

Kimberly-Clark Europe Launches New Huggies Diaper Range To Capture Bigger Share Of \$4.6 Billion European Market

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Research conducted by Kimberly-Clark in Europe has led to this new approach, dividing diaper-age children into three groups: "Beginnings" (0-3 months), "Freedom" (4+months) and "Adventurers" (12+ months). Early indications from market research show that this will be a winner with the European consumer.

"Our new products are drier than our competitors' and are clinically proven to protect against diaper rash. More importantly, however, we believe that our new range of products and positioning now matches the way parents see the growth and development of their baby," said James Meyer, president of Infant & Child Care for Kimberly-Clark Europe.

Product improvements in the new Huggies diaper range include a softer outer cover and leak guards for the "Beginnings" stage, greater absorbency and dryness for the "Freedom" stage and a new super-premium, better-fitting diaper for the "Adventurers" stage.

"Today's announcement reinforces our commitment to further expand our diaper business globally," said Thomas J. Falk, Kimberly-Clark Corporation president and chief operating officer. "We set new productivity records at all of our European diaper plants in the fourth quarter and posted our best quarterly operating profits ever for these operations. We are well-positioned for further growth in Europe and elsewhere around the world."

During the first quarter of 2001, Kimberly-Clark will introduce the new line into each of its European markets (UK, France, Italy, The Netherlands, Belgium, Switzerland, and Central & Eastern Europe) backed by a multimillion-dollar marketing campaign. Diapers represent the second largest category in the household goods sector in Western Europe. "Since 1996 our diaper sales in Europe have more than doubled and we are confident that the new Huggies products and positioning will continue this volume and market share growth," said Meyer. "In fact, Huggies is the fastest growing of the top 50 non-food grocery brands in the UK."

Kimberly-Clark ended 2000 with a 25 percent volume share in its European markets, up 3 percentage points from 1999. The company increased its annual share in the UK to nearly 31 percent from 24 percent in 1999.

This announcement follows last month's acquisition of Italian diaper manufacturer Linostar, giving Kimberly-Clark a 21 percent share of Italy's US\$500 million diaper market. The company also is investing US\$25 million to expand its diaper manufacturing plant in the Czech Republic. This investment is part of Kimberly-Clark's growth plan to meet the increasing demand for diapers in Central and Eastern European countries.

Kimberly-Clark is a leading consumer products company, with four of the top-selling brands of consumer tissue

in Europe: Kleenex (facial tissue), Andrex, Scottex and Hakle. Other Kimberly-Clark consumer products in Europe include Huggies disposable diapers, Pull-Ups training pants, Kotex and Camelia feminine care products and Depend incontinence products. Worldwide, Kimberly-Clark employs almost 55,000 people including more than 10,000 in Europe, Middle East and Africa. The company had sales of US\$14 billion in 2000. Its corporate headquarters is in Dallas, Texas, (US) and its European headquarters is in Reigate, England (UK). The company has manufacturing operations in 40 countries.

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