

Kimberly-Clark's First Quarter Earnings Of 75 Cents Per Share Set All-Time Record

DALLAS, April 21 -- Kimberly-Clark Corporation (NYSE: KMB) today announced that earnings for the first quarter of 1999 were 75 cents per share, an all-time quarterly record and an increase of 47.1 percent compared with 51 cents per share in the first quarter of 1998. First quarter earnings in 1999 included a restructuring credit of 3 cents per share. The 1998 quarter included charges of 3 cents per share related to restructuring and other unusual items, as well as a charge for the cumulative effect of an accounting change of 2 cents per share. Excluding these items, earnings per share increased 28.6 percent compared with 1998.

The improvement was broad-based, with strong earnings increases in both tissue and personal care in North America, significantly better results in Europe and continued double-digit earnings growth in health care. Each of the company's three business segments achieved a double-digit increase in operating profit.

Wayne R. Sanders, chairman and chief executive officer of Kimberly-Clark, said: "We continued to build on the momentum we generated last year, enabling us to deliver this record-setting performance in the first quarter. I am particularly encouraged by our volume gains in personal care following launches of new and improved Huggies diapers, Kotex feminine pads, and Depend and Poise incontinence care products. We are generating more top-line growth while continuing to aggressively reduce our costs. As a result, our operating profit margin in the first quarter, excluding restructuring items, has expanded to 18.4 percent, the highest level in the company's history."

Sales of \$3.1 billion for the first quarter were up 2.5 percent compared with 1998. A portion of the increase is attributable to operations in Colombia, in which the company made an additional investment in late 1998 to gain majority ownership of its equity affiliates. Sales would have grown approximately 4 percent if the revenues of K-C Aviation Inc., which was sold in the third quarter of 1998, were excluded. Worldwide sales volumes, excluding the divestiture, were 4 percent higher.

The increase in first quarter sales was driven primarily by higher sales of personal care products, which were 9 percent greater than in 1998. Personal care sales volumes jumped 10 percent, with increases in all product categories in North America, and improvement in Latin America and Asia. Tissue sales for the quarter were in line with the company's expectations. Due to strong sales last year in advance of the consumer tissue price increase in North America and the company's strategy to shed unprofitable private label sales in Europe, sales volumes were essentially unchanged. However, overall tissue sales moved up 1 percent. Sales of health care and other products, excluding the revenues of K-C Aviation, rose 5 percent, mainly because of continued growth in professional health care.

Operating profit was \$596.6 million in the first quarter of 1999, including a \$22.3 million credit due to changes in estimates for previously recorded restructuring costs. In the first quarter of 1998, operating profit was \$444.3 million, including restructuring costs of \$14.2 million. Excluding these items, first quarter operating profit surged 25.3 percent, attributable to productivity gains and other manufacturing cost benefits, along with the improved sales volumes. The company realized significantly greater profitability while maintaining a high level of marketing spending to support its many new product initiatives.

Interest expense in the first quarter of 1999 increased \$5.3 million from the prior year primarily due to an increase in the level of debt. As of the end of the quarter, net debt was \$2.6 billion, compared with \$2.1 billion in 1998. During the quarter, the company repurchased 7 million shares of common stock at a cost of approximately \$340 million. Since 1995, more than 52 million shares have been repurchased.

Kimberly-Clark's share of net income of equity companies in the first quarter was \$43.6 million in 1999 compared with \$29.3 million in 1998. The increase was primarily attributable to higher earnings at Kimberly-Clark de Mexico, S.A. de C.V.

Mr. Sanders said: "We're off to an excellent start in 1999, with our entire organization focused on improving earnings and increasing shareholder value. The fundamental strengths of our well-known brands and proprietary technologies were evident in the first quarter, as we generated more top-line growth and achieved record margins and earnings. We plan to continue to build upon these strengths going forward.

"We are committed to improving top-line growth and sustaining double-digit growth in earnings per share. We have great confidence in our ability to deliver very good results both in the short-term and over the long-term."

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 38 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 for the year ended December 31, 1998 entitled "Factors That May Affect Future Results."

(A) Operating profit for the 1999 quarter for Tissue includes a credit of \$22.3 million of previously recorded restructuring costs due to changes in estimates.

(B) Operating profit for the 1998 quarter for Tissue, Personal Care and Health Care and Other includes charges of \$9.1 million, \$4.8 million and \$0.3 million, respectively, related to restructuring costs.

NOTE: In the fourth quarter of 1998, the Corporation adopted Statement of Financial Accounting Standard 131 "Disclosure About Segments of an Enterprise and Related Information." Prior year data has been reclassified to the new reporting basis.

Description of Product Segments

The Tissue segment manufactures and markets facial and bathroom tissue, and 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 surgical packs and gowns, sterilization wraps and disposable face masks; specialty and technical papers and related products; and other products.

N.M. -- Not meaningful

Unaudited

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