Kimberly-Clark Reviews Global Business Plan Progress And Long-Term Objectives Through 2015 At Investor Meeting

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Reaffirms Previous Guidance for 2010 Adjusted EPS of $4.80 to $5.00

Marketing Spending to Continue to Increase Faster Than Sales to Support Product Innovation, Targeted Growth Initiatives and Brand Equity; Significant Ramp-Up in 2010 Behind Numerous Innovation Launches

New Three-Year Ongoing Cost Savings Target of $400 to $500 Million Established

Further Improvement in Return On Invested Capital Expected; Working Capital Efficiency Expected to Improve at Least 15 Percent by 2015; Long-Term Capital Spending Target Lowered

Maintaining Top-Tier Dividend Objective

New York, March 22, 2010-Kimberly-Clark Corporation (NYSE: KMB) today updated its long-range Global Business Plan, calling for consistent top- and bottom-line growth, increased strategic marketing spending, robust ongoing cost savings, and additional improvements in working capital and overall return on invested capital. The company also said that it will continue to use cash generated by the Plan in shareholder-friendly ways, including maintaining its top-tier dividend payout.

The above announcements were made in connection with the company's Investor Day meeting, held here this morning. Members of Kimberly-Clark's senior leadership team met with investors and analysts to review progress on the company's Global Business Plan and further plans to achieve sustainable growth and improve shareholder returns through 2015.

"We have made excellent progress since we originally launched our Global Business Plan in 2003," said Thomas J. Falk, Chairman and CEO. "We have strengthened our brands, increased our exposure to faster-growing, higher-margin businesses and markets, generated significant cost savings, improved our capital efficiency and returned cash to shareholders. Our updated Global Business Plan represents our strategies and plans to achieve our existing top- and bottom-line growth objectives. We will manage our portfolio to drive growth, margin and cash flow. Moreover, we will continue to invest to support our brands, innovations and growth initiatives while we develop our key capabilities to sustain our growth. At the same time, we will remain financially disciplined, with a strong focus on delivering ongoing cost reductions and increases in ROIC. We will continuously improve the effectiveness and efficiency of our organization as we create a leaner, stronger and faster company. All-in-all, we are clearly focused on achieving our company vision, which is to lead the world in essentials for a better life, and we firmly believe that successful execution of our Global Business Plan will deliver long-term value for our shareholders."

During his presentation, Falk reviewed several new and improved products that K-C will introduce in the first half of 2010. Noteworthy items include several launches in baby and child care, new Poise and Depend incontinence offerings, a premium line extension to the Kotex feminine care brand, a disposable Kleenex hand towel, improvements to Cottonelle bathroom tissue and Viva paper towels, safety and wiper product upgrades in K-C Professional, and plans for continued innovation in K-C's International operations (KCI) in Asia, Latin America, the Middle East, Eastern Europe and Africa.

In addition, Falk shared plans to continue to generate strong growth in KCI, which has delivered double-digit compound annual increases in net sales and operating profit since 2003. The company expects KCI to continue to deliver rapid growth ahead of category rates, as it focuses on high-potential, fast-growing markets like China, Russia and Latin America. Falk also reviewed the company's targeted approach to growth and focus on improving margins in its consumer tissue business. Lastly, Falk discussed strategies to continue to shift mix to higher margin segments within its K-C Professional (KCP) and health care businesses, including safety and wiper offerings in KCP and medical devices in health care.

The company reconfirmed its previous guidance for 2010 adjusted earnings per share of $4.80 to $5.00. Adjusted earnings per share in 2010 exclude an anticipated loss for the remeasurement of the local currency balance sheet in Venezuela following the January 2010 currency devaluation. Additional detail on this item and further information about adjusted earnings per share and why the company uses this non-GAAP financial measure are provided later in this news release.

Additional highlights from the meeting follow.

Leveraging the power of K-C's brands

During his presentation, Chief Marketing Officer Tony Palmer shared how the company has increased strategic marketing spending by 70 basis points as a percent of sales from 2004 to 2009 to support product innovation, growth in K-C International, and to further improve brand equity and market share. Going forward, K-C plans to continue to raise spending at a faster rate than net sales through 2015. Palmer also discussed how the company has been deploying an integrated marketing planning process and reviewed several examples of where marketing innovation has been executed successfully. Finally, Palmer noted that higher levels of research and development spending going forward will be focused on delivering insight-driven innovations, improving margins and product mix and expanding the company's brands.

Becoming more efficient

Chief Strategy Officer Chris Brickman reviewed the company's progress in 2009 to improve organization efficiency, generate cost savings and reduce working capital. Brickman noted that savings from K-C's ongoing FORCE (Focused On Reducing Costs Everywhere) program for the three-year period from 2008 through 2010 are expected to total $400 to $450 million compared with an original target of $350 to $450 million. Brickman also outlined a new three-year plan to deliver an additional $400 to $500 million of FORCE savings from 2011 to 2013, with expected benefits from the continued rollout of lean manufacturing and supply chain practices and from the formation of a global procurement organization. Moreover, the company is beginning to implement lean practices in its business processes and functions as part of its plan to establish a continuous improvement capability throughout the enterprise and to ensure that overhead spending rises slower than sales. Finally, Brickman noted that K-C continues to focus on working capital efficiency and expects to improve cash conversion cycle at least 15 percent by 2015 compared to full-year performance in 2009.

Continued financial discipline

Chief Financial Officer Mark Buthman outlined the company's primary financial objectives through 2015 as follows (stated in terms of average annual improvements):

- Sales growth 3 to 5 percent.
- Operating margin improvement 30 to 50 basis points.
- Earnings per share growth of mid- to high-single digits.
- Improvement in ROIC of 20 to 40 basis points.
- Dividend increases in line with growth in earnings per share.

Buthman also reviewed the progress the company has made improving adjusted return on invested capital by 200 basis points since 2003. Going forward, the company expects earnings growth and asset efficiencies to lead to further improvements in ROIC. Buthman indicated that K-C's capital spending has averaged less than 5 percent of sales since 2004 compared to 7 percent in the 2001 to 2003 time period. Based on this success and plans going forward, the company has lowered its long-term spending target to 4 ½ to 5 ½ percent of net sales compared to its previous target of 5 to 6 percent. Buthman also discussed the company's overall capital allocation philosophy, its commitment to return excess cash flow to shareholders, and its plan to maintain a top-tier dividend among consumer packaged goods companies.

Non-GAAP financial measures

This press release includes adjusted earnings per share, which is a financial measure that has not been calculated in accordance with accounting principles generally accepted in the U.S., or GAAP, and is therefore referred to as a non GAAP financial measure.

This non-GAAP financial measure excludes certain items that are included in the company's earnings and earnings per share calculated in accordance with GAAP. A detailed explanation of the adjustment to the comparable GAAP financial measure is given below. In accordance with the SEC's requirements, a reconciliation of the non-GAAP financial measure to the comparable GAAP financial measure is attached.

The company provides this non-GAAP financial measure as supplemental information to our GAAP financial measures. Management and the company's Board of Directors use adjusted earnings and adjusted earnings per share to (a) evaluate the company's historical and prospective financial performance and its performance relative to its competitors, (b) allocate resources and (c) measure the operational performance of the company's business units and their managers. Additionally, the Management Development and Compensation Committee of the company's Board of Directors has used the non-GAAP financial measure when setting and assessing achievement of incentive compensation goals.

In addition, Kimberly-Clark management believes that investors' understanding of the company's performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing the company's ongoing results of operations. Many investors are interested in understanding the performance of our businesses by comparing our results from ongoing operations from one period to the next. By providing this non-GAAP financial measure, together with a reconciliation, we believe we are enhancing investors' understanding of our businesses and our results of operations. Also, many financial analysts who follow our company focus on and publish both historical results and future projections based on non GAAP financial measures. We believe that it is in the best interests of our investors for us to provide this information to analysts so that those analysts accurately report the non-GAAP financial information.

We began accounting for Venezuela as hyper-inflationary effective January 1, 2010 and anticipate recording a one-time loss for the expected remeasurement of the local currency balance sheet in that country as a result of the recent currency devaluation. We calculated estimated adjusted earnings per share for 2010 by excluding from the comparable GAAP measures the impacts of that loss.

This non-GAAP financial measure is not meant to be considered in isolation or as a substitute for the comparable GAAP measure. There are limitations to this non-GAAP financial measure because it is not prepared in accordance with GAAP and may not be comparable to similarly titled measures of other companies due to potential differences in methods of calculation and items being excluded. The company compensates for these limitations by using this non-GAAP financial measure as a supplement to the GAAP measures and by providing a reconciliation of the non-GAAP and the comparable GAAP financial measure. The non-GAAP financial measure should be read only in conjunction with the company's consolidated financial statements prepared in accordance with GAAP.

About Kimberly-Clark

Kimberly-Clark and its well-known global brands are an indispensable part of life for people in more than 150 countries. Every day, 1.3 billion people - nearly a quarter of the world's population - trust K-C brands and the solutions they provide to enhance their health, hygiene and well-being. With brands such as Kleenex, Scott, Huggies, Pull-Ups, Kotex and Depend, Kimberly-Clark holds No. 1 or No. 2 share positions in more than 80 countries. To keep up with the latest K-C news and to learn more about the company's 138-year history of innovation, visit www.kimberly-clark.com.

Copies of Kimberly-Clark's Annual Report to Stockholders and its proxy statements and other SEC filings, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, are made available free of charge on the company's Web site on the same day they are filed with the SEC. To view these filings, visit the Investors section of the company's Web site.

Certain matters contained in this news release concerning the business outlook, including marketing spending, innovation and new products, anticipated financial and operating results, cash flow and uses of cash, capital spending, cost savings, organizational effectiveness and efficiency, research and development spending, anticipated currency rates and exchange risk, contingencies and anticipated transactions of the company constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the company. There can be no assurance that these future events will occur as anticipated or that the company's results will be as estimated. 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 Item 1A of the company's Annual Report on Form 10-K for the year ended December 31, 2009 entitled "Risk Factors."

NON-GAAP RECONCILIATION SCHEDULE

The table below presents the reconciliation of a non-GAAP financial measure to a GAAP financial measure.

OUTLOOK FOR 2010