

Kimberly-Clark To Acquire European Tissue Businesses Of Attisholz Holding AG

DALLAS, April 29 -- Kimberly-Clark Corporation (NYSE: KMB) announced that its Board of Directors today approved an agreement to purchase the consumer and away-from-home tissue businesses of Attisholz Holding AG, including the well-known Hakle and Tela brands. The move will bolster Kimberly-Clark's position in the German market and give it leading positions in Switzerland and Austria. The purchase price is approximately CHF560 million (about US\$380 million).

The acquisition will nearly triple the sales of Kimberly-Clark's tissue business in Germany, Switzerland and Austria and will give the company the No. 1 or No. 2 share position in branded consumer bathroom tissue in each of these markets. Kimberly-Clark will also gain the No. 1 position in the European moist bathroom tissue category, which Attisholz developed with the Hakle brand. In addition, the acquisition will enhance the company's European away-from-home business, which manufactures and markets tissue for commercial use.

"This acquisition significantly strengthens Kimberly-Clark's position in Germany, the largest tissue market in Europe and the third largest economy in the world," said Wayne R. Sanders, chairman and chief executive officer of Kimberly-Clark. "Moreover, it should help us obtain improved retail distribution of other Kimberly-Clark products in Germany and provide a platform from which to introduce new products. Also, the acquisition provides significant growth opportunities and a leading position for Kimberly-Clark in Switzerland and Austria. These are markets we have targeted in our overall growth plan.

"Attisholz's tissue business has strong brands, a very good asset base and state-of-the-art distribution and logistics systems," Mr. Sanders said. "Its strength in bathroom tissue complements our strength in facial tissue in German-speaking countries. Best of all, the combination gives us the benefits of greater scale and the potential for increased sales and earnings."

In 1998, Attisholz's sales of tissue products were approximately US\$300 million. Its operations include a mill in Mainz, Germany, and three mills in Switzerland in the cities of Niederbipp, Reichenburg and Balsthal.

Dr. Christof A. Zuber, currently chief executive officer of Attisholz Holding AG, will lead the combined Kimberly-Clark consumer businesses in Germany, Switzerland and Austria along with key members of his tissue management team. The continuity in leadership will help ensure a successful integration and transition with the retail trade. Dr. Zuber joined Attisholz in 1995 and was appointed chief executive officer in 1997. Under his leadership, Attisholz has significantly increased tissue earnings through growth of the Hakle brand and major operational improvements.

Kimberly-Clark said the transaction's effect on its earnings per share is expected to be neutral in 1999 and additive thereafter. The transaction, which is subject to approval by German regulatory agencies, is expected to close this summer.

Kimberly-Clark already has the three top-selling brands of consumer tissue in Europe: Kleenex, Andrex and Scottex. With the addition of the Hakle brand, Kimberly-Clark will have the leading bathroom tissue brands in Germany, Switzerland, Italy, Spain, Belgium, the Netherlands and the United Kingdom. Other Kimberly-Clark consumer products in Europe include Huggies disposable diapers, Pull-Ups training pants, Kotex and Camelia feminine care products and Depend incontinence care products.

Worldwide, Kimberly-Clark employs almost 55,000 people, including more than 7,000 in Europe. The company had sales of US\$12.3 billion in 1998. Its corporate headquarters are in Dallas, Texas, (U.S.) and its European headquarters are in Reigate, England (U.K.). The company has manufacturing operations in 38 countries.

Attisholz Holding AG is a Swiss company based in Riedholz, Switzerland, with shares traded on the Zurich stock exchange. Attisholz Holding AG had total sales of US\$400 million in 1998. It has tissue manufacturing operations in Germany and Switzerland and pulp manufacturing operations in Switzerland and Chile. The company employs about 1,600 employees in four countries.

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