

Kimberly-Clark Reports Third Quarter Earnings of 89 Cents Per Share, Including Nonoperating Gains of 14 Cents Per Share

Top-Line Growth of 7 Percent Propels Earnings From Operations to New Quarterly Record of 75 Cents Per Share Results Driven by Strong Performance in Global Personal Care and Significantly Higher Earnings in Europe

DALLAS, Oct. 20 -- Kimberly-Clark Corporation (NYSE: KMB) today reported that sales in the third quarter of 1999 increased almost 7 percent to \$3.3 billion, propelled by growth in sales volumes, excluding divested businesses, of nearly 11 percent. The acceleration in top-line growth led to all-time record quarterly earnings from operations of 75 cents per share, an increase of 21.0 percent compared with 1998. This is the third consecutive quarter in which earnings per share from operations have risen by more than 20 percent.

Third quarter earnings in 1999 included a net benefit of 14 cents per share related to the sale of timberlands and other unusual items, while the 1998 quarter included net charges of 3 cents per share. Including these items, the company reported diluted net income per share for the third quarter of 1999 of 89 cents per share, an increase of 50.8 percent compared with 59 cents per share in the third quarter of 1998.

The record operating results were driven by continued strong performance of the company's global personal care business and significantly higher earnings in Europe. New and improved products and business expansion were primarily responsible for the growth in sales. Sales volumes, excluding divestitures, improved for each of the company's core businesses - tissue, personal care and health care - in every geographic region of the world. Additionally, the increase in earnings was achieved despite major investments to support growth initiatives for consumer bathroom tissue and paper towels in North America.

Wayne R. Sanders, chairman and chief executive officer of Kimberly-Clark, said: "Our business has strong momentum, as our investments in new and improved products and in global expansion are driving a rapid acceleration in top-line growth. Personal care is on a roll globally, with record sales and margins, and our tissue and health care businesses are hitting their targets. I am particularly encouraged by our continued progress in Europe, where the Attisholz acquisition has contributed to strong volume growth in tissue and where third quarter sales of diapers surged following recent product improvements. In fact, our infant/child care operations in Europe were profitable in the third quarter, exceeding our expectations.

"We're on track for an excellent year in 1999, and our outlook for the year 2000 remains very positive," Mr. Sanders said. "We plan to continue to build on our momentum with new product introductions, ongoing manufacturing efficiencies and further improvements in Europe. We are targeting continual improvement in top-line growth in our global markets and are committed to delivering consistent double-digit earnings growth going forward."

Review of operating results

Sales of \$3.3 billion for the third quarter were up 6.7 percent compared with 1998. Sales would have grown approximately 9 percent if the revenues of K-C Aviation Inc., which was sold in the third quarter of 1998, were excluded. Worldwide sales volumes, excluding divestitures, were nearly 11 percent higher, while changes in foreign currency exchange rates reduced sales by about 2 percent.

Strong sales gains in personal care and improved sales of tissue products were responsible for the sales increase in the third quarter. Sales of personal care products were 15.5 percent greater than in 1998, due to a 17 percent jump in sales volumes. Sales in all regions were higher, with particular strength in diapers in Europe and across all brands in North America - Huggies diapers, Pull-Ups training pants, GoodNites youth pants, Little Swimmers swim pants, Kotex feminine care products, and Depend and Poise adult incontinence products. Tissue sales were up 4.5 percent, on an increase in sales volumes of nearly 7 percent, driven primarily by growth in Europe and improvements to Kleenex Cottonelle and Scott bathroom tissue in North America. Sales of health care and other products, excluding the revenues of K-C Aviation, rose 7.4 percent, mainly because of continued growth in professional health care.

Operating profit in the third quarter of 1999 was \$556.7 million, 40.6 percent greater than in the prior year. Excluding restructuring and other unusual items, operating profit was \$589.5 million in the third quarter of 1999 compared with \$514.2 million in 1998, an increase of 14.6 percent. The increase in sales, along with productivity gains and other manufacturing cost benefits, contributed to the improved profitability, more than offsetting the significant incremental investment in marketing costs for new Kleenex Cottonelle bathroom tissue and improved Scott towels and Scott bathroom tissue in North America.

Additional factors contributing to the 21.0 percent increase in earnings per share from operations for the third quarter were higher earnings of equity affiliates, a reduction in the average number of common shares outstanding and foreign currency effects which benefited other income and expense.

Kimberly-Clark's share of net income of equity companies in the third quarter was \$42.8 million in 1999 compared with \$35.7 million in 1998, excluding a nonoperating charge related to the change in the value of the Mexican peso in the prior year. The increase was primarily attributable to higher earnings at Kimberly-Clark de Mexico, S.A. de C.V., which benefited from increased sales and continued strong margins.

The company continued to generate strong cash flow during the third quarter, bringing year-to-date cash provided by operations to \$1.5 billion versus \$1.4 billion for the first nine months of 1998. During the quarter, the company repurchased 1.25 million shares of common stock at a cost of approximately \$75 million. Since 1995, more than 53 million shares have been repurchased.

Sale of timberlands (1999), K-C Aviation (1998) and other unusual items

During the third quarter, the company closed its pulp mill in Mobile, Ala., and sold its timberlands in the southeastern United States for proceeds of approximately \$450 million. This transaction resulted in a net pretax gain of \$153 million, which is included in other income. In addition, the company recorded other unusual items in third quarter 1999 operating profit, including site reconfiguration costs at Mobile, additional depreciation and severance costs related to restructuring programs and certain restructuring credits. In total, these items increased net income by \$73.9 million, or 14 cents per share.

Other income in the third quarter of 1998 includes a pretax gain of \$140 million from the sale of K-C Aviation. The gain was offset by charges to operating profit for restructuring and other unusual items, including the write-off of certain impaired intangible assets. In total, these items reduced net income by \$16.6 million, or 3 cents per share.

Year-to-date results

For the first nine months of 1999, sales of \$9.6 billion were up 4.3 percent from \$9.2 billion last year. Excluding the sales of K-C Aviation, however, sales were about 6 percent higher. Operating profit was \$1,649.8 million in 1999 versus \$1,171.6 million in 1998. However, before restructuring and other unusual items, year-to-date operating profit increased 19.5 percent to \$1,720.2 million from \$1,439.8 million in 1998. Diluted earnings per share were \$2.31 in 1999, 54.0 percent greater than \$1.50 per share in 1998. Earnings before unusual items were \$2.19 per share in 1999 compared with \$1.76 per share in 1998, an increase of 24.4 percent.

Kimberly-Clark Corporation is a leading global manufacturer of tissue, personal care and health care products. The company's global brands include Huggies, Pull-Ups, Kotex, Depend, Kleenex, Scott, Kimberly-Clark, Tecnol, Kimwipes and WypAll. Other brands well known outside the U.S. include Andrex, Scottex, Page, Popee and Kimbies. Kimberly-Clark also is a major producer of premium business, correspondence and technical papers. The company has manufacturing operations in 40 countries and sells its products in more than 150 countries.

Certain matters contained in this news release concerning the business outlook, anticipated financial and operating results, strategies, contingencies and transactions of the company constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the company. For a description of certain factors that could cause the company's future results to differ materially from those expressed in any such forward-looking statements, see the section of Part I, Item 1 of the company's Annual Report on Form 10-K/A for the year ended December 31, 1998 entitled "Factors That May Affect Future Results."

KIMBERLY-CLARK CORPORATION
 THIRD QUARTER ENDED SEPTEMBER 30
 (Millions except per share amounts)

EARNINGS PER SHARE SUMMARY:

	Third Quarter			Nine Months		
	Ended September 30			Ended September 30		
	1999	1998	Change	1999	1998	Change
	As Restated			As Restated		
Net Income Per Share - Diluted	\$.89	\$.59	50.8%	\$2.31	\$1.50	54.0%
Adjusted for:						
Restructuring and Other Unusual Items	.04	.16		.09	.35	
Nonoperating Gains	(.18)	(.13)		(.21)	(.12)	
Cumulative Effect of Accounting Change	---	---		---	.02	
Rounding	---	---		---	.01	
Earnings From Operations	\$.75	\$.62	21.0%	\$2.19	\$1.76	24.4%

AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:

Basic	533.3	547.2	533.9	553.4
Diluted	537.4	549.7	537.5	556.3

OTHER INFORMATION:

	1999	1998	Change
NINE MONTHS ENDED SEPTEMBER 30			
Cash Dividends Declared Per Share	\$.78	\$.75	+ 4.0%
Capital Spending	543.2	481.3	+12.9%

	1999	1998	Change
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TWELVE MONTHS ENDED SEPTEMBER 30

Net Income Return on Average Stockholders' Equity	32.8%	20.4%	+60.8%
Operating Profit Return on Average Assets	17.9%	11.5%	+55.7%

AS OF SEPTEMBER 30

Net Debt to Capital	28.1%	36.2%	-22.4%
Number of Common Shares Outstanding	545.4	541.8	

N.M.-Not meaningful
 Unaudited

KIMBERLY-CLARK CORPORATION
 THIRD QUARTER ENDED SEPTEMBER 30
 (Millions except per share amounts)

	1999	1998 As Restated	Change
Net Sales	\$3,307.5	\$3,099.7	+ 6.7%
Cost of products sold	1,961.6	1,933.1	+ 1.5%
Gross Profit	1,345.9	1,166.6	+ 15.4%
Advertising, promotion and selling expenses	549.9	474.9	+ 15.8%
Research expense	62.2	54.2	+ 14.8%
General expense	184.9	234.1	- 21.0%
Goodwill amortization	10.6	8.3	+ 27.7%
Restructuring items	(18.4)	(.9)	N.M.
Operating Profit	556.7	396.0	+ 40.6%
Interest income	6.5	4.9	+ 32.7%
Interest expense	(53.6)	(50.7)	+ 5.7%
Other income (expense), net	162.3	134.6	+ 20.6%
Income Before Income Taxes	671.9	484.8	+ 38.6%
Provision for income taxes	222.6	180.7	+ 23.2%
Income Before Equity Interests	449.3	304.1	+ 47.7%
Share of net income of equity companies	42.8	29.2	+ 46.6%
Minority owners' share of subsidiaries' net income	(13.7)	(6.5)	+110.8%
Net Income	\$ 478.4	\$ 326.8	+ 46.4%
Net Income Per Share:			
Basic	\$.90	\$.60	+ 50.0%

Notes:

In 1999, restructuring and other unusual items included in the income statement are as follows - charge/(credit): cost of products sold - \$45.6 million; general expense - \$5.6 million; and restructuring items - (\$18.4) million.

In 1998, restructuring and other unusual items included in the income statement are as follows - charge/(credit): cost of products sold - \$46.1 million; general expense - \$73.0 million; and restructuring items - (\$.9) million.

N.M.-Not meaningful
 Unaudited

KIMBERLY-CLARK CORPORATION
NINE MONTHS ENDED SEPTEMBER 30
(Millions except per share amounts)

	1999	1998 As Restated	Change
Net Sales	\$9,581.3	\$9,189.6	+ 4.3%
Cost of products sold	5,665.1	5,784.3	- 2.1%
Gross Profit	3,916.2	3,405.3	+15.0%
Advertising, promotion and selling expenses	1,574.7	1,461.3	+ 7.8%
Research expense	179.2	161.9	+10.7%
General expense	501.8	554.3	- 9.5%
Goodwill amortization	27.6	25.1	+10.0%
Restructuring items	(16.9)	31.1	N.M.
Operating Profit	1,649.8	1,171.6	+40.8%
Interest income	17.7	19.0	- 6.8%
Interest expense	(161.7)	(147.8)	+ 9.4%
Other income (expense), net	183.1	142.0	+28.9%
Income Before Income Taxes	1,688.9	1,184.8	+42.5%
Provision for income taxes	549.6	410.3	+34.0%
Income Before Equity Interests	1,139.3	774.5	+47.1%
Share of net income of equity companies	133.3	92.1	+44.7%
Minority owners' share of subsidiaries' net income	(28.5)	(19.0)	+50.0%
Income Before Cumulative Effect of Accounting Change	1,244.1	847.6	+46.8%
Cumulative effect of accounting change, net of income taxes	---	(11.2)	N.M.
Per Share Basis:			
Basic:			
Income Before Cumulative Effect of Accounting Change	\$ 2.33	\$ 1.53	+52.3%
Cumulative effect of accounting change, net of income taxes	---	(.02)	N.M.
Net Income	\$ 2.33	\$ 1.51	+54.3%
Diluted:			
Income Before Cumulative Effect of Accounting Change	\$ 2.31	\$ 1.52	+52.0%
Cumulative effect of accounting change, net of income taxes	---	(.02)	N.M.
Net Income	\$ 2.31	\$ 1.50	+54.0%

Notes:

In 1999, restructuring and other unusual items included in the income statement are as follows - charge/(credit): cost of products sold - \$78.9 million; general expense - \$8.4 million; and restructuring items - (\$16.9) million.

In 1998, restructuring and other unusual items included in the income statement are as follows - charge/(credit): cost of products sold - \$164.1 million; general expense - \$73.0 million; and restructuring items - \$31.1 million.

N.M.-Not meaningful

unaudited

KIMBERLY-CLARK CORPORATION
SELECTED BUSINESS SEGMENT DATA
THIRD QUARTER ENDED SEPTEMBER 30
(Millions)

	Third Quarter			Nine Months		
	Ended September 30			Ended September 30		
	1999	1998	Change	1999	1998	Change
	As			As		
	Restated			Restated		
NET SALES:						
Tissue	\$1,762.6	\$1,686.8	+ 4.5%	\$5,100.5	\$4,987.9	+ 2.3%
Personal Care	1,318.0	1,141.3	+ 15.5%	3,807.1	3,408.0	+11.7%
Health Care and Other	238.7	281.9	- 15.3%	699.6	820.2	-14.7%
Intersegment Sales	(11.8)	(10.3)	N.M.	(25.9)	(26.5)	N.M.
Consolidated	\$3,307.5	\$3,099.7	+ 6.7%	\$9,581.3	\$9,189.6	+ 4.3%
OPERATING PROFIT (A):						
Tissue	\$ 261.2	\$ 281.3	- 7.1%	\$ 799.1	\$ 709.3	+12.7%
Personal Care	285.4	92.8	+207.5%	782.6	407.9	+91.9%
Health Care and Other	39.4	47.7	- 17.4%	133.2	128.5	+ 3.7%
Unallocated items - net	(29.3)	(25.8)	N.M.	(65.1)	(74.1)	N.M.
Consolidated	\$ 556.7	\$ 396.0	+ 40.6%	\$1,649.8	\$1,171.6	+40.8%

(A) Operating profit includes restructuring and other unusual items as follows - charge/(credit):

	Third Quarter		Nine Months	
	Ended September 30		Ended September 30	
	1999	1998	1999	1998
	As		As	
	Restated		Restated	
Tissue	\$26.5	\$ 13.2	\$48.2	\$113.8
Personal Care	6.5	102.2	21.5	148.8
Health Care and Other	2.1	2.5	3.2	9.8
Unallocated items - net	(2.3)	.3	(2.5)	(4.2)
Consolidated	\$32.8	\$118.2	\$70.4	\$268.2

N.M.-Not meaningful

Description of Business Segments

The Tissue segment manufactures and markets facial and bathroom tissue, paper towels and wipers for household and away-from-home use; wet wipes; printing, premium business and correspondence papers; and related products.

The Personal Care segment manufactures and markets disposable diapers, training and youth pants; feminine and incontinence care products; and related products.

The Health Care and Other segment manufactures and markets health care products such as disposable medical devices for respiratory care, gastroenterology and cardiology, surgical packs and gowns, sterilization wraps

and disposable face masks; specialty and technical papers and related products; and other products.

AS RESTATED

Certain 1998 financial data has been restated from amounts previously reported to reflect the effects of the resolution of certain matters reviewed with the Securities and Exchange Commission, as discussed in the Corporation's 1998 Form 10-K/A and its Form 10-Q for the period ending June 30, 1999.

Unaudited