

Kimberly-Clark Signs Agreement To Sell Pulp Mill In Miranda, Spain

DALLAS, April 16 -- Kimberly-Clark Corporation (NYSE: KMB) today announced it has agreed to sell its pulp mill in Miranda, Spain, to Rottneros AB, a Swedish pulp manufacturer. The agreement is another step forward in Kimberly-Clark's plan to reduce its level of pulp integration. Terms of the agreement were not disclosed. The transaction, which is subject to Spanish government approval, is expected to close in May. The company said it will enter into a five-year supply contract with Rottneros to purchase a portion of the pulp produced at the mill.

"Pulp is a cyclical and capital-intensive business that no longer corresponds with our focus on consumer and health care brands," said Wayne R. Sanders, chairman and chief executive officer of Kimberly-Clark Corporation. "Notwithstanding that, the Miranda mill is a good facility that should benefit from affiliation with an owner whose core business is pulp and who is in a better position to capitalize on the strengths of the operation."

According to Jaroslav Havlicek, managing director and chief executive officer of Rottneros AB: "The acquisition of Miranda provides Rottneros an opportunity to expand outside of Sweden and to offer our customers eucalyptus pulp, which is an important grade. With this acquisition, we can now offer our customers a complete portfolio of grades."

As previously announced, Kimberly-Clark is reducing its dependence on internally produced pulp in order to focus its resources on the continuing expansion of its three global businesses -- tissue, personal care and health care. Since 1997, the company has sold a pulp and newsprint operation in Coosa Pines, Ala., and announced the planned closure in September 1999 of its pulp mill in Mobile, Ala. Kimberly-Clark also plans to sell its pulp mill in Terrace Bay, Ontario, but will continue to operate pulp mills in Everett, Wash., and Pictou County, Nova Scotia.

The Miranda pulp mill employs approximately 175 people and has an annual capacity of 140,000 metric tons of eucalyptus pulp.

Rottneros, headquartered in Karlstad, Sweden, is an important European producer of market pulp. The company produces 550,000 tons of various pulp grades at its four existing Swedish mills. Rottneros employs approximately 700 people.

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.