., People's Republic of China
*Kimberly-Clark Chile S.A., Chile
Kimberly-Clark Colombia Limitada, Colombia Kimberly-Clark Costa Rica, S.A., Costa Rica *Kimberly-Clark de Centro America, S.A., El Salvador Kimberly-Clark do Brasil Limitada, Brazil Kimberly-Clark Denmark Holdings ApS, Denmark *Kimberly-Clark Dominicana, S.A., Dominican Republic Kimberly-Clark Dublin Finance Ltd., United Kingdom *Kimberly-Clark Ecuador, S.A., Ecuador
Kimberly-Clark Europe Limited, United Kingdom Kimberly-Clark European Investment B.V., Netherlands Kimberly-Clark European Services Limited, United Kingdom Kimberly-Clark Far East Pte. Limited, Singapore Kimberly-Clark Finance Ltd., United Kingdom Kimberly-Clark Financial Services, Inc., Tennessee Kimberly-Clark Forestal S.A., Spain
Kimberly-Clark Foundation, Inc., Wisconsin Kimberly-Clark France Finance SNC, France Kimberly-Clark France Holdings SARL, France Kimberly-Clark France Operations, France Kimberly-Clark France Ventures, France
Kimberly-Clark Global Finance, Bermuda
Kimberly-Clark Global Sales, Inc., Delaware *Kimberly-Clark Guatemala S.A., Guatemala Kimberly-Clark HmbH, Austria
Kimberly-Clark Holding Limited, United Kingdom Kimberly-Clark Holland Holdings B.V., Netherlands Kimberly-Clark Honduras S. de R.L., Honduras Kimberly-Clark (Hong Kong) Ltd., Hong Kong Kimberly-Clark Inc., Ontario, Canada
Kimberly-Clark Integrated Services Corporation, Delaware Kimberly-Clark International Services Corporation, Delaware Kimberly-Clark International, S.A., Panama Kimberly-Clark Investment Corporation, Panama Kimberly-Clark Irish Finance Corporation Ltd., United Kingdom Kimberly-Clark Japan Ltd., Japan
*Kimberly-Clark Kenko Industria e Comercio Ltda., Sao Paulo, Brazil Kimberly-Clark Latin America, Inc., Delaware Kimberly-Clark Latin America Investments, Inc., Delaware Kimberly-Clark Lda., Portugal
Kimberly-Clark Limited, United Kingdom
Kimberly-Clark Luxembourg S.a.r.l., Luxembourg Kimberly-Clark Luxembourg Holdings S.a.r.l., Luxembourg

Kimberly-Clark Manufacturing (Thailand) Limited, Thailand Kimberly-Clark Mediterranean Finance Company Ltd., Malta Kimberly-Clark Michigan, Inc., Delaware
Kimberly-Clark N.V., Belgium
Kimberly-Clark Netherlands Holdings B.V., Netherlands Kimberly-Clark 000, Russia
Kimberly-Clark Pacific Finance Company, Cayman Islands Kimberly-Clark Pacific Holdings Pty Limited, Australia Kimberly-Clark Paper (Guangzhou) Company Limited, People's Republic of China Kimberly-Clark Paper (Shanghai) Company Limited, People's Republic of China Kimberly-Clark Paraguay S.A., Paraguay
Kimberly-Clark Pension Trusts Ltd., United Kingdom Kimberly-Clark Pennsylvania, LLC, Delaware Kimberly-Clark Personal Hygienic Products (Nanjing) Co. Ltd., People's Republic of China
Kimberly-Clark Personal Hygienic Products Company Limited, Beijing, People's Republic of China
*Kimberly-Clark Peru S.A., Peru
Kimberly-Clark PHC International, Inc., Delaware *Kimberly-Clark Philippines Inc., Philippines Kimberly-Clark Philippine Holdings, Inc., Philippines Kimberly-Clark Poland Sp. z.o.o., Poland Kimberly-Clark Poland Holdings Sp. z.o.o., Poland Kimberly-Clark Products (Malaysia) Sdn. Bdh., Malaysia *Kimberly-Clark Pudumjee Limited, India
Kimberly-Clark Puerto Rico, Inc., Delaware Kimberly-Clark Pulp, Inc., Delaware
Kimberly-Clark S.L., Spain
Kimberly-Clark Sales Corporation B.V., Netherlands Kimberly-Clark Scandinavia A/S, Denmark Kimberly-Clark Services Asia-Pacific, Australia *Kimberly-Clark SID, S.A., Dominican Republic Kimberly-Clark Singapore Pte. Ltd., Singapore Kimberly-Clark Singapore Finance Pte. Ltd., Singapore Kimberly-Clark S.N.C., France
*Kimberly-Clark of South Africa (Pty.) Limited, South Africa *Kimberly-Clark Southern African (Holdings) (Pty) Ltd., South Africa Kimberly-Clark S.p.A., Italy
Kimberly-Clark s.r.l., Italy
Kimberly-Clark SUD, S.p.A., Italy
Kimberly-Clark Taiwan, Cayman Islands
Kimberly-Clark Technical Products, Inc., Delaware Kimberly-Clark Thailand Limited, Thailand Kimberly-Clark Tissue do Brasil Limitada, Brazil Kimberly-Clark Trading Limited Liability Company, Hungary Kimberly-Clark Trading (Malaysia) Sdn. Bdh., Malaysia Kimberly-Clark Treasury Asia-Pacific, Australia

Kimberly-Clark U.K. Operations Limited, United Kingdom Kimberly-Clark Ukraine LLC, Ukraine
Kimberly-Clark Uruguay S.A., Uruguay
*Kimberly-Clark Venezuela, C.A., Venezuela Kimberly-Clark Ventures, LLC, Delaware
Kimberly-Clark Vietnam Co., Ltd., Vietnam Kimberly-Clark West Indies Finance Company, Cayman Islands Kimberly-Clark Worldwide Australia Holdings Pty. Limited, Australia Kimberly-Clark Worldwide Taiwan Investment Ltd., Taiwan, Republic of China Kimberly-Clark Worldwide, Inc., Delaware *Kimberly-Clark Zimbabwe (Private) Limited, South Africa *KIMNICA, S.A., Nicaragua
*KS&J Industria e Comecio Ltda., Brazil
La Ada de Acuna, S.A. de C.V., Mexico
La Compania Que Innova, S.A. de C.V., Mexico *Larrylind Land Corporation (Pty.) Limited, South Africa *Leslie D. Frankel (Pty.) Limited, South Africa Linostar S.p.A., Italy
*Manlak Investments (Pty.) Limited, South Africa Mimo Argentina S.A., Argentina
Mimo Brasil Limitada, Brazil
*Mimo Chile S.A., Chile
Mimo Uraguay S.A., Uraguay
*Mimobliaria S.A., Ecuador
Minnetonka Limitada, Brazil
Minnetonka Overseas Investments Limited, Cayman Islands *Molett Marketing Limited, Israel
Mountain Tree Farm Company, Washington
*Neenah and Menasha Water Power Company, Wisconsin Northfleet Terminal Limited, United Kingdom Nueva Arizona, S.A., Argentina
1194127 Ontario Inc., Ontario, Canada
*Ovisan Syhhi Bez Sanay Ve Ticaret a.s., Turkey *Papeles Absorbentes, S.A., Guatemala
*Papeles del Cauca S.A., Colombia
Plastic Engineered Products Company, Ohio Portola S.L., Spain
*Productos Industriales Diversos, Costa Rica P.T. Kimberly-Lever Indonesia, Indonesia *Rakefet Marketing & Trading Services Ltd., Israel
*Reforpel Cia Limitada, Ecuador
Ridgeway Insurance Company Limited, Bermuda *S.A. Paper Processing (1956) (Pty.) Limited, South Africa Safeskin (B.V.I.) Limited, British Virgin Islands Safeskin Corporation, Florida

Safeskin Corporation (Malaysia) Sdn. Bhd., Malaysia Safeskin Corporation (Thailand) Limited, Thailand Safeskin Healthcare (Thailand) Limited, Thailand Safeskin Industries (Thailand) Limited, Thailand Safeskin Latex (Thailand) Limited, Thailand Safeskin Medical & Scientific (Thailand) Limited, Thailand Safeskin Scientific Corporation, California Safeskin Scientific Corporation (Malaysia) Sdn. Bhd., Malaysia Scott CB Holding Company, Delaware
Scott S.A., France
Scott Paper Company, Delaware
*Scott Paper Co. de Costa Rica S.A., Costa Rica *Scott Paper Co. Honduras S.A. de C.V., Honduras Scott Paper Eastern China Inc., Delaware Scott Paper Overseas Finance Ltd., Cayman Islands Scott Trading Ltd., Thailand
Servicios Papeleros Centroamericanos, S.A., El Salvador *Shikma Improvement of Individual Life Limited, Israel S-K Corporation, Taiwan Syzygy, Inc., Delaware
Taiwan Scott Paper Corporation, Taiwan
Tawneydown-ALFA BmbH (Inactive), Germany TELA-Kimberly Papiervertriebs GmbH, Switzerland TELA-Kimberly Deutschland GmbH, Germany TELA-Kimberly Switzerland GmbH, Switzerland Three Rivers Timber Company, Washington
Tri-Med Specialties, Inc., Kansas
*YuHan-Kimberly, Limited, Korea

* Indicates a company that is not wholly owned directly or indirectly by the Corporation.

Exhibit No. (23)

INDEPENDENT AUDITORS' CONSENT

Kimberly-Clark Corporation:

We consent to the incorporation by reference in Kimberly-Clark Corporation's Registration Statements on Form S-8 (Nos. 33-49050, 33-58402, 33-64063, 33-64689, 333-02607, 333-06996, 333-17367, 333-38385, 333-43647, 333-71661, 333-94139, 333-85099, 333-51922, 333-61010, 333-62358 and 333-89314) of our reports dated February 6, 2003 appearing in and incorporated by reference in this Annual Report on Form 10-K of Kimberly-Clark Corporation.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Dallas, Texas
March 14, 2003

Exhibit No. (24)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Dennis R. Beresford
\-----------------------

Dennis R. Beresford

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ John F. Bergstrom

John F. Bergstrom

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Pastora San Juan Cafferty

Pastora San Juan Cafferty

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Paul J. Collins

Paul J. Collins

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Robert W. Decherd

Robert W. Decherd

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Thomas J. Falk

Thomas J. Falk

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ William O. Fifield

William O. Fifield

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Claudio X. Gonzalez

Claudio X. Gonzalez

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Mae C. Jemison

Mae C. Jemison

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Linda Johnson Rice

Linda Johnson Rice

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Wayne R. Sanders

Wayne R. Sanders

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Wolfgang R. Schmitt

Wolfgang R. Schmitt

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Marc J. Shapiro
\-------------------

Marc J. Shapiro

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of February, 2003.

/s/ Randall L. Tobias

Randall L. Tobias

Exhibit No. (99.1)

Certification of Chief Executive Officer

Pursuant to Section 1350 of Chapter 63 of the United States Code

I, Thomas J. Falk, Chief Executive Officer of Kimberly-Clark Corporation, certify that to the best of my knowledge:

(1) the Form 10-K, filed with the Securities and Exchange Commission on March 14, 2003 ("accompanied report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Thomas J. Falk

Thomas J. Falk
Chief Executive Officer
March 14, 2003

Exhibit No. (99.2)

Certification of Chief Financial Officer

Pursuant to Section 1350 of Chapter 63 of the United States Code

I, Mark A. Buthman, Chief Financial Officer of Kimberly-Clark Corporation, certify that to my knowledge:

(1) the Form 10-K, filed with the Securities and Exchange Commission on March 14, 2003 ("accompanied report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Mark A. Buthman

Mark A. Buthman
Chief Financial Officer
March 14, 2003

End of Filing