

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 1-225

KIMBERLY-CLARK CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	39-0394230 (I.R.S. Employer Identification No.)
P. O. BOX 619100, DALLAS, TEXAS (Address of principal executive offices)	75261-9100 (ZIP CODE)

Registrant's telephone number, including area code: (972) 281-1200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock - \$1.25 Par Value	New York Stock Exchange
Preferred Stock Purchase Rights	Chicago Stock Exchange Pacific Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of March 17, 2000, 546,361,849 shares of common stock were outstanding, and the aggregate market value of the registrant's common stock held by non-affiliates on such date (based on the closing stock price on the New York Stock Exchange) was approximately \$29.5 billion.

(Continued)

FACING SHEET
(CONTINUED)

DOCUMENTS INCORPORATED BY REFERENCE

Kimberly-Clark Corporation's 1999 Annual Report to Stockholders and 2000 Proxy Statement contain much of the information required in this Form 10-K, and portions of those documents are incorporated by reference herein from the applicable sections thereof. The following table identifies the sections of this Form 10-K which incorporate by reference portions of the Corporation's 1999 Annual Report to Stockholders and 2000 Proxy Statement. The Items of this Form 10-K, where applicable, specify which portions of such documents are incorporated by reference. The portions of such documents that are not incorporated by reference shall not be deemed to be filed with the Commission as part of this Form 10-K.

DOCUMENT OF WHICH PORTIONS ARE INCORPORATED BY REFERENCE	ITEMS OF THIS FORM 10-K IN WHICH INCORPORATED
1999 Annual Report to Stockholders (Year ended December 31, 1999)	PART I ITEM 1. Business
	PART II ITEM 5. Market for the Registrant's Common Stock and Related Stockholder Matters

ITEM 7. Management's Discussion and
Analysis of Financial Condition
and Results of Operations

ITEM 7A. Quantitative and
Qualitative Disclosures About
Market Risk

ITEM 8. Financial Statements and
Supplementary Data

PART IV

ITEM 14. Exhibits, Financial
Statement Schedules and Reports
on Form 8-K

2000 Proxy Statement

PART III

ITEM 10. Directors and Executive
Officers of the Registrant

ITEM 11. Executive Compensation

ITEM 12. Security Ownership of
Certain Beneficial Owners and
Management

ITEM 13. Certain Relationships and
Related Transactions

PART I

ITEM 1. BUSINESS

Kimberly-Clark Corporation was incorporated in Delaware in 1928. As used in Items 1, 2 and 7 of this Form 10-K, the term "Corporation" refers to Kimberly-Clark Corporation and its consolidated subsidiaries. In the remainder of this Form 10-K, the terms "Kimberly-Clark" or "Corporation" refer only to Kimberly-Clark Corporation. Financial information by business segment and geographic area, and information about principal products and markets of the Corporation, contained under the caption "Management's Discussion and Analysis" and in Note 16 to the Consolidated Financial Statements contained in the 1999 Annual Report to Stockholders, are incorporated in this Item 1 by reference.

RECENT DEVELOPMENTS. Historically, the Corporation has been engaged in a wide variety of diversified businesses, including the manufacture and sale of consumer products, paper and forest products, airline services and various other businesses. In recent years, the Corporation has been undergoing a transition to a global consumer products company based on the strategy of building its tissue, personal care and health care businesses. Businesses that did not, or could not, build on the Corporation's strengths were candidates for divestiture. Businesses that fit into the Corporation's strategy were candidates for further investment and support. Outside businesses that were perceived as opportunities consistent with the strategy were candidates for acquisition. As a result, since 1992, the Corporation has completed over 30 strategic acquisitions and approximately 20 strategic divestitures, including the following transactions:

- - On December 12, 1995, Scott Paper Company ("Scott") became a wholly-owned subsidiary of Kimberly-Clark upon completion of a merger transaction in which the outstanding Scott common shares were converted into shares of Kimberly-Clark common stock. The transaction was valued at approximately \$9.4 billion and accounted for as a pooling of interests. On February 14, 1996, Scott changed its name to Kimberly-Clark Tissue Company ("KCTC").
- - On June 28, 1996, the Corporation sold the baby and child wipe businesses previously conducted by Scott, consisting of the Baby Fresh, Wash a-Bye Baby and Kid Fresh brands and the Dover, Delaware production facility, to The Procter & Gamble Company. This divestiture was required by the U.S. Department of Justice as part of the Scott merger.
- - On September 16, 1996, the Corporation sold its tissue mill in Prudhoe, England and certain consumer tissue businesses in the United Kingdom and Ireland to Svenska Cellulosa Aktiebolaget (SCA) of Sweden. This divestiture was required by the European Commission as part of the Scott merger.
- - On March 27, 1997, the Corporation sold its Coosa Pines, Alabama pulp and newsprint operations, and related woodlands ("Coosa"), to Alliance Forest Products Inc., a publicly-held Canadian corporation, for approximately \$600 million in cash.
- - On June 6, 1997, the Corporation sold its 50.1 percent interest in Scott Paper Limited ("SPL"), a publicly-traded Canadian company to Kruger, Inc., a Canadian paper and forest products company, for approximately \$127 million.

ITEM 1. BUSINESS (Continued)

- - On December 18, 1997, the Corporation acquired Tecno! Medical Products, Inc. ("Tecno!"), a leading maker of disposable face masks and patient care products, in a merger transaction which involved the conversion of all outstanding shares of Tecno! common stock into shares of Kimberly-Clark common stock. The transaction was valued at approximately \$428 million and was accounted for as a purchase.
- - On May 28, 1998, the Corporation purchased a 50 percent equity interest in Klabin Tissue S.A. (now known as Klabin Kimberly S.A.), the leading tissue manufacturer in Brazil.
- - On July 21, 1998, the Corporation purchased an additional 10 percent ownership interest in its Korean affiliate, YuHan-Kimberly, Limited, increasing its ownership interest to 70 percent.
- - On July 29, 1998, the Corporation purchased a 51 percent ownership interest in Kimberly Bolivia, S.A., a new joint venture company in Bolivia.
- - On August 19, 1998, the Corporation sold the outstanding shares of K-C Aviation Inc. ("KCA"), a leading provider of business aviation services, to Gulfstream Aerospace Corporation for \$250 million in cash.
- - On June 10, 1999, the Corporation purchased the European consumer and away-from-home tissue businesses of Attisholz Holding AG for approximately \$365 million. The acquired businesses are located in Germany, Switzerland and Austria.
- - On September 23, 1999, the Corporation acquired Ballard Medical Products, a leading maker of disposable medical devices for respiratory care, gastroenterology and cardiology, at a cost of approximately \$788 million, including the value of common stock exchanged and other costs of the transaction. This acquisition has been accounted for as a purchase.
- - On September 30, 1999, the Corporation completed the sale of approximately 460,000 acres of timberland in Alabama, Mississippi and Tennessee to Joshua Timberlands, LLC for notes receivable with a fair value of approximately \$383 million. Also, as part of its previously announced intention to exit the entire integrated pulp operation in Mobile, Alabama, the Corporation shut down the pulp mill facility in August 1999.
- - On February 8, 2000, the Corporation acquired Safeskin Corporation ("Safeskin"), a leading maker of disposable gloves for health care, high-technology and scientific industries, in a merger transaction pursuant to which Safeskin shareholders received .1956 of a share of the Corporation's common stock for each share Safeskin common stock. The transaction is valued at approximately \$800 million and will be accounted for as a purchase.

ITEM 1. BUSINESS (Continued)

In the fourth quarter of 1995, in connection with the Scott merger, the Corporation announced a plan to restructure the combined operations and to accomplish other business improvement objectives (the "1995 Plan"). The original estimated pretax cost of the 1995 Plan was \$1,440 million. The plan was completed in 1998 at a pretax cost of \$1,305 million. Costs of the 1995 Plan were charged to earnings as follows: \$814.3 million in 1995, \$429.9 million in 1996 and \$64.1 million in 1997. A credit of \$3.3 million was recorded in 1998.

On November 21, 1997, the Corporation announced a restructuring plan (the "1997 Plan"). The plan included the sale, closure or downsizing of 17 manufacturing facilities worldwide and a workforce reduction of approximately 4,800 employees. Costs for the 1997 Plan of \$250.8 million and \$414.2 million were recorded in 1998 and 1997, respectively, at the time costs became accruable under appropriate accounting principles. Included in such costs was accelerated depreciation charged to cost of products sold related to assets that were to be disposed of but which continued to be operated during 1997 and 1998. In 1999, the Corporation recorded a net credit of \$16.7 million, which was comprised of accelerated depreciation expense of \$23.7 million, reductions in accrued costs of \$31.9 million and lower asset write-offs and higher sales proceeds totaling \$8.5 million, due to changes in estimates.

In the fourth quarter of 1998, the Corporation announced a facilities consolidation plan (the "1998 Plan") to, among other things, further align tissue manufacturing capacity with demand in Europe, close a diaper manufacturing facility in Canada, shut down and dispose of a tissue machine in Thailand, write down certain excess feminine care production equipment in North America and reduce the Corporation's workforce by approximately 830 employees. Costs for the 1998 Plan of \$42.6 million and \$49.1 million were recorded in 1999 and 1998, respectively, and charged to cost of products sold. Costs of approximately \$20 million will be charged to cost of products sold in 2000. These costs are comprised primarily of certain severance costs and charges for accelerated depreciation for the Corporation's Larkfield, U.K. tissue manufacturing facility that will remain in use until its expected shutdown in October 2000.

Pursuant to the 1998 Plan, through December 31, 1999, 800 employees have been notified of the Corporation's plans to terminate their employment, and the costs of this workforce reduction were charged to earnings in the period in which such employee severance benefits were appropriately communicated. Of the employees that have been notified, 530 employees have been terminated and 270 additional employees will be terminated in 2000. Approximately 50 additional employees will be notified in 2000 of the Corporation's plans to terminate their employment. Their severance costs, which are included in the \$20 million discussed above, will be accrued and charged to cost of products sold at that time.

DESCRIPTION OF THE CORPORATION. The Corporation is principally engaged in the manufacturing and marketing throughout the world of a wide range of products for personal, business and industrial uses. Most of these products are made from natural and synthetic fibers using advanced technologies in fibers, nonwovens and absorbency.

The Corporation is organized into three global business segments: Tissue; Personal Care; and Health Care and Other.

PART I
(Continued)

ITEM 1. BUSINESS (Continued)

The Tissue segment includes facial and bathroom tissue, paper towels and wipers and napkins for household and away-from-home use; wet wipes; printing, premium business and correspondence papers; and related products. Products in this business segment are sold under the Kleenex, Scott, Kimberly-Clark, Kleenex Cottonelle, Kleenex Viva, Huggies, Kimwipes, Wypall, Surpass and other brand names.

The Personal Care segment includes disposable diapers, training and youth pants and swimpants; feminine and incontinence care products; and related products. Products in this business segment are primarily for household use and are sold under a variety of well-known brand names, including Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.

The Health Care and Other segment includes health care products, consisting of surgical gowns, drapes, infection control products, sterilization wraps, disposable face masks, respiratory products and other disposable medical products; specialty and technical papers; and other products. Products in this segment are sold under the Kimberly-Clark, Tecnol, Ballard and other brand names.

Products for household use are sold directly, and through wholesalers, to supermarkets, mass merchandisers, drugstores, warehouse clubs, home health care, variety and department stores and other retail outlets. Products for away-from-home use are sold through distributors and directly to manufacturing, lodging, office building, food service and health care establishments and other high volume public facilities. Paper products are sold directly to users, converters, manufacturers, publishers and printers, and through paper merchants, brokers, sales agents and other resale agencies. Health care products are sold to distributors, converters and end-users.

PATENTS AND TRADEMARKS. The Corporation owns various patents and trademarks registered domestically and in many foreign countries. The Corporation considers the patents and trademarks which it owns and the trademarks under which it sells certain of its products to be material to its business. Consequently, the Corporation seeks patent and trademark protection by all available means, including registration. A partial list of the Corporation's trademarks is included under the caption "Trademarks" contained in the 1999 Annual Report to Stockholders and is incorporated herein by reference.

RAW MATERIALS. Superabsorbent materials are important components in disposable diapers, training and youth pants and incontinence care products. Polypropylene and other synthetics and chemicals are primary raw materials for manufacturing nonwoven fabrics which are used in disposable diapers, training and youth pants, wet wipes, feminine pads, incontinence and health care products, and away-from-home wipers.

Cellulose fiber, in the form of kraft pulp or recycled fiber, is the primary raw material for the Corporation's tissue and paper products and is an important component in disposable diapers, training pants, feminine pads and incontinence care products.

Most recovered paper and all synthetics are purchased from third parties. Pulp and recycled fiber are produced by the Corporation and purchased from others. The Corporation considers the supply of such raw materials to be adequate to meet the needs of its businesses. See "Factors That May Affect Future Results - Raw Materials."

PART I
(Continued)

ITEM 1. BUSINESS (Continued)

The Corporation owns or controls approximately 5.7 million acres of forestland in Canada, principally as a fiber source for pulp production which is consumed internally within the tissue business. Approximately 1.0 million acres in the province of Nova Scotia are owned by the Corporation, and approximately 4.7 million acres, principally in the province of Ontario, are held under long-term Crown rights or leases. The Corporation closed its Mobile, Alabama pulp mill in August of 1999 and during 1999 sold approximately 530,000 acres of timberlands it owned or held under long term leases in North America.

COMPETITION. For a discussion of the competitive environment in which the Corporation conducts its business, see "Factors That May Affect Future Results - - Competitive Environment."

RESEARCH AND DEVELOPMENT. A major portion of total research and development expenditures is directed toward new or improved personal care, health care and tissue products, and nonwoven materials. Consolidated research and development expense was \$249.8 million in 1999, \$224.8 million in 1998 and \$211.8 million in 1997.

ENVIRONMENTAL MATTERS. Total worldwide capital expenditures for environmental controls to meet legal requirements or otherwise relating to the protection of the environment at the Corporation's facilities are expected to be approximately \$72 million in 2000 and \$44 million in 2001. Of this amount, approximately \$27 million in 2000, and \$18 million in 2001 are expected to be spent at facilities in the United States. Approximately \$15 million of U.S. expenditures in 2000 relate to compliance with the U. S. Environmental Protection Agency's ("EPA") Cluster Rule for sulfite pulping operations at the Corporation's Everett, Washington pulp mill. The remainder of the expected expenditures in the U. S., approximately \$12 million in 2000, will be applied at various other production facilities of the Corporation for other environmental control system improvements. For facilities outside of the

U. S., capital expenditures for environmental controls are expected to be \$45 million in 2000 and \$26 million in 2001.

Total worldwide operating expenses for environmental compliance are expected to be \$167 million in 2000 and \$172 million in 2001. U. S. operating expenses are expected to be \$89 million in 2000 and \$89 million in 2001. Operating expenses for facilities outside the U. S. are expected to be \$78 million in 2000 and \$83 million in 2001. Operating expenses include pollution control equipment operation and maintenance costs, governmental payments, and research and engineering costs.

Total environmental capital expenditures and operating expenses are not expected to have a material effect on the Corporation's total capital and operating expenditures, consolidated earnings or competitive position. However, current environmental spending estimates could be modified as a result of changes in the Corporation's plans, changes in legal requirements or other factors.

In connection with certain divestitures, including those described in "Recent Developments," the Corporation has agreed to indemnify the purchasers of certain divested businesses against certain contingent environmental liabilities. Generally, these indemnification obligations apply only to environmental liabilities which are actually incurred by the purchaser within a specified time period after closing and are limited to a specified dollar amount of coverage. The Corporation does not consider these obligations to be material and has established appropriate accrued liabilities with respect thereto.

PART I (Continued)

ITEM 1. BUSINESS (Continued)

EMPLOYEES. In its worldwide consolidated operations, the Corporation had 54,800 employees as of December 31, 1999.

Approximately 22 percent of the Corporation's United States workforce and approximately 34 percent of the Corporation's non-United States workforce are represented by unions. In the United States, the largest concentration of union membership is with the Paper, Allied-Industrial, Chemical & Energy Workers International Union (PACE). Other employees are represented by the International Brotherhood of Electrical Workers (IBEW), the International Association of Machinists and Aerospace Workers (IAM), the Association of Western Pulp and Paper Workers (AWPPW), and various independent unions.

Throughout the Corporation, management seeks to establish and maintain an open and respectful relationship with its employees. Management believes that communications should flow freely in the organization to provide all employees the opportunity to maximize the use of their talents in the attainment of the Corporation's business objectives.

INSURANCE. The Corporation maintains coverage consistent with industry practice for most risks that are incident to its operations.

FACTORS THAT MAY AFFECT FUTURE RESULTS

Certain matters discussed in this Form 10-K, or documents a portion of which are incorporated herein by reference, concerning, among other things, the business outlook, anticipated financial and operating results, strategies, contingencies and contemplated transactions of the Corporation, including, but not limited to, the adequacy of the 1997 Plan and the 1998 Plan constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the Corporation. There can be no assurance that these events will occur or that the Corporation's results will be as estimated.

The following factors, as well as factors described elsewhere in this Form 10-K, or in other SEC filings, among others, could cause the Corporation's future results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Corporation.

Such factors are described in accordance with the provisions of the Private Securities Litigation Reform Act of 1995, which encourages companies to disclose such factors.

COMPETITIVE ENVIRONMENT. The Corporation experiences intense competition for sales of its principal products in its major markets, both domestically and internationally. The Corporation's products compete with widely advertised, well-known, branded products, as well as private label products which are typically sold at lower prices. The Corporation has several major competitors in most of its markets, some of which are larger and more diversified than the Corporation. The principal methods and elements of competition include brand recognition and loyalty, product quality and performance, price, marketing and distribution capabilities. Inherent risks in the Corporation's competitive strategy include uncertainties concerning trade and consumer acceptance, the effects of recent consolidations of retailers and distribution channels,

ITEM 1. BUSINESS (Continued)

and competitive reaction. Aggressive competitive reaction may lead to increased advertising and promotional spending by the Corporation in order to maintain market share. Increased competition with respect to pricing would reduce revenue and could have an adverse impact on the Corporation's financial results. In addition, the Corporation relies on the development and introduction of new products and line extensions as a means of achieving and/or maintaining category leadership. In order to maintain its competitive position, the Corporation must develop technological innovation with respect to its products.

COST SAVING STRATEGY. A significant portion of the Corporation's anticipated cost savings are expected to result from operating efficiencies, the 1997 Plan and the 1998 Plan. However, such savings will require the continued consolidation and integration of facilities, functions, systems and procedures, all of which present significant management challenges. There can be no assurance that such actions will be successfully accomplished as rapidly as expected or of the extent to which such cost savings and efficiencies will be achieved.

RAW MATERIALS. Cellulose fiber, in the form of kraft pulp or recycled fiber, is used extensively in the Corporation's tissue and paper products and is subject to significant price fluctuations due to the cyclical nature of the pulp markets. Recycled fiber accounts for approximately 20 percent of the Corporation's overall fiber requirements. On a worldwide basis, the Corporation has reduced its internal supply of pulp to approximately 40 percent of its virgin fiber requirements.

The Corporation has announced its intention to reduce its level of pulp integration to approximately 20 percent. However, such a reduction in pulp integration could increase the Corporation's commodity price risk. Specifically, increases in pulp prices could adversely affect the Corporation's earnings if selling prices for its finished products are not adjusted or if such adjustments significantly trail the increases in pulp prices. The Corporation has not used derivative instruments in the management of these risks.

ACQUISITION AND DIVESTITURE STRATEGY. The Corporation's anticipated financial results and business outlook are dependent in part upon the consummation of a proposed divestiture on terms advantageous to the Corporation and the availability of suitable acquisition candidates. There can be no assurance that such divestiture will be consummated, or, if consummated, that the terms of such divestiture will be advantageous to the Corporation. In addition, the Corporation could encounter significant challenges in locating suitable acquisition candidates that are consistent with its strategic objectives and will contribute to its long-term success. Furthermore, there can be no assurance that any such acquired business can or will be successfully integrated with the Corporation's businesses in order to provide anticipated synergies and earnings growth.

VOLUME FORECASTING. The Corporation's anticipated financial results reflect forecasts of future volume increases in the sales of its products. Challenges in such forecasting include anticipating consumer preferences, estimating sales of new products, estimating changes in population characteristics (such as birth rates and changes in per capita income), anticipating changes in technology and estimating the acceptance of the Corporation's products in new markets. As a result, there can be no assurance that the Corporation's volume increases will occur as estimated.

PART I
(Continued)

ITEM 1. BUSINESS (Continued)

FOREIGN MARKET RISKS. Because the Corporation and its equity companies have manufacturing facilities in 40 countries and its products are sold in more than 150 countries, the Corporation's results may be substantially affected by foreign market risks. The Corporation is subject to the impact of economic and political instability in developing countries. The extremely competitive situation in European personal care and tissue markets, and the challenging economic environments in Mexico and developing countries in eastern Europe and Latin America, may slow the Corporation's sales growth and earnings potential. In addition, the Corporation is subject to the strengthening or weakening of various currencies against each other and local currencies versus the U.S. dollar, and foreign currency risk arising from transactions and commitments denominated in non-local currencies. See "Management's Discussion and Analysis - Market Risk Sensitivity and Inflation Risks", contained in the 1999 Annual Report to Stockholders, which is incorporated herein by reference. Translation exposure for the Corporation's balance sheet with respect to foreign operations is not hedged. Although the Corporation uses instruments to hedge its foreign currency risks (through foreign currency forward, swap and option contracts), these instruments are used selectively to manage risk and there can be no assurance that the Corporation will be fully protected against substantial foreign currency fluctuations.

CONTINGENCIES. The costs and other effects of pending litigation and administrative actions against the Corporation cannot be determined with certainty. Although management believes that no such proceedings will have a material adverse effect on the Corporation, there can be no assurance that the outcome of such proceedings will be as expected. See "Item 3. Legal Proceedings."

"YEAR 2000". For a discussion regarding "Year 2000" compliance in terms of its computer systems, see "Management's Discussion and Analysis - 'Year 2000 Readiness' contained in the 1999 Annual Report to Stockholders, which is incorporated herein by reference.

PART I
(Continued)

ITEM 2. PROPERTIES

Management believes that the Corporation's production facilities are suitable for their purpose and adequate to support its businesses. The extent of utilization of individual facilities varies, but they operate at or near capacity, except in certain instances such as when new products or technology are being introduced or when mills are being shut down. Certain facilities of the Corporation are being expanded. Various facilities contain pollution control, solid waste disposal and other equipment which have been financed through the issuance of industrial revenue or similar bonds and are held by the Corporation under lease or installment purchase agreements.

The principal facilities of the Corporation (including the Corporation's equity companies) and the products or groups of products made at such facilities are as follows:

HEADQUARTERS LOCATIONS

Dallas, Texas
Roswell, Georgia
Neenah, Wisconsin
Reigate, United Kingdom
Bangkok, Thailand

ADMINISTRATIVE CENTER

Knoxville, Tennessee

WORLDWIDE PRODUCTION AND SERVICE FACILITIES

UNITED STATES

ALABAMA

Mobile - tissue products

ARIZONA

Tucson - health care products

ARKANSAS

Conway - feminine care, incontinence care and nonwovens
Maumelle - wet wipes and nonwovens

CALIFORNIA

Escondido - printing inks
Fullerton - tissue products

CONNECTICUT

New Milford - diapers and tissue products

GEORGIA

LaGrange - nonwovens

IDAHO

Pocatello - respiratory care and gastroenterology products

KENTUCKY

Owensboro - tissue products

MICHIGAN

Munising - technical papers

PART I

(Continued)

ITEM 2. PROPERTIES (Continued)

MISSISSIPPI

Corinth - nonwovens, wipers and towels
Hattiesburg - tissue products

NORTH CAROLINA

Hendersonville - nonwovens
Lexington - nonwovens

OHIO

Piqua - printing inks

OKLAHOMA

Jenks - tissue products

PENNSYLVANIA

Chester - tissue products

SOUTH CAROLINA

Beech Island - diapers and tissue products

TENNESSEE

Loudon - tissue products

TEXAS

Cleburne - apparel products (1)
Del Rio - health care products
Fort Worth - health care products
Paris - diapers, training and youth pants
San Antonio - personal cleansing products and systems

UTAH

Draper - respiratory care and gastroenterology products
Ogden - diapers

VERMONT

East Ryegate - technical papers

WASHINGTON

Everett - tissue products and pulp

WISCONSIN

Marinette - tissue products
Neenah - diapers, training and youth pants, feminine care, incontinence care, business and correspondence papers and nonwovens
Whiting - business and correspondence papers

OUTSIDE THE UNITED STATES

ARGENTINA

*Bernal - tissue products
Pilar - feminine care and incontinence care

San Luis - diapers

* Equity company production facility

PART I
(Continued)

ITEM 2. PROPERTIES (Continued)

AUSTRALIA

- *Albury - nonwovens
- *Ingleburn - diapers
- *Lonsdale - diapers, incontinence care and feminine care
- *Millicent - pulp and tissue products
- *Tantanoola - pulp
- *Warwick Farm - tissue products

BAHRAIN

- *East Riffa - tissue products

BELGIUM

- Duffel - tissue products

BOLIVIA

- La Paz - tissue products
- Santa Cruz - diapers, feminine care and tissue products

BRAZIL

- *Bahia - tissue products
- Barueri - wet wipes
- *Correia Pinto - tissue products
- *Cruzeiro - tissue products
- *Mendes - tissue products
- *Mogi das Cruzes - tissue products
- Porto Alegre - feminine care
- *Recife - tissue products
- Rio de Janeiro - diapers, feminine care and incontinence care
- *Sao Paulo - tissue products
- Suzano - diapers

CANADA

- Huntsville, Ontario - tissue products and wipers
- New Glasgow, Nova Scotia - pulp
- St. Hyacinthe, Quebec - feminine care
- Terrace Bay, Ontario - pulp (2)

CHINA (3)

- Beijing - feminine care and diapers
- Chengdu - feminine care
- Guangzhou - tissue products
- Handan - feminine care
- Nanjing - feminine care
- Shanghai - tissue products
- Shenyang - feminine care
- Wuhan - feminine care

* Equity company production facility

PART I
(Continued)

ITEM 2. PROPERTIES (Continued)

COLOMBIA

Barbosa - business, notebooks and correspondence papers
Guarne - tissue products
Pereira - tissue products, feminine care, incontinence care and diapers
Tocancipa - diapers
*Villa Rica - diapers and incontinence care

COSTA RICA

Belen - tissue products
Cartago - diapers and feminine care

CZECH REPUBLIC

Jaromer - diapers and incontinence care
Litovel - feminine care

DOMINICAN REPUBLIC

Santo Domingo - tissue products

ECUADOR

Babahoyo - tissue products
Duran - diapers and feminine care
Mapasingue - tissue products and notebooks

EL SALVADOR

San Salvador - tissue products
Sitio del Nino - tissue products and feminine care

FRANCE

Rouen - tissue products
Villey-Saint-Etienne - tissue products

GERMANY

Forchheim - feminine care and incontinence care
Koblenz - tissue products
Mainz - tissue products
Reisholz - tissue products

GUATEMALA

Poza Verde - tissue products, feminine care and notebooks

HONDURAS

San Pedro Sula - tissue products
Villanueva - health care products

INDIA

*Pune - feminine care and diapers

INDONESIA

Jakarta - tissue products
*Medan - specialty papers

ISRAEL

*Afula - diapers, feminine care and incontinence care
*Hadera - tissue products

* Equity company production facility

PART I
(Continued)

ITEM 2. PROPERTIES (Continued)

ITALY

Alanno - tissue products
Romagnano - tissue products
Villanovetta - tissue products

JAPAN

Shinga - soap

KOREA

Anyang - feminine care, diapers and tissue products
Kimcheon - tissue products and nonwovens
Taejon - feminine care and diapers

MALAYSIA

Kluang - tissue products, feminine care and diapers

MEXICO

Acuna - health care products
*Bajio - tissue products, fine papers and notebooks
*Cuautitlan - feminine care, diapers and nonwovens
*Ecatepec - tissue products
Empalme - health care products
Magdalena - health care products
*Morelia - tissue products, pulp and fine papers
*Naucalpan - tissue products, diapers and feminine care
Nogales - health care products
*Orizaba - tissue products, fine papers and pulp
*Ramos Arizpe - tissue products and diapers
*San Rafael - tissue products and fine papers
Texmelucan - tissue products
Tijuana - printing inks
*Tlaxcala - diapers

PERU

Ate - tissue products
Santa Clara - tissue products
Villa Corrillos - diapers, feminine care and incontinence care

PHILIPPINES

San Pedro, Laguna - feminine care, diapers, tissue products and specialty papers

SAUDI ARABIA

*Al-Khobar - diapers, feminine care and tissue products

SLOVAK REPUBLIC

Piestany - health care products

SOUTH AFRICA

Cape Town - tissue products, feminine care and incontinence care
Springs - tissue products and diapers

* Equity company production facility

PART I
(Continued)

ITEM 2. PROPERTIES (Continued)

SPAIN

Aranguren - tissue products
Arceniega - tissue products, personal cleansing products and systems
Calatayud - diapers
Canary Islands - tissue products
Salamanca - tissue products

SWITZERLAND

Balsthal - tissue products and specialty papers
Niederbipp - tissue products
Reichenburg - tissue products

TAIWAN

Hsin-Ying - tissue products (4)
Ta-Yuan - tissue products

THAILAND

Pathumthani - feminine care, diapers and tissue products
Samut Prakarn - tissue products

TURKEY

*Istanbul - diapers

UNITED KINGDOM

Barrow - tissue products
Barton-upon-Humber - diapers
Flint - tissue products and nonwovens
Larkfield - tissue products (1)
Northfleet - tissue products

VENEZUELA

Guacara - diapers and feminine care
Maracay - tissue products

VIETNAM

Binh Duong - feminine care
Hanoi - feminine care

* Equity company production facility

-
- (1) The Corporation has announced its intention to close this facility.
 - (2) The Corporation has announced its intention to sell this facility.
 - (3) The land on which these facilities are located is held under long-term leases.
 - (4) The land and a portion of this facility are subject to a mortgage.

ITEM 3. LEGAL PROCEEDINGS

The following is a brief description of certain legal and administrative proceedings to which the Corporation or its subsidiaries is a party or to which the Corporation's or its subsidiaries' properties is subject:

Litigation

- A. On May 13, 1997, the State of Florida, acting through its attorney general, filed a complaint in the Gainesville Division of the United States District Court for the Northern District of Florida (the "Florida District Court") alleging that manufacturers of tissue products for away-from-home use, including the Corporation and Scott, agreed to fix prices by coordinating price increases for such products. Following Florida's complaint, actions by the States of Maryland, New York and West Virginia, as well as approximately 45 class action complaints, have been filed in various federal and state courts around the United States. These actions contain allegations similar to those made by the State of Florida in its complaint. The actions in federal courts have been consolidated for pretrial proceedings in the Florida District Court. Class certification was granted in the federal proceedings in July 1998 and will be contested in the state cases. The foregoing actions seek an unspecified amount of actual and treble damages.

In February 2000, the State of Florida agreed to dismiss its complaint with prejudice pursuant to a settlement with defendants. With respect to the remaining actions, the Corporation has answered the complaints in these actions and has denied the allegations contained therein as well as any liability. Discovery is proceeding. The Corporation intends to contest these claims vigorously. These actions are not expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

- B. On January 14, 1999, Mobile Energy Services Company, L.L.C. ("MESOC") and Mobile Energy Services Holdings, Inc. filed an adversary proceeding against Kimberly-Clark Tissue Company in the United States Bankruptcy Court in Mobile, Alabama. Plaintiffs, as debtors-in-possession, own a cogeneration complex that provides energy services to KCTC's Mobile facility. The complaint alleges that: (i) the sale of the cogeneration complex by KCTC to MESOC in December 1994 was a fraudulent transfer; (ii) KCTC cannot effect a pulp mill closure while it continues to operate the wastewater treatment facility and "produce pulp" at the Mobile facility; (iii) Kimberly-Clark's announced pulp mill closure was a repudiation of the site operating agreements; (iv) KCTC breached the master operating agreement by failing to give MESOC reasonable assistance in developing new business opportunities for the energy complex after Kimberly-Clark announced the pulp mill closure; and (v) KCTC failed to allow the sale of the Mobile pulp mill. The complaint does not specify the amount of damages demanded.

On December 31, 1999, a joint motion of the debtors and the MESOC bondholders' steering committee (the "Motion") was filed with the U.S. Bankruptcy Court seeking approval of a settlement and compromise of claims against KCTC arising from the closure of the Mobile pulp mill and termination of the pulp mill's energy services agreement. The Motion, which was granted by the U.S. Bankruptcy Court by order dated January 24, 2000, outlines the terms of settlement for various litigation matters between KCTC and MESOC. Under the proposed settlement, KCTC agreed to pay MESOC at closing approximately \$30 million, in addition to amounts previously paid pursuant to contractual obligations, subject to certain adjustments. Closing of the settlement is subject to, among other

ITEM 3. LEGAL PROCEEDINGS (CONTINUED)

conditions, MESOC filing a plan of reorganization from bankruptcy and the ultimate approval of that plan by the U.S. Bankruptcy Court. In addition, the proposed settlement provides MESOC with an option to purchase the Mobile pulp mill at a nominal price; a settlement of all pending litigation and arbitration between the KCTC and MESOC; mutual releases by KCTC, MESOC and its affiliate (the Southern Company and affiliates), and the representatives of the MESOC bondholders; and an agreement by MESOC to terminate the existing tissue mill energy services agreement and to provide the Mobile tissue mill energy at market rates. This action is not expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

- C. The Corporation is subject to routine litigation from time to time, which, individually or in the aggregate, is not expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

Environmental Matters

The Corporation is subject to federal, state and local environmental protection laws and regulations with respect to its business operations and is operating in compliance with, or taking action aimed at ensuring compliance with, such laws and regulations. Compliance with these laws and regulations is not expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

The Corporation has been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation

and Liability Act, or analogous state statute, at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business, financial condition or results of operations.

Notwithstanding its opinion, management believes it appropriate to discuss the following matters concerning three of these sites where the Corporation's estimated share of total site remediation costs, if any, cannot be established on the basis of currently available information:

- A. In 1994, Scott received a notice of responsibility from the Massachusetts Department of Environmental Protection regarding the South Hadley Site in South Hadley, Massachusetts. The notice implicated Scott Graphics, Inc., a former Scott subsidiary, as having disposed of hazardous waste at the site. There have been no significant developments since the date the Corporation received the notice.
- B. In January 1998, the Corporation was notified by the Tennessee Department of Environment and Conservation of its status as a potentially liable party at the Bellevue Avenue Landfill in Shelby County, Tennessee. The Corporation currently lacks adequate information to make a determination as to the extent of its liability at the site.

C. In June 1999, the Corporation was notified that S.D. Warren, a former division of Scott, had been named as a potentially responsible party at the Sunrise Landfill in Wayland, Allegan County, Michigan. Scott agreed to be responsible for S.D. Warren's liability at the site pursuant to an indemnification agreement between Scott and S.D. Warren. The Corporation currently lacks adequate information to make a determination as to the extent of its liability at the site.

PART I
(Continued)

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The names and ages of the executive officers of the Corporation as of March 1, 2000, together with certain biographical information, are as follows:

ROBERT E. ABERNATHY, 45, was elected Group President effective January 1, 1997. He is responsible for the global health care business, nonwovens manufacturing and research, the technical paper business and corporate research and development. Mr. Abernathy joined the Corporation in 1982. His past responsibilities in the Corporation have included operations and major project management in North America. He was appointed Vice President-North American Diaper Operations in 1992 and Managing Director of Kimberly-Clark Australia Pty. Limited in 1994.

JOHN W. DONEHOWER, 53, was elected Senior Vice President and Chief Financial Officer in 1993. Mr. Donehower joined the Corporation in 1974. He was appointed Director of Finance - Europe in 1978, Vice President, Marketing and Sales - Nonwovens in 1981, Vice President, Specialty Papers in 1982, Managing Director, Kimberly-Clark Australia Pty. Limited in 1982, and Vice President, Professional Health Care, Medical and Nonwoven Fabrics in 1985. He was appointed President, Specialty Products - U.S. in 1987, and President - World Support Group in 1990. Mr. Donehower is a director of Eastman Chemical Co. and Factory Mutual Insurance Company.

O. GEORGE EVERBACH, 61, was elected Senior Vice President - Law and Government Affairs in 1988. Mr. Everbach joined the Corporation in 1984. His responsibilities have included direction of legal, human resources and administrative functions. He was elected Vice President and General Counsel in 1984; Vice President, Secretary and General Counsel in 1985; and Senior Vice President and General Counsel in 1986.

THOMAS J. FALK, 41, has served as President and Chief Operating Officer of the Corporation since his election on November 16, 1999. He previously had been elected Group President - Tissue, Pulp and Paper in 1998 where he was responsible for the Corporation's global tissue businesses. He also was responsible for the Wet Wipes and Neenah Paper sectors, Pulp Operations and Consumer Business Services, Environment and Energy and Human Resources organizations. Mr. Falk joined the Corporation in 1983. His prior responsibilities have included internal audit, finance and strategic analysis, and operations management. In 1993, he was elected Group President - Infant and Child Care and has held various senior management positions in the Corporation's Consumer and Away From Home businesses in North America and Europe since that time. Mr. Falk is a member of the University of Wisconsin - Madison School of Business Dean's Advisory Board and serves on the Board of Directors of Newell Rubbermaid Inc. He has been a director of the Corporation since November 1999.

EXECUTIVE OFFICERS OF THE REGISTRANT (Continued)

WAYNE R. SANDERS, 52, has served as Chief Executive Officer of the Corporation since 1991 and Chairman of the Board of the Corporation since 1992. He previously had been elected President and Chief Operating Officer in 1990. Employed by the Corporation in 1975, Mr. Sanders was appointed Vice President of Kimberly-Clark Canada Inc., a wholly owned subsidiary of the Corporation, in 1981 and was appointed Director and President in 1984. Mr. Sanders was elected Senior Vice President of Kimberly-Clark Corporation in 1985 and was appointed President - Infant Care Sector in 1987, President - Personal Care Sector in 1988 and President - World Consumer, Nonwovens and Service and Industrial Operations in 1990. Mr. Sanders is a director of Adolph Coors Company, Coors Brewing Company, Texas Instruments Incorporated and Chase Bank of Texas, National Association. He also is a member of the Marquette University Board of Trustees and is a national trustee of the Boys and Girls Clubs of America. He has been a director of the Corporation since 1989.

KATHI P. SEIFERT, 50, was elected Executive Vice President in November 1999. She is responsible for the Infant Care, Child Care, Feminine Care, and Adult Care business sectors, the Safety and Quality Assurance team and the U.S. and Canadian Sales organizations, and leads a team responsible for the Corporation's global personal care businesses. Ms. Seifert joined Kimberly-Clark in 1978. Her responsibilities in the Corporation have included various marketing positions within the Away From Home, Consumer Tissue and Feminine Care business sectors. She was appointed President - Feminine Care Sector in 1991, was elected Group President - Feminine and Adult Care in 1994, elected Group President - North American Consumer Products in January 1995, elected Group President - North American Personal Care Products in July 1995 and elected Group President - Global Personal Care Products in April 1998. Ms. Seifert is a member of the Board of Directors of Eli Lilly and Company and Aid Association for Lutherans.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The dividend and market price data included in Note 14 to the Consolidated Financial Statements, and the information set forth under the captions "Dividends and Dividend Reinvestment Plan" and "Stock Exchanges" contained in the 1999 Annual Report to Stockholders are incorporated in this Item 5 by reference.

As of March 17, 2000, the Corporation had 52,331 holders of record of its common stock.

PART II

ITEM 6. SELECTED FINANCIAL DATA

(Millions of dollars, except per share amounts)	Year Ended December 31				
	1995	1996	1997	1998	1999
Net Sales	\$13,373.0	\$13,149.1	\$12,546.6	\$12,297.8	\$13,006.8
Gross Profit	4,544.9	4,688.5	4,607.6	4,597.6	5,325.2
Operating Profit	942.3	1,666.0	1,486.1	1,697.7	2,435.4
Share of Net Income of Equity Companies	113.3	152.4	157.3	137.1	189.6
Income from Continuing Operations Before Extraordinary Items and Cumulative Effect of Accounting Change	507.2	1,035.4	985.4	1,114.3	1,668.1
Per Share Basis:					
Basic . . . . .	.91	1.84	1.77	2.02	3.11
Diluted . . . . .	.90	1.83	1.76	2.01	3.09
Net Income	507.2	1,035.4	1,002.9	1,103.1	1,668.1
Per Share Basis:					
Basic . . . . .	.91	1.84	1.80	2.00	3.11
Diluted . . . . .	.90	1.83	1.79	1.99	3.09
Cash Dividends Per Share					
Declared . . . . .	.90	.92	.96	1.00	1.04
Paid . . . . .	.90	.92	.95	.99	1.03
Total Assets	\$11,561.0	\$11,820.4	\$11,417.1	\$11,687.8	\$12,815.5
Long-Term Debt	1,984.7	1,738.6	1,803.9	2,068.2	1,926.6
Stockholders' Equity	4,141.3	4,595.0	4,340.3	4,031.5	5,093.1

NOTES TO SELECTED FINANCIAL DATA

(1) Included in the selected financial data for 1995 are the following items:

(Millions of dollars, except per share amounts)	Operating Profit	Net Income	Diluted Net Income per Share
Charges for business improvement and other programs	\$814.3	\$596.9	
Unusual charges, net	21.7	14.8	
Net gains on asset disposals	(126.6)	(78.9)	
Change in value of Mexican peso	-	38.5	
Total	\$709.4	\$571.3	\$1.01

NOTES TO SELECTED FINANCIAL DATA

(2) Included in the selected financial data for 1996 are the following items:

(Millions of dollars, except per share amounts)	Gross Profit	Operating Profit	Net Income	Diluted Net Income per Share
Charges for business improvement and other programs	\$154.2	\$429.9	\$328.6	
Gains on asset disposals	-	(93.6)	(72.6)	
Change in value of Mexican peso	-	-	2.3	
Restructuring of Mexican operations	-	-	5.5	
Total	\$154.2	\$336.3	\$263.8	\$.46

(3) Included in the selected financial data for 1997 are the following items:

(Millions of dollars, except per share amounts)	Gross Profit	Operating Profit	Net Income	Diluted Net Income per Share
Charges for business improvement and other programs	\$128.8	\$478.3	\$366.3	
Gain on asset disposal	-	(26.5)	(16.8)	
Gain on sale of K-C de Mexico's Regio business	-	-	(16.3)	
Extraordinary gains, net of income taxes	-	-	(17.5)	
Total	\$128.8	\$451.8	\$315.7	\$.57

(4) Included in the selected financial data for 1998 are the following items:

(Millions of dollars, except per share amounts)	Gross Profit	Operating Profit	Net Income	Diluted Net Income per Share
Charges for business improvement and other programs	\$191.6	\$377.8	\$276.8	
Mobile pulp mill fees and related severances	42.3	42.3	25.9	
Gain on asset disposal	-	(140.0)	(78.3)	
Change in value of Mexican peso	-	-	9.2	
Cumulative effect of accounting change, net of income taxes	-	-	11.2	
Total	\$233.9	\$280.1	\$244.8	\$.45

PART II
 ITEM 6. SELECTED FINANCIAL DATA (Continued)

NOTES TO SELECTED FINANCIAL DATA

(5) Included in the selected financial data for 1999 are the following items:

(Millions of dollars, except per share amounts)	Gross Profit	Operating Profit	Net Income	Diluted Net Income per Share
-----	-----	-----	-----	-----
Charges for business improvement and other programs	\$69.0	\$47.8	\$35.6	
Business integration and other costs	11.2	22.6	14.5	
Mobile pulp mill fees and related severances	9.0	9.0	5.6	
Gains on asset disposals	-	(176.7)	(112.3)	
	-----	-----	-----	
Total	\$89.2	\$ (97.3)	\$ (56.6)	\$ (.11)
	=====	=====	=====	=====

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information set forth under the caption "Management's Discussion and Analysis" contained in the 1999 Annual Report to Stockholders is incorporated in this Item 7 by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth under the caption "Management's Discussion and Analysis - Market Risk Sensitivity and Inflation Risks" contained in the 1999 Annual Report to Stockholders is incorporated in this Item 7A by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of the Corporation and its consolidated subsidiaries and the independent auditors' report thereon contained in the 1999 Annual Report to Stockholders are incorporated in this Item 8 by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The section of the 2000 Proxy Statement captioned "Certain Information Regarding Directors and Nominees" under "Proposal 1. Election of Directors" identifies members of the board of directors of the Corporation and nominees, and is incorporated in this Item 10 by reference.

See also "EXECUTIVE OFFICERS OF THE REGISTRANT" appearing in Part I hereof.

ITEM 11. EXECUTIVE COMPENSATION

The information in the section of the 2000 Proxy Statement captioned "Executive Compensation" under "Proposal 1. Election of Directors" is incorporated in this Item 11 by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information in the section of the 2000 Proxy Statement captioned "Security Ownership of Management" under "Proposal 1. Election of Directors" is incorporated in this Item 12 by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information in the section of the 2000 Proxy Statement captioned "Certain Transactions and Business Relationships" under "Proposal 1. Election of Directors" is incorporated in this Item 13 by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(A) DOCUMENTS FILED AS PART OF THIS REPORT.

1. Financial statements:

The Consolidated Balance Sheet as of December 31, 1999 and 1998, and the related Consolidated Statements of Income, Stockholders' Equity and Cash Flow for the years ended December 31, 1999, 1998 and 1997, and the related Notes thereto, and the Independent Auditors' Report of Deloitte & Touche LLP thereon are incorporated in Part II, Item 8 of this Form 10-K by reference to the financial statements contained in the 1999 Annual Report to Stockholders. In addition, related reports of Deloitte & Touche LLP are included herein.

2. Financial statement schedule:

The following information is filed as part of this Form 10-K and should be read in conjunction with the financial statements contained in the 1999 Annual Report to Stockholders.

Independent Auditors' Report

Schedule for Kimberly-Clark Corporation and Subsidiaries:
Schedule II Valuation and Qualifying Accounts

All other schedules have been omitted because they were not applicable or because the required information has been included in the financial statements or notes thereto.

3. Exhibits:

Exhibit No. (3)a. Restated Certificate of Incorporation, dated June 12, 1997.

Exhibit No. (3)b. By-Laws, as amended November 22, 1996, incorporated by reference to Exhibit No. 4.2 of the Corporation's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on December 6, 1996 (File No. 333-17367).

Exhibit No. (4). Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.

Exhibit No. (10)a. Management Achievement Award Program, as amended and restated as of January 1, 1998, incorporated by reference to Exhibit No. (10)a of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1997.

Exhibit No. (10)b. Executive Severance Plan, as amended and restated as of December 10, 1998, incorporated by reference to Exhibit No. (10)b to the Corporation's Annual Report on Form 10-K for the year ended December 31, 1998.

Exhibit No. (10)c. Fourth Amended and Restated Deferred Compensation Plan for Directors, incorporated by reference to Exhibit No. (10)c of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996.

PART IV
(Continued)

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K
(Continued)

Exhibit No. (10)d. 1986 Equity Participation Plan, as amended effective November 20, 1997, incorporated by reference to Exhibit No. (10)d of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1997.

Exhibit No. (10)e. 1992 Equity Participation Plan, as amended effective November 15, 1999.

Exhibit No. (10)f. Deferred Compensation Plan, as amended effective June 9, 1999.

Exhibit No. (10)g. Outside Directors' Stock Compensation Plan, incorporated by reference to Exhibit No. 4.5 to the Corporation's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on April 18, 1996 (File No. 33-02607).

Exhibit No. (10)h. Supplemental Benefit Plan to Salaried Employees' Retirement Plan, amended and restated as of November 17, 1994, incorporated by reference to Exhibit No. (10)i of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996.

Exhibit No. (10)i. Second Supplemental Benefit Plan to Salaried Employees' Retirement Plan, amended and restated as of November 17, 1994, incorporated by reference to Exhibit No. (10)j of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996.

Exhibit No. (10)j. Retirement Contribution Excess Benefit Program, as amended and restated as of August 19, 1998, incorporated by reference to Exhibit (10)k of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1998.

Exhibit No. (10)k. 1999 Restricted Stock Plan, effective as of January 1, 1999, incorporated by reference to Exhibit No. 4.5 to the Corporation's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on February 3, 1999 (File No. 333-71661).

Exhibit No. (12). Computation of ratio of earnings to fixed charges for the five years ended December 31, 1999.

Exhibit No. (13). Portions of the Corporation's 1999 Annual Report to Stockholders incorporated by reference in this Form 10-K.

Exhibit No. (21). Subsidiaries of the Corporation.

Exhibit No. (23). Independent Auditors' Consent of Deloitte & Touche LLP.

PART IV
(Continued)

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K
(Continued)

Exhibit No. (24). Powers of Attorney.

Exhibit No. (27). The Financial Data Schedule required by Item 601(b)(27) of Regulation S-K has been included with the electronic filing of this Form 10-K.

(B) REPORTS ON FORM 8-K

The Corporation filed on December 3, 1999 a Current Report on Form 8-K, dated November 30, 1999, in connection with an improved product, the Corporation's outlook and other matters.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KIMBERLY-CLARK CORPORATION

March 24, 2000

By: /s/ John W. Donehower

John W. Donehower
Senior Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Wayne R. Sanders

Wayne R. Sanders
Chairman of the Board March 24, 2000
and Chief Executive Officer
and Director
(principal executive officer)

/s/ John W. Donehower

John W. Donehower
Senior Vice President and March 24, 2000
Chief Financial Officer
(principal financial officer)

/s/ Randy J. Vest

Randy J. Vest
Vice President and March 24, 2000
Controller
(principal accounting officer)

Directors

John F. Bergstrom	Claudio X. Gonzalez
Pastora San Juan Cafferty	Louis E. Levy
Paul J. Collins	Frank A. McPherson
Robert W. Decherd	Linda Johnson Rice
Thomas J. Falk	Wolfgang R. Schmitt
William O. Fifield	Randall L. Tobias

By: /s/ O. George Everbach

O. George Everbach, Attorney-in-Fact March 24, 2000

INDEPENDENT AUDITORS' REPORT

KIMBERLY-CLARK CORPORATION:

We have audited the consolidated financial statements of Kimberly-Clark Corporation as of December 31, 1999 and 1998, and for each of the three years in the period ended December 31, 1999, and have issued our report thereon dated January 24, 2000; such consolidated financial statements and report are included in your Annual Report and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of Kimberly-Clark Corporation, listed in Item 14. This consolidated financial statement schedule is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits. In our opinion, the consolidated financial statement schedule listed in Item 14, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

DELOITTE & TOUCHE LLP

Dallas, Texas
January 24, 2000

SCHEDULE II
 VALUATION AND QUALIFYING ACCOUNTS
 FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997
 (Millions of dollars)

Kimberly-Clark Corporation and Subsidiaries

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS		DEDUCTIONS	BALANCE AT END OF PERIOD
		CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS (A)	WRITE-OFFS AND DISCOUNTS ALLOWED	
DECEMBER 31, 1999					
Allowances deducted from assets to which they apply					
Allowances for doubtful accounts	\$51.5	\$ 23.8	\$ (3.1)	\$ 21.3 (b)	\$50.9
Allowances for sales discounts	15.8	176.4	(.6)	170.9 (c)	20.7
DECEMBER 31, 1998					
Allowances deducted from assets to which they apply					
Allowances for doubtful accounts	\$37.8	\$ 21.5	\$3.1	\$ 10.9 (b)	\$51.5
Allowances for sales discounts	22.1	182.5	.2	189.0 (c)	15.8
DECEMBER 31, 1997					
Allowances deducted from assets to which they apply					
Allowances for doubtful accounts	\$33.0	\$ 12.3	\$ 2.2	\$ 9.7 (b)	\$37.8
Allowances for sales discounts	13.3	174.5	7.8	173.5 (c)	22.1

(a) Includes bad debt recoveries and the effects of changes in foreign currency exchange rates. 1997 includes the balances of Tecnol Medical Products, Inc. acquired in December 1997.

(b) Primarily uncollectible receivables written off.

(c) Sales discounts allowed.

SCHEDULE II
 VALUATION AND QUALIFYING ACCOUNTS
 FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997
 (Millions of dollars)

Kimberly-Clark Corporation and Subsidiaries

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS		DEDUCTIONS WRITE-OFFS AND RECLASSIFICATIONS	BALANCE AT END OF PERIOD
		CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS		
1998 AND 1997 PLANS					
DECEMBER 31, 1999					
Contra assets deducted from assets to which they apply					
Inventory	\$10.9	\$ (.3)	\$ -	\$10.6	\$ -
Other Assets. . . . .	.5	(.5)	-	-	-
DECEMBER 31, 1998					
Contra assets deducted from assets to which they apply					
Inventory	\$23.8	\$4.1	\$ -	\$17.0	\$10.9
Other Assets.	12.1	.2	-	11.8	.5
DECEMBER 31, 1997					
Contra assets deducted from assets to which they apply					
Inventory	\$ -	\$28.8	\$ -	\$5.0	\$23.8
Other Assets.	-	15.1	-	3.0	12.1

SCHEDULE II
 VALUATION AND QUALIFYING ACCOUNTS
 FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997
 (Millions of dollars)

Kimberly-Clark Corporation and Subsidiaries

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS		DEDUCTIONS	BALANCE AT END OF PERIOD
		CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS	WRITE-OFFS AND RECLASSIFICATIONS	
1995 PLAN					
DECEMBER 31, 1998					
Contra assets deducted from assets to which they apply					
Inventory.	\$.6	\$-	\$-	\$.6	\$-
DECEMBER 31, 1997					
Contra assets deducted from assets to which they apply					
Accounts receivable.	\$.6	\$-	\$-	\$.6	\$-
Inventory.	14.1	(3.1)	-	10.4	.6
Other assets . . . . .	.5	(.5)	-	-	-

SCHEDULE II
 VALUATION AND QUALIFYING ACCOUNTS
 FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997
 (Millions of dollars)

Kimberly-Clark Corporation and Subsidiaries

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS		DEDUCTIONS (A)	BALANCE AT END OF PERIOD
		CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS		
DECEMBER 31, 1999					
Deferred Taxes					
Valuation Allowance	\$271.9	\$25.7	\$-	\$ 41.5	\$256.1
DECEMBER 31, 1998					
Deferred Taxes					
Valuation Allowance	\$203.0	\$63.4	\$-	\$ (5.5)	\$271.9
DECEMBER 31, 1997					
Deferred Taxes					
Valuation Allowance	\$174.3	\$72.4	\$-	\$43.7	\$203.0

(a) Includes the net currency effects of translating valuation allowances at current rates under SFAS No. 52 of \$(39.4) million in 1999, \$15.6 million in 1998 and \$(26.0) million in 1997. Included in this column are also expired income tax loss carryforwards of \$15.8 million in 1998 and \$16.9 million in 1997. These items offset deferred tax assets resulting in no effect on the consolidated balance sheet.

DESCRIPTION

Consolidated financial statements, incorporated by reference

Independent Auditors' Reports, incorporated by reference

Independent Auditors' Reports

Schedule for Kimberly-Clark Corporation and Subsidiaries:
Schedule II Valuation and Qualifying Accounts

Exhibit No. (3)a. Restated Certificate of Incorporation, dated June 12, 1997.

Exhibit No. (3)b. By-Laws, as amended November 22, 1996, incorporated by reference to Exhibit No. 4.2 of the Corporation's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on December 6, 1996 (File No. 333-17367).

Exhibit No. (4). Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.

Exhibit No. (10)a. Management Achievement Award Program, as amended and restated as of January 1, 1998, incorporated by reference to Exhibit No. (10)a of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1997.

Exhibit No. (10)b. Executive Severance Plan, as amended and restated as of December 10, 1998, incorporated by reference to Exhibit No. (10)b to the Corporation's Annual Report on Form 10-K for the year ended December 31, 1998.

Exhibit No. (10)c. Fourth Amended and Restated Deferred Compensation Plan for Directors, incorporated by reference to Exhibit No. (10)c of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996.

Exhibit No. (10)d. 1986 Equity Participation Plan, as amended effective November 20, 1997, incorporated by reference to Exhibit No. (10)d of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1997.

Exhibit No. (10)e. 1992 Equity Participation Plan, as amended effective November 15, 1999.

Exhibit No. (10)f. Deferred Compensation Plan, as amended effective June 9, 1999.

Exhibit No. (10)g. Outside Directors' Stock Compensation Plan, incorporated by reference to Exhibit No. 4.5 to the Corporation's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on April 18, 1996 (File No. 33-02607).

DESCRIPTION

Exhibit No. (10)h. Supplemental Benefit Plan to Salaried Employees' Retirement Plan, amended and restated as of November 17, 1994, incorporated by reference to Exhibit No. (10)i of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996.

Exhibit No. (10)i. Second Supplemental Benefit Plan to Salaried Employees' Retirement Plan, amended and restated as of November 17, 1994, incorporated by reference to Exhibit No. (10)j of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996.

Exhibit No. (10)j. Retirement Contribution Excess Benefit Program, as amended and restated as of August 19, 1998, incorporated by reference to Exhibit (10)k of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1998.

Exhibit No. (10)k. 1999 Restricted Stock Plan, effective as of January 1, 1999, incorporated by reference to Exhibit No. 4.5 to the Corporation's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on February 3, 1999 (File No. 333-71661).

Exhibit No. (12). Computation of ratio of earnings to fixed charges for the five years ended December 31, 1999.

Exhibit No. (13). Portions of the Corporation's 1999 Annual Report to Stockholders incorporated by reference in this Form 10-K.

Exhibit No. (21). Subsidiaries of the Corporation.

Exhibit No. (23). Independent Auditors' Consent of Deloitte & Touche LLP.

Exhibit No. (24). Powers of Attorney.

Exhibit No. (27). The Financial Data Schedule required by Item 601(b)(27) of Regulation S-K has been included with the electronic filing of this Form 10-K.

RESTATED

CERTIFICATE OF INCORPORATION

OF

KIMBERLY-CLARK CORPORATION

JUNE 12, 1997

RESTATED CERTIFICATE OF INCORPORATION

OF

KIMBERLY-CLARK CORPORATION

The date of filing of the original certificate of incorporation of this Corporation with the Secretary of State was June 29, 1928.

ARTICLE I

The name of this Corporation is KIMBERLY-CLARK CORPORATION.

ARTICLE II

Its registered office in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name and address of its registered agent is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware. The Corporation shall possess and may exercise all powers and privileges necessary or convenient to effect such purpose and all powers and privileges now or hereafter conferred by the laws of Delaware upon corporations formed under the General Corporation Law of Delaware.

ARTICLE IV

The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is one billion, two hundred and twenty million (1,220,000,000) shares which shall be divided into two classes as follows:

- (a) Twenty million (20,000,000) shares of Preferred Stock without par value; and
- (b) One billion, two hundred million (1,200,000,000) shares of Common Stock of the par value of One Dollar and Twenty-five Cents (\$1.25) per share.

ARTICLE V

A statement of the voting powers and of the designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions thereof, of each class of stock of the Corporation, is as follows:

(1) In General

No holders of shares of this Corporation of any class, or of bonds, debentures or other securities convertible into stock of any class, shall be entitled as of right to subscribe for, purchase, or receive any stock of any class whether now or hereafter authorized, or any bonds, debentures or other securities whether now or hereafter authorized, convertible into stock of any class, or any stock into which said bonds, debentures or other securities may be convertible, and all such additional shares of stock, debentures or other securities, together with the stock into which the same may be converted, may be issued and disposed of by the Board of Directors to such persons and on such terms and for such consideration (as far as may be permitted by law) as the Board of Directors in their absolute discretion may deem advisable.

All persons who shall acquire stock in the Corporation shall acquire the same subject to the provisions of this Certificate of Incorporation.

(2) Preferred Stock

The Preferred Stock may be issued from time to time in one or more series, with such distinctive serial designations as may be stated or expressed in the resolution or resolutions providing for the issue of such stock adopted from time to time by the Board of Directors; and in such resolution or resolutions providing for the issue of shares of each particular series, the Board of Directors is also expressly authorized to fix: the consideration for which the shares of such series are to be issued; the number of shares constituting such series; the rate of dividends upon which and the times at which dividends on shares of such series shall be payable and the preference, if any, which such dividends shall have relative to dividends on

shares of any other class or classes or any other series of stock of the Corporation; whether such dividends shall be cumulative or noncumulative, and if cumulative, the date or dates from which dividends on shares of such series shall be cumulative; the voting rights, if any, to be provided for shares of such series; the rights, if any, which the holders of shares of such series shall have in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation; the rights, if any, which the holders of shares of such series shall have to convert such shares into or exchange such shares for shares of any other class or classes or any other series of stock of the Corporation and the terms and conditions, including price and rate of exchange, of such conversion or exchange; the redemption price or prices and other terms of redemption, if any, for shares of such series; and any and all other preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof pertaining to shares of such series.

(3) Common Stock

(a) Subject to preferences and rights to which holders of stock other than the Common Stock may have become entitled by resolution or resolutions of the Board of Directors as hereinbefore provided, such dividends (payable in cash, stock, or otherwise) as may be determined by the Board of Directors may be declared and paid out of funds legally available therefor upon the Common Stock from time to time.

(b) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, the holders of the Common Stock shall be entitled to share ratably in all assets available for distribution to the shareholders, subject to preferences and rights to which the holders of stock other than the Common Stock may have become entitled by resolution or resolutions of the Board of Directors as hereinbefore provided.

(c) The holders of Common Stock shall be entitled to one vote for each of the shares held by them of record at the time for determining holders thereof entitled to vote.

(4) Series A Junior Participating Preferred Stock

Pursuant to authority conferred by this Article V upon the Board of Directors of the Corporation, the Board of Directors created a series of 2,000,000 shares of Preferred Stock designated as Series A Junior Participating Preferred Stock by filing an Amended Certificate of Designations of the Corporation with the Secretary of State of the State of Delaware on July 12, 1995, and the voting powers, designations, preferences and relative, participating and other special rights, and the qualifications, limitations and restrictions thereof, of the Series A Junior Participating Preferred Stock of the Corporation are as set forth in Annex 1 hereto and are incorporated herein by reference.

ARTICLE VI

(1) The following corporate action shall require the approval, given at a stockholders' meeting or by consent in writing, of the holders of at least two-thirds of the stock issued and outstanding and entitled to vote thereon:

(a) the dissolution of the Corporation, or

(b) the sale, lease, exchange or conveyance of all or substantially all of the property and assets of the Corporation, or

(c) the adoption of an agreement of merger or consolidation, but no stockholder approval shall be required for any merger or consolidation which, under the Laws of Delaware, need not be approved by the stockholders of the Corporation.

(2) The number of authorized shares of any class or classes of stock may be increased or decreased by the approval of the holders of a majority of all of the stock of the Corporation entitled to vote thereon, except to the extent that, in the resolution or resolutions providing for the issuance of a class or series of stock, the Board of Directors shall specify that approval of the holders of one or more classes or series of stock shall be required to increase or decrease the number of authorized shares of one or more classes or series of stock.

(3) Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders, except for stockholder approvals required by Section (1) of this Article VI.

(4) Meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution adopted by the affirmative vote of a majority of the entire Board of Directors, by the Chairman of the Board, or by the Chief Executive Officer.

ARTICLE VII

The private property of the stockholders of the Corporation shall not be subject to the payment of corporate debts to any extent whatever.

ARTICLE VIII

(1) Power of the Board of Directors. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors. In furtherance, and not in limitation, of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized:

(a) to make, alter, amend or repeal the By-Laws of the Corporation; provided, however, that no By-Laws hereafter adopted shall invalidate any prior act of the Directors that would have been valid if such By-Laws had not been adopted;

(b) to determine the rights, powers, duties, rules and procedures that affect the power of the Board of Directors to direct the business and affairs of the Corporation, including the power to designate and empower committees of the Board of Directors, to elect, appoint and empower the officers and other agents of the Corporation, and to determine the time and place of, and the notice requirements for, Board meetings, as well as quorum and voting requirements (except as otherwise provided in this Certificate of Incorporation) for, and the manner of taking, Board action; and

(c) to exercise all such powers and do all such acts as may be exercised by the Corporation, subject to the provisions of the laws of the State of Delaware, this Certificate of Incorporation, and any By-Laws of the Corporation.

(2) Number of Directors. The number of Directors constituting the entire Board of Directors shall be not less than 11 nor more than 25. The specific number of Directors constituting the entire Board of Directors shall be as authorized from time to time exclusively by the affirmative vote of a majority of the entire Board of Directors. As used in this Certificate of Incorporation, the term "entire Board of Directors" means the total authorized number of Directors that the Corporation would have if there were no vacancies.

(3) Classified Board. At the 1986 Annual Meeting of Stockholders, the Directors shall be divided into three classes, with respect to the time that they severally hold office, as nearly equal in number as possible, with the initial term of office of the first class of Directors to expire at the 1987 Annual Meeting of Stockholders, the initial term of office of the second class of Directors to expire at the 1988 Annual Meeting of Stockholders and the initial term of office of the third class of Directors to expire at the 1989 Annual Meeting of Stockholders. Commencing with the 1987 Annual Meeting of Stockholders, Directors elected to succeed those Directors whose terms have thereupon expired shall be elected for a term of office to expire at the third succeeding Annual Meeting of Stockholders after their election, and upon the election and qualification of their successors. A person elected as a Director shall be deemed a Director as of the time of such election. If the number of Directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain or attain, if possible, an equal number of Directors in each class, but in no case will a decrease in the number of Directors shorten the term of any incumbent Director. If such equality is not possible, the increase or decrease shall be apportioned among the classes in such a way that the difference in the number of Directors in any two classes shall not exceed one.

(4) Nominations. Subject to the rights of holders of any series of Preferred Stock or any other class of capital stock of the Corporation (other than the Common Stock) then outstanding, nominations for the election of Directors may be made by the affirmative vote of a majority of the entire Board of Directors or by any stockholder of record entitled to vote generally in the election of Directors. However, any stockholder of record entitled to vote generally in the election of Directors may nominate one or more persons for election as Directors at a meeting only if a written notice of such stockholder's intent to make such nomination or nominations, meeting the requirements described below, has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation, and received by the Corporation, not less than 50 days nor more than 75 days prior to the meeting; provided, however, that in the event that less than 60 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of meeting was mailed or such public disclosure was made, whichever first occurs. Each such notice to the Secretary shall set forth: (i) the name and address of record of the stockholder who intends to make the nomination; (ii) a representation that the stockholder is a holder of record of shares of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (iii) the name, age, business and residence addresses, and principal occupation or employment of each nominee; (iv) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (v) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and (vi) the consent of each nominee to serve as a Director of the Corporation if so elected. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a Director of the Corporation. The presiding officer of the meeting may, if the facts warrant, determine that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

(5) Vacancies. Subject to the rights of the holders of any series of Preferred Stock or any other class of capital stock of the Corporation (other than the Common Stock) then outstanding, any vacancies in the Board of Directors for any reason and any newly created Directorships resulting by reason of any increase in the number of Directors may, if occurring prior to the expiration of the term of office of the class in which such vacancy or increase occurs, be filled only by the Board of Directors, acting by the affirmative vote of a majority of the remaining Directors then in office, although less than a quorum, and any Directors so elected shall hold office until the next election of the class for which such Directors have been elected and until their successors are elected and qualified.

(6) Removal of Directors. Subject to the rights of the holders of any series of Preferred Stock or any other class of capital stock of the Corporation (other than the Common Stock) then outstanding, (i) any Director, or the entire Board of Directors, may be removed from office at any time prior to the expiration of his or their term of office, but only for cause and only

by the affirmative vote of the holders of record of outstanding shares representing at least eighty percent (80%) of the voting power of all of the shares of capital stock of the Corporation then entitled to vote generally in the election of Directors, voting together as a single class, and (ii) any Director may be removed from office by the affirmative vote of a majority of the entire Board of Directors, at any time prior to the expiration of his term of office, but only for cause.

ARTICLE IX

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this Corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said Court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the Court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

ARTICLE X

(1) Certain Definitions. For the purposes of this Article X and the second proviso of Article XI:

A. "Business Combination" means:

(i) any merger or consolidation of the Corporation or any Subsidiary with (a) an Interested Stockholder or (b) any other Person (whether or not itself an Interested Stockholder) which is, or after such merger or consolidation would be, an Affiliate or Associate of an Interested Stockholder; or

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with, or proposed by or on behalf of, an Interested Stockholder or an Affiliate or Associate of an Interested Stockholder of any assets of the Corporation or any Subsidiary having an aggregate Fair Market Value of not less than one percent (1%) of the total assets of the Corporation as reported in the consolidated balance sheet of the Corporation as of the end of the most recent quarter with respect to which such balance sheet has been prepared; or

(iii) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the Corporation or any Subsidiary to, or proposed by or on behalf of, an Interested Stockholder or an Affiliate or Associate of an Interested Stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate Fair Market Value of not less than one percent (1%) of the total assets of the Corporation as reported in the consolidated balance sheet of the Corporation as of the end of the most recent quarter with respect to which such balance sheet has been prepared; or

(iv) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation, or any spin-off or split-up of any kind of the Corporation or any Subsidiary, proposed by or on behalf of an Interested Stockholder or an Affiliate or Associate of an Interested Stockholder; or

(v) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any Subsidiary or any other transaction (whether or not with or into or otherwise involving an Interested Stockholder) which has the effect, directly or indirectly, of increasing the percentage of the outstanding shares of (a) any class of equity securities of the Corporation or any Subsidiary or (b) any class of securities of the Corporation or any Subsidiary convertible into equity securities of the Corporation or any Subsidiary, represented by securities of such class which are directly or indirectly owned by an Interested Stockholder and all of its Affiliates and Associates; or

(vi) any agreement, contract or other arrangement providing for any one or more of the actions specified in clauses (i) through (v) of this Section (1)A.

B. "Affiliate" or "Associate" have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as in effect on January 1, 1986.

C. "Beneficial Owner" has the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act, as in effect on January 1, 1986.

D. "Continuing Director" means: (i) any member of the Board of Directors of the Corporation who (a) is neither the Interested Stockholder involved in the Business Combination as to which a vote of Continuing Directors is provided hereunder, nor an Affiliate, Associate, employee, agent, or nominee of such Interested Stockholder, or the relative of any of the foregoing, and (b) was a member of the Board of Directors of the Corporation prior to the time that such Interested Stockholder became an Interested Stockholder; and (ii) any successor of a Continuing Director described in clause (i) who is recommended or elected to succeed a Continuing Director by the affirmative

vote of a majority of Continuing Directors then on the Board of Directors of the Corporation.

E. "Fair Market Value" means: (i) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not reported on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Exchange Act on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any similar interdealer quotation system then in use, or, if no such quotation is available, the fair market value on the date in question of a share of such stock as determined by a majority of the Continuing Directors in good faith; and (ii) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined by a majority of the Continuing Directors in good faith.

F. "Interested Stockholder" means any Person (other than the Corporation or any Subsidiary, any employee benefit plan maintained by the Company or any Subsidiary or any trustee or fiduciary with respect to any such plan when acting in such capacity) who or which:

(i) is, or was at any time within the two-year period immediately prior to the date in question, the Beneficial Owner of five percent (5%) or more of the voting power of the then outstanding Voting Stock of the Corporation; or

(ii) is an assignee of, or has otherwise succeeded to, any shares of Voting Stock of the Corporation of which an Interested Stockholder was the Beneficial Owner at any time within the two-year period immediately prior to the date in question, if such assignment or succession shall have occurred in the course of a transaction, or series of transactions, not involving a public offering within the meaning of the Securities Act of 1933, as amended.

For the purpose of determining whether a Person is an Interested Stockholder, the outstanding Voting Stock of the Corporation shall include unissued shares of Voting Stock of the Corporation of which the Interested Stockholder is the Beneficial Owner but shall not include any other shares of Voting Stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, warrants or options, or otherwise, to any Person who is not the Interested Stockholder.

G. A "Person" means any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity, as well as any syndicate or group deemed to be a person under Section 14(d)(2) of the Exchange Act.

H. "Subsidiary" means any corporation of which the Corporation owns, directly or indirectly, (i) a majority of the outstanding shares of equity securities of such corporation, or (ii) shares having a majority of the voting power represented by all of the outstanding shares of Voting Stock of such corporation. For the purpose of determining whether a corporation is a Subsidiary, the outstanding Voting Stock and shares of equity securities thereof shall include unissued shares of which the Corporation is the Beneficial Owner but shall not include any other shares of Voting Stock of the corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, warrants or options, or otherwise, to any Person who is not the corporation.

I. "Voting Stock" means outstanding shares of capital stock of the relevant corporation entitled to vote generally in the election of Directors.

(2) Higher Vote for Business Combinations. In addition to any affirmative vote required by law or by this Certificate of Incorporation, and except as otherwise expressly provided in Section (3) of this Article, any Business Combination shall require the affirmative vote of the holders of record of outstanding shares representing at least eighty percent (80%) of the voting power of the then outstanding shares of the Voting Stock of the Corporation, voting together as a single class, voting at a stockholders' meeting and not by consent in writing. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

(3) When Higher Vote Is Not Required. The provisions of Section (2) of this Article shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote, if any, of the stockholders as is required by law and any other provision of this Certificate of Incorporation, if the conditions specified in either of the following paragraphs A and B are met.

A. Approval by Continuing Directors. The Business Combination shall have been approved by the affirmative vote of a majority of the Continuing Directors, even if the Continuing Directors do not constitute a quorum of the entire Board of Directors.

B. Form of Consideration, Price and Procedure Requirements. All of the following conditions shall have been met:

(i) With respect to each share of each class of Voting Stock of the Corporation (including Common Stock), the holder thereof shall be entitled to receive on or before the date of the consummation of the Business Combination (the "Consummation Date"), consideration, in the form specified in subsection (3)(B)(ii) hereof, with an aggregate Fair Market Value as of the Consummation Date at least equal to the highest of the following:

(a) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested

Stockholder to which the Business Combination relates, or by any Affiliate or Associate of such Interested Stockholder, for any shares of such class of Voting Stock acquired by it (1) within the two-year period immediately prior to the first public announcement of the proposal of the Business Combination (the "Announcement Date") or (2) in the transaction in which it became an Interested Stockholder, whichever is higher;

(b) the Fair Market Value per share of such class of Voting Stock of the Corporation on the Announcement Date; and

(c) the highest preferential amount per share, if any, to which the holders of shares of such class of Voting Stock of the Corporation are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

(ii) The consideration to be received by holders of a particular class of outstanding Voting Stock of the Corporation (including Common Stock) as described in subsection (3)(B)(i) hereof shall be in cash or if the consideration previously paid by or on behalf of the Interested Stockholder in connection with its acquisition of beneficial ownership of shares of such class of Voting Stock consisted in whole or in part of consideration other than cash, then in the same form as such consideration. If such payment for shares of any class of Voting Stock of the Corporation has been made in varying forms of consideration, the form of consideration for such class of Voting Stock shall be either cash or the form used to acquire the beneficial ownership of the largest number of shares of such class of Voting Stock previously acquired by the Interested Stockholder.

(iii) After such Interested Stockholder has become an Interested Stockholder and prior to the Consummation Date: (a) except as approved by the affirmative vote of a majority of the Continuing Directors, there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) on the outstanding Preferred Stock of the Corporation, if any; (b) there shall have been (1) no reduction in the annual rate of dividends paid on the Common Stock of the Corporation (except as necessary to reflect any subdivision of the Common Stock), except as approved by the affirmative vote of a majority of the Continuing Directors, and (2) an increase in such annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of Common Stock, unless the failure so to increase such annual rate is approved by the affirmative vote of a majority of the Continuing Directors; and (c) such Interested Stockholder shall not have become the Beneficial Owner of any additional shares of Voting Stock of the Corporation except as part of the transaction which results in such Interested Stockholder becoming an Interested Stockholder.

(iv) After such Interested Stockholder has become an Interested Stockholder, neither such Interested Stockholder nor any Affiliate or Associate thereof shall have received the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation.

(v) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Exchange Act and the General Rules and Regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to the stockholders of the Corporation at least 45 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions thereof).

(4) Powers of Continuing Directors. A majority of the Continuing Directors shall have the power and duty to determine, on the basis of information known to them after reasonable inquiry, all facts necessary to determine compliance with this Article, including, without limitation, (A) whether a Person is an Interested Stockholder, (B) the number of shares of Voting Stock of the Corporation beneficially owned by any Person, (C) whether a Person is an Affiliate or Associate of another, (D) whether the requirements of paragraph B of Section (3) have been met with respect to any Business Combination, and (E) whether the assets which are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of not less than one percent (1%) of the total assets of the Corporation as reported in the consolidated balance sheet of the Corporation as of the end of the most recent quarter with respect to which such balance sheet has been prepared; and the good faith determination of a majority of the Continuing Directors on such matters shall be conclusive and binding for all the purposes of this Article.

(5) No Effect on Fiduciary Obligations.

A. Nothing contained in this Article shall be construed to relieve the members of the Board of Directors or an Interested Stockholder from any fiduciary obligation imposed by law.

B. The fact that any Business Combination complies with the provisions of Section (3) of this Article shall not be construed to impose any fiduciary duty, obligation or responsibility on the Board of Directors, or any member thereof, to approve such Business Combination or recommend its adoption or approval to the stockholders of the Corporation, nor shall such compliance limit, prohibit or otherwise restrict in any manner the Board of Directors, or any member thereof, with respect to evaluations of or actions and responses taken with respect to such Business Combination.

(6) Effect on Other Provisions. The provisions of this Article X are in addition to, and shall not alter or amend, the provisions of Section (1) of Article VI of this Certificate of Incorporation.

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on stockholders, directors and officers are subject to this reserved power; provided that, notwithstanding the fact that a lesser percentage may be specified by the General Corporation Law of Delaware, the affirmative vote of the holders of record of outstanding shares representing at least eighty percent (80%) of the voting power of all of the shares of capital stock of the Corporation then entitled to vote generally in the election of Directors, voting together as a single class, shall be required to amend, alter, change, repeal, or adopt any provision or provisions inconsistent with, Section (2) of Article V, Sections (3) and (4) of Article VI, and Articles VIII and XI (except for the second proviso of this Article XI) of this Certificate of Incorporation unless such amendment, alteration, change, repeal or adoption of any inconsistent provision or provisions is declared advisable by the Board of Directors by the affirmative vote of at least seventy-five percent (75%) of the entire Board of Directors; and provided further that, notwithstanding the fact that a lesser percentage may be specified by the General Corporation Law of Delaware, the affirmative vote of the holders of record of outstanding shares representing at least eighty percent (80%) of the voting power of all the outstanding Voting Stock of the Corporation, voting together as a single class, shall be required to amend, alter or repeal, or adopt any provision or provisions inconsistent with, any provision of Article X or this proviso of this Article XI, unless such amendment, alteration, repeal, or adoption of any inconsistent provision or provisions is declared advisable by the Board of Directors by the affirmative vote of at least seventy-five percent (75%) of the entire Board of Directors and by a majority of the Continuing Directors.

ARTICLE XII

No Director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such Director as a Director. Notwithstanding the foregoing, a Director shall be liable to the extent provided by applicable law (i) for breach of the Director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the Director derived an improper personal benefit. No amendment to or repeal of these provisions shall apply to or have any effect on the liability or alleged liability of any Director of the Corporation for or with respect to any acts or omissions of such Director occurring prior to such amendment or repeal.

AMENDED

CERTIFICATE OF DESIGNATIONS

OF

SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

OF

KIMBERLY-CLARK CORPORATION

(PURSUANT TO SECTION 151 OF THE

DELAWARE GENERAL CORPORATION LAW)

Kimberly-Clark Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies that (i) a Certificate of Designations for the Series A Participating Preferred Stock of the Corporation (the "Preferred Stock") was filed with the Secretary of State of the State of Delaware on July 1, 1988, (ii) no shares of the Preferred Stock have been issued or are outstanding, and (iii) the Board of Directors of the Corporation adopted the following resolution amending in their entirety the voting powers, preferences and relative, participating, optional and other special rights of the Preferred Stock as the following resolution was adopted by the Board of Directors of the Corporation as required by Section 151 of the General Corporation Law at a meeting duly called and held on June 8, 1995:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board of Directors" or the "Board") in accordance with the provisions of the Certificate of Incorporation, the Board of Directors hereby amends the provisions of the Series A Junior Participating Preferred Stock of the Corporation to state the designation and number of shares, and to fix the relative rights, preferences, and limitations thereof as follows:

Series A Junior Participating Preferred Stock:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be 2,000,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

Section 2. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, par value \$1.25 per share (the "Common Stock"), of the Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$1 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$1 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding

shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any other Certificate of Designations creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Certificate of Incorporation, or in any other Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received \$100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation. Merger. Etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Preferred Stock shall not be redeemable.

Section 9. Rank. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

Section 10. Amendment. The Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its Vice President and Secretary this 12th day of July, 1995.

/s/ DONALD M. CROOK

Name: Donald M. Crook
Title: Vice President and Secretary

CERTIFICATE OF
INCREASE TO THE AMENDED CERTIFICATE OF DESIGNATIONS OF
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

OF

KIMBERLY-CLARK CORPORATION

(Pursuant to Section 151 of the
Delaware General Corporation Law)

Kimberly-Clark Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies that (i) an Amended Certificate of Designations ("Certificate of Designations") for the Series A Junior Participating Preferred Stock of the Corporation (the "Series A Preferred Stock") was filed with the Secretary of State of the State of Delaware on July 12, 1995, and (ii) the Board of Directors of the Corporation (the "Board of Directors") has adopted the following resolution increasing the number of shares to which the Certificate of Designations applies in accordance with the provisions of Section 151(g) of the General Corporation Law of the State of Delaware:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation by Article V of its Restated Certificate of Incorporation, and in accordance with the provisions of Section 151(g) of the General Corporation Law of the State of Delaware, the Board of Directors of the Corporation hereby authorizes and directs that the number of shares of Preferred Stock, without par value, of the Corporation authorized and designated as Series A Junior Participating Preferred Stock ("Series A Preferred Stock") be increased from 2,000,000 shares to 6,000,000 shares.

* * *

IN WITNESS WHEREOF, this Certificate of Increase is executed on behalf of the Corporation by its Senior Vice President - Law and Government Affairs and attested by its Vice President and Secretary this 18th day of February, 2000.

KIMBERLY-CLARK CORPORATION

By: /s/ O. George Everbach

Name: O. George Everbach
Title: Senior Vice President - Law
and Government Affairs

Attest:
By: /s/ Ronald D. Mc Cray

Name: Ronald D. Mc Cray
Title: Vice President and Secretary

KIMBERLY-CLARK CORPORATION
1992 EQUITY PARTICIPATION PLAN
(AS AMENDED EFFECTIVE NOVEMBER 15, 1999)

1. PURPOSE

This 1992 Equity Participation Plan (the "Plan") of Kimberly-Clark Corporation (the "Corporation") is intended to aid in attracting and retaining highly qualified personnel and to encourage those employees who materially contribute, by managerial, scientific or other innovative means, to the success of the Corporation or of an Affiliate, to acquire an ownership interest in the Corporation, thereby increasing their motivation for and interest in the Corporation's or Affiliate's long-term success.

2. EFFECTIVE DATE

The Plan was originally adopted effective as of April 24, 1992, upon approval by the stockholders of the Corporation at the 1992 Annual Meeting. The Plan as hereby amended and restated is effective as of June 9, 1999.

3. DEFINITIONS

"Account" has the meaning set forth in subsection 7(a) of this Plan.

"Affiliate" means any company in which the Corporation owns 20% or more

of the equity interest (collectively, the "Affiliates").

"Award" has the meaning set forth in section 6 of this Plan.

"Award Agreement" means an agreement entered into between the Corporation

and a Participant setting forth the terms and conditions applicable to the Award granted to the Participant.

"Base Value" has the meaning set forth in subsection 7(a) of this Plan.

"Board" means the Board of Directors of the Corporation.

"Book Value" has the meaning set forth in subsection 7(a) of this Plan.

"Code" means the Internal Revenue Code of 1986 and the regulations

thereunder, as amended from time to time.

"Committee" means the Compensation Committee of the Board, provided that

if the requisite number of members of the Compensation Committee are not Disinterested Persons, the Plan shall be administered by a committee, all of whom are Disinterested Persons, appointed by the Board and consisting of two or more directors with full authority to act in the matter. The term "Committee" shall mean the Compensation Committee or the committee appointed by the Board, as the case may be.

"Committee Rules" means the interpretative guidelines approved by the

Committee providing the foundation for administration of this Plan.

"Common Stock" means the common stock, par value \$1.25 per share, of the

Corporation and shall include both treasury shares and authorized but unissued shares and shall also include any security of the Corporation issued in substitution, in exchange for, or in lieu of the Common Stock.

"Disinterested Person" means a person who is a "Non-Employee Director"

for purposes of rule 16b-3 under the Exchange Act, or any successor provision, and who is also an "outside director" for purposes of section 162(m) of the Code or any successor section.

"Dividend Shares" has the meaning set forth in subsection 7(c) of this

Plan.

"Dividend Share Value" means Dividend Share Value as defined in

subsection 7(c) of this Plan.

"Exchange Act" means the Securities Exchange Act of 1934 and the rules

and regulations thereunder, as amended from time to time.

"Fair Market Value" means the reported closing price of the Common Stock,

on the relevant date as reported on the composite list used by The Wall Street Journal for reporting stock prices, or if no such sale shall have been made on that day, on the last preceding day on which there was such a sale.

"Incentive Stock Option" means an Option which is so defined for purposes

of section 422 of the Code or any successor section.

"Insider" has the meaning set forth in subsection 15(k) of this Plan.

"Maturity Date" has the meaning set forth in subsection 7(b) of this

Plan.

"Maturity Value" has the meaning set forth in subsection 7(c) of this

Plan.

"Nonqualified Stock Option" means any Option which is not an Incentive

Stock Option.

"Option" means a right to purchase a specified number of shares of Common

Stock at a fixed option price equal to no less than 100% of the Fair Market
Value of the Common Stock on the date the Award is granted.

"Option Price" has the meaning set forth in subsection 8(b) of this Plan.

"Participant" means an employee who the Committee selects to participate

in and receive Awards under the Plan (collectively, the "Participants").

"Participation Shares" means the right, as described in section 7, to

receive an amount equal to the increase in Book Value on a specified number of
shares of Common Stock.

"Retirement" and "Retires" means the termination of employment on or

after the date the Participant is entitled to receive immediate payments under
a qualified retirement plan of the Corporation or an Affiliate; provided,
however, if the Participant is not eligible to participate under a qualified
retirement plan of the Corporation or its Affiliates then such Participant
shall be deemed to have retired if his termination of employment is on or
after the date such Participant has attained age 55.

"Severe Financial Hardship" means a severe financial hardship as defined

in subsection 15(h) of this Plan.

"Stock Appreciation Right (SAR)" has the meaning set forth in subsection

8(j) (i) of this Plan.

"Total and Permanent Disability" means Totally and Permanently Disabled

as defined in the Kimberly-Clark Corporation Salaried Employees' Retirement
Plan.

4. ADMINISTRATION

The Plan and all Awards granted pursuant thereto shall be administered by
the Committee. The Committee, in its absolute discretion, shall have the power
to interpret and construe the Plan and any Award Agreements; provided,
however, that no such action or determination may increase the amount of
compensation payable that would otherwise be due in a manner that would result
in the disallowance of a deduction to the Corporation under section 162(m) of
the Code or any successor section. Any interpretation or construction of any
provisions of this Plan or the Award Agreements by the Committee shall be
final and conclusive upon all persons. No member of the Board or the
Committee shall be liable for any action or determination made in good faith.

Within 60 days following the close of each calendar year that the Plan is
in operation, the Committee shall make a report to the Board. The report
shall specify the employees who received Awards under the Plan during the
prior year, the form and size of the Awards to the individual employees, and
the status of prior Awards.

The Committee shall have the power to promulgate Committee Rules and
other guidelines in connection with the performance of its obligations, powers
and duties under the Plan, including its duty to administer and construe the
Plan and the Award Agreements.

The Committee may authorize persons other than its members to carry out
its policies and directives subject to the limitations and guidelines set by
the Committee, except that: (a) the authority to grant Awards, the selection
of officers and directors for participation and decisions concerning the
timing, pricing and amount of a grant or Award shall not be delegated by the
Committee; (b) the authority to administer Awards with respect to persons who
are subject to section 16 of the Exchange Act shall not be delegated by the
Committee; (c) any delegation shall satisfy all applicable requirements of
rule 16b-3 of the Exchange Act, or any successor provision; and (d) no such
delegation shall result in the disallowance of a deduction to the Corporation
under section 162(m) of the Code or any successor section. Any person to whom
such authority is granted shall continue to be eligible to receive Awards
under the Plan.

5. ELIGIBILITY

The Committee shall from time to time select the Plan Participants from
those employees whom the Committee determines either to be in a position to
contribute materially to the success of the Corporation or Affiliate or to
have in the past so contributed. Only employees (including officers and
directors who are employees) of the Corporation and its Affiliates are

eligible to participate in the Plan.

6. FORMS OF AWARDS

All Awards under the Plan shall be made in the form of Participation Shares or Options. The Committee may make Awards solely in Options or Participation Shares, or in any combination of the two. Notwithstanding anything in this Plan to the contrary, any Awards shall contain the restriction on assignability in subsection 15(f) of this Plan to the extent required under rule 16b-3 of the Exchange Act.

7. PARTICIPATION SHARES

The Committee shall from time to time designate those Participants who shall receive Participation Share awards. The Committee shall advise such Participants of their Participation Share awards by a letter indicating the number of Participation Shares awarded and the following terms and conditions of the award.

(a) Base Value of Participation Shares. The number of Participation Shares awarded to a Participant shall be entered in such Participant's memorandum account (the "Account") established for this purpose as of the date of the award. Each Participation Share shall be assigned a base value equal to the book value of one share of Common Stock as of the close of the fiscal year of the Corporation preceding the date of the award (the "Base Value"). Book value per share shall be defined for purposes of the Plan as common stockholders' equity, as reported in the year-end audited consolidated financial statements, or in the quarter-end unaudited consolidated financial statements, of the Corporation (as the case may be), divided by the number of shares of Common Stock outstanding as of the date of such financial statements, as adjusted pursuant to the provisions of the Plan (the "Book Value"). The term "book value", when used without initial capital letters, shall be defined as in the preceding sentence without the adjustments.

(b) Maturation of Participation Shares. An Award of Participation Shares shall reach maturity at the close of the fiscal year (i) in which either the fifth or seventh anniversary, as determined by the Committee when the Award is granted, of the date the Award occurs, (ii) the Participant who holds such Award dies, Retires, or becomes Totally and Permanently Disabled, or (iii) the events described in subsection 9(a) occur, whichever is earlier (the "Maturity Date"). The Book Value at the Maturity Date shall be the Book Value as of the close of the fiscal year of the Corporation in which such Maturity Date occurs.

(c) Participation Share Payments. Each Participant shall be entitled to receive a payment equal to the sum of the Maturity Value and the Dividend Share Value for his or her Participation Share award, payable as provided in subsection 7(g). Such payment shall be payable either in cash, or partly in cash and up to 50% in Common Stock, as determined by the Committee when the Award is granted. Such payment in Common Stock shall be payable in the number of shares of Common Stock that could have been purchased with the amount equal to the sum of the Maturity Value and the Dividend Share Value for that portion of his or her Participation Share award which is payable in Common Stock, at the average of the Fair Market Value of shares of Common Stock on each business day during the month immediately preceding the month of such payment. A Participation Share award shall only be paid in Common Stock as provided above to the extent shares of Common Stock are available under section 10 hereof, with the remainder settled in cash. To the extent shares of Common Stock are not fully available under section 10 hereof to fully pay such portion of the Award in shares of Common Stock then the available shares of Common Stock shall be paid on a pro rata basis, with the remainder settled in cash.

The "Maturity Value" of an Award of Participation Shares shall be equal to the Book Value of the Participation Shares subject to such Award at the Maturity Date less the Base Value of such Participation Shares.

Participants are not entitled to receive current dividends on their Participation Shares, but in lieu thereof their Accounts shall be credited with dividend shares (the "Dividend Shares"). The "Dividend Share Value" of an award shall be equal to the product of (A) the number of Dividend Shares credited to a Participant's Account and (B) the Book Value per share of the Common Stock at the Maturity Date. The amount available for the acquisition of Dividend Shares for a Participant's Account at the end of each fiscal quarter of the Corporation shall be determined by multiplying the total cash dividend declared per share of Common Stock during such quarter (but subsequent to the date of the award in the case of Participation Shares and subsequent to the date of crediting in the case of Dividend Shares) by the total of the Participation Shares and Dividend Shares in the Participant's Account. The amount so determined shall be divided by the Book Value of one share of Common Stock as of the close of such fiscal quarter, and the quotient shall represent the number of full and fractional Dividend Shares credited to the Participant's Account for that quarter.

(d) Dividend Maintenance. No Dividend Shares shall be credited to a Participant's Account in any quarter (i) in which the total cash dividends declared per share of Common Stock are less than \$.205 or (ii) in which the total cash dividends declared per share of Common Stock are less than the total cash dividends declared per share of Common Stock in the same quarter of the immediately preceding year, except that the determination of whether the total cash dividends per share of Common Stock are less than in the immediately preceding year shall be made after adjustment for the two-for-one stock split which occurred in 1992 and the two-for-one stock split which was declared on February 20, 1997, in accordance with generally accepted accounting principles. When total cash dividends declared per share of Common Stock are less than total cash dividends declared per share of Common Stock in the same quarter of the immediately preceding year as described above, the book value of each Participation Share held by a Participant shall be reduced by an amount equal to the difference between the cash dividend declared in such immediately preceding quarter less the cash dividend declared in the

quarter the cash dividend is reduced.

(e) Adjustments. To preserve the benefit to the Participant and the Corporation contemplated hereby, stock repurchases (other than Common Stock transferred to the Corporation upon the exercise of an Option pursuant to subsection 8(f)) or changes in the Corporation's accounting policies during any fiscal year shall be automatically excluded for purposes of determining Book Value for purposes of this Plan for such fiscal year and for all future years with respect to any outstanding Participation Share Awards; provided, however, that the Committee shall have the discretion to waive any such exclusion that would have the effect of increasing Book Value (to the extent that such discretion does not result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section). To further preserve the benefit to the Participant and the Corporation contemplated hereby, if a cash dividend is declared in any quarter and the payment date for such cash dividend is later than the immediately subsequent quarter, then such cash dividend will be deemed to be declared in the quarter immediately preceding the payment date for all purposes of this Plan, as of the first date the Board meets in such quarter, or if the Board does not meet in such quarter, on the first business day of such quarter, including, but not limited to, the determination of (i) Book Value in subsection 7(a), (ii) Dividend Shares in subsection 7(c) and (iii) whether the total cash dividends declared per share of Common Stock in a quarter is less than \$.205 or whether the total cash dividends declared per share of Common Stock are less than the total cash dividends declared per share of Common Stock in the same quarter of the immediately preceding year in subsection 7(d).

(f) Absence of Rights as a Stockholder. A Participant shall not be entitled, on the basis of a Participation Share award, to any of the rights of a stockholder of the Corporation, including the right to vote and receive dividends on Common Stock.

(g) Date of Payment. Except as provided in subsection 15(h), the payment provided for in subsection 7(c) shall be payable within 90 days following the Maturity Date.

(h) Termination of Employment. Except as provided in subsection 9(a), any Participation Shares or Dividend Shares credited to a Participant's Account shall be forfeited if the Participant is dismissed or leaves the service of the Corporation or Affiliate prior to the Maturity Date of the award for any reason other than death, Retirement or Total and Permanent Disability.

(i) Termination of Award. After the Corporation makes the cash payment provided for in subsection 7(c), any rights of the Participant (or the Participant's estate or beneficiaries) in the Participation Share award shall end.

8. STOCK OPTIONS

The Committee shall determine and designate from time to time those Participants to whom Options are to be granted and the number of shares of Common Stock to be optioned to each. Such Options may be in the form of Incentive Stock Options or in the form of Nonqualified Stock Options. After granting an Option to a Participant, the Committee shall cause to be delivered to the Participant an Award Agreement evidencing the granting of the Option. The Award Agreement shall be in such form as the Committee shall from time to time approve. The terms and conditions of all Options granted under the Plan need not be the same, but all Options must meet the applicable terms and conditions specified in subsections 8(a) through 8(h).

(a) Period of Option. The Period of each Option shall be no more than 10 years from the date it is granted.

(b) Option Price. The Option price shall be determined by the Committee, but shall not in any instance be less than the Fair Market Value of the Common Stock at the time that the Option is granted (the "Option Price").

(c) Limitations on Exercise. The Option shall not be exercisable until at least one year has expired after the granting of the Option, during which time the Participant shall have been in the continuous employ of the Corporation or an Affiliate. At any time during the period of the Option after the end of the first year, the Participant may purchase up to 30 percent of the shares covered by the Option; after the end of the second year, an additional 30 percent; and after the end of the third year, the remaining 40 percent of the total number of shares covered by the Option; provided, however, that if the Participant's employment is terminated for any reason other than death, Retirement or Total and Permanent Disability, the Option shall be exercisable only for three months following such termination and only for the number of shares of Common Stock which were exercisable on the date of such termination. In no event, however, may an Option be exercised more than 10 years after the date of its grant.

(d) Exercise after Death, Retirement, or Disability. If a Participant dies or becomes Totally and Permanently Disabled, without having exercised the Option in full, the remaining portion of such Option may be exercised, without regard to the limitations in subsection 8(c), within (i) three years from the date of any such event or (ii) the remaining period of the Option, whichever is earlier. Upon a Participant's death, the Option may be exercised by the person or persons to whom such Participant's rights under the Option shall pass by will or by applicable law or, if no such person has such rights, by his executor or administrator. If a Participant Retires without having exercised the Option in full, the remaining portion of such Option may be exercised, without regard to the limitations in subsection 8(c), within the remaining period of the Option.

(e) Non-transferability. During the Participant's lifetime, Options shall be exercisable only by such Participant. Options shall not be transferable other than by will or the laws of descent and distribution upon the Participant's death. Notwithstanding anything in this subsection 8(e) to the contrary, the Committee may grant to designated Participants the right to

transfer Nonqualified Stock Options, to the extent allowed under rule 16b-3 of the Exchange Act, subject to the terms and conditions of the Committee Rules.

(f) Exercise; Notice Thereof. Options shall be exercised by delivering to the Corporation, at the office of the Treasurer at the World Headquarters, written notice of the number of shares with respect to which Option rights are being exercised and by paying in full the Option Price of the shares at the time being acquired. Payment may be made in cash, a check payable to the Corporation or in shares of Common Stock transferable to the Corporation and having a Fair Market Value on the transfer date equal to the amount payable to the Corporation. The date of exercise shall be deemed to be the date the Corporation receives the written notice and payment for the shares being purchased. A Participant shall have none of the rights of a stockholder with respect to shares covered by such Option until the Participant becomes the record holder of such shares.

(g) Purchase for Investment. It is contemplated that the Corporation will register shares sold to Participants pursuant to the Plan under the Securities Act of 1933. In the absence of an effective registration, however, a Participant exercising an Option hereunder may be required to give a representation that he/she is acquiring such shares as an investment and not with a view to distribution thereof.

(h) Limitations on Incentive Stock Option Grants.

(i) An Incentive Stock Option shall be granted only to an individual who, at the time the Option is granted, does not own stock possessing more than 10 percent of the total combined voting power of all classes of stock of the Corporation or Affiliates.

(ii) The aggregate Fair Market Value of all shares with respect to which Incentive Stock Options are exercisable by a Participant for the first time during any year shall not exceed \$100,000. The aggregate Fair Market Value of such shares shall be determined at the time the Option is granted.

(i) Options for Nonresident Aliens. In the case of any Option awarded to a Participant who is not a resident of the United States or who is employed by an Affiliate other than an Affiliate that is incorporated, or whose place of business is, in a State of the United States, the Committee may (i) waive or alter the conditions set forth in subsections 8(a) through 8(h) to the extent that such action is necessary to conform such Option to applicable foreign law, or (ii) take any action, either before or after the award of such Option, which it deems advisable to obtain approval of such Option by an appropriate governmental entity; provided, however, that no action may be taken hereunder if such action would (1) increase any benefits accruing to any Participants under the Plan, (2) increase the number of securities which may be issued under the Plan, (3) modify the requirements for eligibility to participate in the Plan, (4) result in a failure to comply with applicable provisions of the Securities Act of 1933, the Exchange Act or the Code or (5) result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section.

(j) Election to Receive Cash Rather than Stock.

(i) At the same time as Nonqualified Stock Options are granted the Committee may also grant to designated Participants the right to convert a specified number of shares of Common Stock covered by such Nonqualified Stock Options to cash, subject to the terms and conditions of this subsection 8(j). For each such Option so converted, the Participant shall be entitled to receive cash equal to the difference between the Participant's Option Price and the Fair Market Value of the Common Stock on the date of conversion. Such a right shall be referred to herein as a Stock Appreciation Right ("SAR"). Participants to which an SAR has been granted shall be notified of such grant and of the Options to which such SAR pertains. An SAR may be revoked by the Committee, in its sole discretion, at any time, provided, however, that no such revocation may be taken hereunder if such action would result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section.

(ii) A person who has been granted an SAR may exercise such SAR during such periods as provided for in the rules promulgated under section 16 of the Exchange Act. The SAR shall expire when the period of the subject Option expires.

(iii) At the time a Participant converts one or more shares of Common Stock covered by an Option to cash pursuant to an SAR, such Participant must exercise one or more Nonqualified Stock Options, which were granted at the same time as the Option subject to such SAR, for an equal number of shares of Common Stock. In the event that the number of shares and the Option Price per share of all shares of Common Stock subject to outstanding Options is adjusted as provided in the Plan, the above SARs shall automatically be adjusted in the same ratio which reflects the adjustment to the number of shares and the Option Price per share of all shares of Common Stock subject to outstanding Options.

9. GOVERNMENT SERVICE, LEAVES OF ABSENCE AND OTHER TERMINATIONS

(a) A Participation Share award shall be considered to reach maturity as of the close of the fiscal year in which (i) a Participant's employment terminates because such Participant enters governmental service or (ii) the Participant's employment with the Corporation or an Affiliate is terminated by reason of a shutdown or divestiture of all or a portion of the Corporation's or its Affiliate's business.

(b) An authorized leave of absence, or qualified military leave in accordance with section 414(u) of the Code, shall not be deemed to be a termination of employment for purposes of the Plan. A termination of employment with the Corporation or an Affiliate to accept immediate reemployment with the Corporation or an Affiliate likewise shall not be deemed to be a termination of employment for purposes of the Plan.

10. SHARES SUBJECT TO THE PLAN

The number of shares of Common Stock available with respect to all Awards granted under this Plan shall not exceed 40,000,000 in the aggregate, of which not more than 40,000,000 shall be available for option and sale, subject to the adjustment provision set forth in section 12 hereof. The shares of Common Stock subject to the Plan may consist in whole or in part of authorized but unissued shares or of treasury shares, as the Board may from time to time determine. Participation Shares which are retired through forfeiture or maturity, other than those Participation Shares which are retired through the payment of Common Stock, and shares subject to Options which become ineligible for purchase will be available for Awards under the Plan to the extent permitted by section 16 of the Exchange Act (or the rules and regulations promulgated thereunder) and to the extent determined to be appropriate by the Committee. Shares of Common Stock which are distributed through the payment of Participation Share Awards pursuant to subsection 7(c) will not be available for Awards under the Plan.

11. INDIVIDUAL LIMITS

The maximum number of Participation Shares or shares of Common Stock covered by Options which may be granted to any Participant within any 2 consecutive calendar year period shall not exceed 1,000,000 in the aggregate. If an Option which had been granted to a Participant is canceled, the shares of Common Stock which had been subject to such canceled Option shall continue to be counted against the maximum number of shares for which Options may be granted to the Participant. In the event that the number of Participation Shares which may be awarded or Options which may be granted is adjusted as provided in the Plan, the above limits shall automatically be adjusted in the same ratio which reflects the adjustment to the number of Participation Shares or Options available under the Plan.

12. CHANGES IN CAPITALIZATION

In the event there are any changes in the Common Stock or the capitalization of the Corporation through a corporate transaction, such as any merger, any acquisition through the issuance of capital stock of the Corporation, any consolidation, any separation of the Corporation (including a spin-off or other distribution of stock of the Corporation), any reorganization of the Corporation (whether or not such reorganization comes within the definition of such term in section 368 of the Code), or any partial or complete liquidation by the Corporation, recapitalization, stock dividend, stock split or other change in the corporate structure, appropriate adjustments and changes shall be made by the Committee, to the extent necessary to preserve the benefit to the Participant contemplated hereby, to reflect such changes in (a) the aggregate number of shares subject to the Plan, (b) the maximum number of shares for which Options or Participation Shares may be granted or awarded to any Participant, (c) the number of shares and the Option Price per share of all shares of Common Stock subject to outstanding Options, (d) the number of Participation Shares, the Base Value per Participation Share awarded to Participants, and the number of Dividend Shares credited to Participants' Accounts, and (e) such other provisions of the Plan as may be necessary and equitable to carry out the foregoing purposes, provided, however that no such adjustment or change may be made to the extent that such adjustment or change will result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section.

13. EFFECT ON OTHER PLANS

All payments and benefits under the Plan shall constitute special compensation and shall not affect the level of benefits provided to or received by any Participant (or the Participant's estate or beneficiaries) as part of any employee benefit plan of the Corporation or an Affiliate. The Plan shall not be construed to affect in any way a Participant's rights and obligations under any other plan maintained by the Corporation or an Affiliate on behalf of employees.

14. TERM OF THE PLAN

The term of the Plan shall be ten years, beginning April 24, 1992, and ending April 23, 2002, unless the Plan is terminated prior thereto by the Committee. No Option may be granted or Participation Share awarded after the termination date of the Plan, but Options and Participation Shares theretofore granted or awarded shall continue in force beyond that date pursuant to their terms.

15. GENERAL PROVISIONS

(a) Designated Beneficiary. Each Participant who shall be granted a Participation Share award under the Plan may designate a beneficiary or beneficiaries with the Committee on a form to be prescribed by it; provided that no such designation shall be effective unless so filed prior to the death of such Participant.

(b) No Right of Continued Employment. Neither the establishment of the Plan nor the payment of any benefits hereunder nor any action of the Corporation, its Affiliates, the Board of Directors of the Corporation or its Affiliates, or the Committee shall be held or construed to confer upon any person any legal right to be continued in the employ of the Corporation or its Affiliates, and the Corporation and its Affiliates expressly reserve the right to discharge any Participant without liability to the Corporation, its Affiliates, the Board of Directors of the Corporation or its Affiliates or the Committee, except as to any rights which may be expressly conferred upon a Participant under the Plan.

(c) Binding Effect. Any decision made or action taken by the Corporation, the Board or by the Committee arising out of or in connection

with the construction, administration, interpretation and effect of the Plan shall be conclusive and binding upon all persons.

(d) Modification of Awards.

(1) The Committee may in its sole and absolute discretion, by written notice to a Participant, (i) limit or eliminate the ability of the Participant's Participation and Dividend Shares to generate additional Dividend Shares, and/or (ii) fix the Book Value of all or any portion of the Participant's existing Participation and existing or future Dividend Shares for the purposes of any payments that might be made under subsection 7(c) at their Book Value as of the end of the fiscal year of the Corporation in which such notice is dated so that no further appreciation occurs in such Book Value, and/or (iii) limit the period in which an Option may be exercised to a period ending at least three months following the date of such notice, and/or (iv) limit or eliminate the number of shares subject to Option after a period ending at least three months following the date of such notice. Notwithstanding anything in this subsection 15(d) to the contrary, the Committee may not take any action to the extent that such action would result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section.

(2) A Participant's Participation Share or Dividend Share which has had its ability to generate additional Dividend Shares limited or eliminated and for which the Book Value is fixed pursuant to subsection 15(d)(1)(i) of the Plan shall be credited with interest equal to the product of (i) the number of Interest Credits (determined pursuant to subsection 15(d)(3) below) credited to such Participant's Account as of the Maturity Date and (ii) the Book Value at which such Participation Share or Dividend Share has been fixed.

(3) The number of Interest Credits to be credited to a Participant's Account for each fiscal quarter of the Corporation ending after the date as of which the Book Value of such Participant's Participation Shares or Dividend Shares is fixed shall be determined as follows. The total cash dividend declared per share of Common Stock during such quarter (but subsequent to the date of the award in the case of Participation Shares and subsequent to the date of crediting in the case of Dividend Shares) shall be multiplied by the total of the Participation Shares, Dividend Shares and Interest Credits in the Participant's Account. The amount so determined shall be divided by the Book Value of one share of Common Stock as of the close of such fiscal quarter. The quotient shall represent the number of full and fractional Interest Credits credited to such Participant's Account for that quarter.

(e) No Segregation of Cash or Stock. The Accounts established for Participants are merely a bookkeeping convenience and neither the Corporation nor its Affiliates shall be required to segregate any cash or stock which may at any time be represented by Awards. Nor shall anything provided herein be construed as providing for such segregation. Neither the Corporation, its Affiliates, the Board nor the Committee shall, by any provisions of the Plan, be deemed to be a trustee of any property, and the liability of the Corporation or its Affiliates to any Participant pursuant to the Plan shall be those of a debtor pursuant to such contract obligations as are created by the Plan, and no such obligation of the Corporation or its Affiliates shall be deemed to be secured by any pledge or other encumbrance on any property of the Corporation or its Affiliates.

(f) Inalienability of Benefits and Interest. Except as provided in subsections 8(e) and 15(a), no benefit payable under or interest in the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such attempted action shall be void and no such benefit or interest shall be in any manner liable for or subject to debts, contracts, liabilities, engagements, or torts of any Participant or beneficiary.

(g) Delaware Law to Govern. All questions pertaining to the construction, interpretation, regulation, validity and effect of the provisions of the Plan shall be determined in accordance with the laws of the State of Delaware.

(h) Election to Defer Receipt.

(1) A Participant may, with the consent of the Committee, elect to defer the receipt of all or any portion of amounts which may otherwise become payable under subsection 7(c). A Participant's receipt of any portion of the amount payable with respect to one or more outstanding Participation Share awards shall be deferred if, prior to the Maturity Date of any such award, or if earlier, such Participant's termination of employment, such Participant irrevocably elects such deferral by written notice to the Committee signed by the Participant and delivered to the Committee, and the Committee consents to such deferral. Such notice must clearly specify the manner of distribution described in paragraph (2) below which shall apply with respect to such deferred amounts. After adjustment for any resulting interest, the deferred amount shall be paid at the date or dates specified in the Participant's letter, and such adjusted amount shall not be subject to forfeiture as otherwise provided in subsection 7(h). Notwithstanding the foregoing, with the consent of the Committee, an election made prior to January 1, 1999 pursuant to this paragraph may be irrevocably modified by a Participant prior to the earlier of (i) January 1, 1999, (ii) such Participant's termination of employment or (iii) the payment of the first installment pursuant to subsection 15(h)(2) below.

(2) Amounts deferred pursuant to this subsection 15(h) shall be distributed in accordance with clause (i), (ii), or (iii), below, as elected by the Participant: (i) up to 20 annual installments commencing in the year after the termination of employment by reason of retirement; (ii) up to five annual installments, commencing 13 months after the Participant's repatriation to his home country following a foreign assignment; or (iii) up to five annual installments, commencing as of a date requested by the Participant; provided, however, that such date shall not be more than 20 years

after the Maturity Date. The amount of each installment under clause (i), (ii) or (iii) above shall be equal to the product of the amount which has not been distributed immediately prior to such installment and a fraction, the numerator of which is one and the denominator of which is the number of installments yet to be paid.

(3) (i) Notwithstanding any other provision of this Plan to the contrary, deferred amounts shall be paid in one lump sum as soon as practicable after the death of the Participant or the termination of employment of the Participant with the Corporation for reasons other than Retirement or Total and Permanent Disability; however, if a Participant is or has been on foreign assignment in the 12 months immediately prior to the date of his termination of employment, and if the termination of employment is for any reason other than Retirement or Total and Permanent Disability, any remaining amounts shall be paid in one lump sum 13 months following the earlier of (A) the date of the Participant's repatriation to his home country following the foreign assignment or (B) the date of such termination of employment.

(ii) Upon written application by a Participant or his legal representative stating that severe financial hardship will result from continued deferral, the Committee in its sole discretion may authorize payment of such Participant's deferred amounts prior to the date specified in the written notice described in subparagraph (h)(1) above. For purposes of this Plan, a "severe financial hardship" is an unanticipated emergency that is caused by an event beyond the control of the Participant and that would result in severe financial hardship to the individual if the emergency distribution were not permitted. Cash needs arising from foreseeable events, such as the purchase of a residence or education expenses for children shall not be considered the result of a severe financial hardship. For purposes of this Plan, a "severe financial hardship" is limited to an event described in Treasury Regulation section 1.401(k)-1(d)(2)(iv)(A)(1) or (4). For purposes of this Plan, a distribution is in "the amount necessary to satisfy the emergency" only if the requirements of Treasury Regulation section 1.401(k)-1(d)(2)(iv)(B) are satisfied. A Participant must provide the Committee with substantiation of any such claim of severe financial hardship.

(4) Amounts deferred hereunder shall be credited with interest, compounded quarterly, from the date such amount otherwise would have been paid at a rate yielding interest equivalent to the per annum market discount rate for six-month U.S. Treasury Bills as published by the Federal Reserve Board for the seven calendar days prior to January 1 (for interest to be credited for the subsequent fiscal quarters ending March 31 and June 30) and prior to July 1 (for interest to be credited for the subsequent fiscal quarters ending on September 30 and December 31).

(i) Purchase of Common Stock. The Corporation and its Affiliates may purchase from time to time shares of Common Stock in such amounts as they may determine for purposes of the Plan. The Corporation and its Affiliates shall have no obligation to retain, and shall have the unlimited right to sell or otherwise deal with for their own account, any shares of Common Stock purchased pursuant to this paragraph.

(j) Use of Proceeds. The proceeds received by the Corporation from the sale of Common Stock pursuant to the exercise of Options shall be used for general corporate purposes.

(k) Withholding. The Committee shall require the withholding of all taxes as required by law. In the case of payments of Awards in shares of Common Stock or other securities, withholding shall be as required by law and in the Committee Rules. A Participant may elect to have any portion of the federal, state or local income tax withholding required with respect to an exercise of a Nonqualified Stock Option satisfied by tendering to the Corporation shares of Common Stock, which, in the absence of such an election, would have been issued to such Participant in connection with such exercise. In the event that the value of the shares of Common Stock tendered to satisfy the withholding tax required with respect to an exercise exceeds the amount of such tax, the excess of such market value over the amount of such tax shall be returned to the Participant, to the extent possible, in whole shares of Common Stock, and the remainder in cash. The value of a share of Common Stock tendered pursuant to this subsection 15(k) shall be the Fair Market Value of the Common Stock on the date on which such shares are tendered to the Corporation. An election pursuant to this subsection 15(k) shall be made in writing and signed by the Participant. An election pursuant to this subsection 15(k) is irrevocable. A Participant who exercises an option may satisfy the income tax withholding due in respect of such exercise pursuant to this subsection 15(k) only to meet required tax withholding. Shares of Common Stock cannot be withheld in excess of the minimum number required for tax withholding.

(l) Amendments. The Committee may at any time amend, suspend, or discontinue the Plan or alter or amend any or all Awards and Award Agreements under the Plan to the extent (1) permitted by law, (2) permitted by the rules of any stock exchange on which the Common Stock or any other security of the Corporation is listed, (3) permitted under applicable provisions of the Securities Act of 1933, as amended, the Exchange Act (including rule 16b-3 thereof) and (4) that such action would not result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder); provided, however, that if any of the foregoing requires the approval by stockholders of any such amendment, suspension or discontinuance, then the Committee may take such action subject to the approval of the stockholders. Except as provided in subsections 8(i) and 15(d) no such amendment, suspension, or termination of the Plan shall, without the consent of the Participant, adversely alter or change any of the rights or obligations under any Awards or other rights previously granted the Participant under the Plan.

KIMBERLY-CLARK CORPORATION
DEFERRED COMPENSATION PLAN

EFFECTIVE AS OF OCTOBER 1, 1994

AMENDED THROUGH JUNE 9, 1999

KIMBERLY-CLARK CORPORATION
DEFERRED COMPENSATION PLAN

I. PURPOSE

The purpose of this Kimberly-Clark Corporation Deferred Compensation Plan is to permit a select group of management or highly compensated employees of Kimberly-Clark Corporation and its subsidiaries to defer income which would otherwise become payable to them.

II. DEFINITIONS AND CERTAIN PROVISIONS

- 2.1 "Agreement" means the Plan Agreement(s) executed between a Participant and the Company, whereby a Participant agrees to defer a portion of his Salary or Bonus, or both, pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan. In the event the terms of the Agreement conflict with the terms of the Plan, the terms of the Plan shall be controlling.
- 2.2 "Beneficiary" means the person or persons who under this Plan becomes entitled to receive a Participant's interest in the event of the Participant's death.
- 2.3 "Board of Directors" means the Board of Directors of the Company.
- 2.4 "Bonus" means any amount(s) paid during a calendar year to the Participant under the Company's Management Achievement Award Program.
- 2.5 A "Change of Control" of the Company shall be deemed to have taken place if: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, acquires shares of the Company having 20% or more of the total number of votes that may be cast for the election of Directors of the Company; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), the persons who were directors of the Company before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company.
- 2.6 "Code" means the Internal Revenue Code for 1986, as amended and any lawful regulations or other pronouncements promulgated thereunder.
- 2.7 "Committee" means the Retirement Trust Committee named under the Kimberly-Clark Corporation Salaried Employers' Retirement Plan.
- 2.8 "Company" means Kimberly-Clark Corporation, a Delaware corporation, and its subsidiaries and any successor in interest. For purposes of the Plan, a subsidiary is a corporation, 50% or more of the voting shares of which are owned directly or indirectly by the Company, which is incorporated under the laws of one of the states of the United States.
- 2.9 "Compensation Committee" means the Compensation Committee of the Board of Directors.
- 2.10 "Deferral Year" means any calendar year, 1995 through 2000. For purposes of 1994, Deferral Year means the Effective Date of the Plan through December 31, 1994.
- 2.11 "Deferred Benefit Account" means the cumulative total dollar amount that a Participant elects to defer in the Agreement, including gains and losses pursuant to Section 3 as maintained on the books of the Company for a Participant under this Plan. A Participant's Deferred Benefit Account shall not constitute or be treated as a trust fund of any kind.

- 2.12 "Determination Date" means the date on which the amount of a Participant's Deferred Benefit Account is determined as provided in Article III hereof. The last day of each calendar quarter shall be a Determination Date.
- 2.13 "Disability" shall have the same meaning as the phrase "Totally and Permanently Disabled" under the Kimberly-Clark Corporation Salaried Employees' Retirement Plan. The determination of a Participant's having become Disabled shall be made by the Retirement Committee of the Kimberly-Clark Corporation Salaried Employees' Retirement Plan.
- 2.14 "Effective Date" means October 1, 1994.
- 2.15 "IIP" means the Kimberly-Clark Corporation Salaried Employees Incentive Investment Plan and the Kimberly-Clark Corporation Hourly Employees Incentive Investment Plan, collectively.
- 2.16 "Investment Grade" means a bond rating of BBB minus, or its equivalent, by one of the nationally recognized rating agencies.
- 2.17 "Participant" means an employee of the Company, or its subsidiaries or affiliated companies, who is eligible to participate in the Plan pursuant to Article III, who has executed an Agreement with the Company, and who has commenced Salary or Bonus, or both Salary and Bonus, reductions pursuant to such Agreement.
- 2.18 "Plan" means the Kimberly-Clark Corporation Deferred Compensation Plan as amended from time to time.
- 2.19 "Retirement Date" means the date of Termination of Service of the Participant on or after he attains age 55 and has 5 Years of Service with the Company.
- 2.20 "Salary" means the Participant's base salary which would be received during a calendar year if no election to defer were made, including any 401(k) Contributions under the IIP or pre-tax contributions under the Company's Flexible Benefit Plan.
- 2.21 "Termination of Service" means the Participant's cessation of his service with the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of retirement, death, or Disability.
- 2.22 "Tier 1 Participants" shall include the Chief Executive Officer and all elected officers of the Company who report directly to the Chief Executive Officer.
- 2.23 "Tier 2 Participants" shall include all employees of the Company (excluding Tier 1 Participants) whose Salary at the beginning of the Deferral Year is greater than the considered compensation limit pursuant to Section 401(a)(17) of the Code. For the 1994 Deferral Year, the considered compensation limit is \$150,000.
- 2.24 "Valuation Date" means, for purposes of crediting earnings under Section 3.6 and determining a Participant's Deferred Benefit Account under Section 3.7, any business day on which securities are traded on the New York Stock Exchange.
- 2.25 "Years of Service" shall have the same meaning as defined under the Kimberly-Clark Corporation Salaried Employees' Retirement Plan.

III. PARTICIPATION AND COMPENSATION REDUCTION

- 3.1 Participation. Participation in the Plan shall be limited to employees of the Company who are either a Tier 1 Participant or a Tier 2 Participant and who elect to participate in the Plan by filing an Agreement with the Committee prior to the first day of the deferral period in which a Participant's participation commences in the Plan. The election to participate shall be effective upon receipt by the Committee of the Agreement that is properly completed and executed in conformity with the Plan.
- 3.2 Minimum and Maximum Deferral and Length of Participation. Tier 1 Participants - A Tier 1 Participant may elect to defer any amount of his Salary or Bonus, or both, to the extent that any portion of such amounts would not be deductible by the Company pursuant to Section 162(m) of the Code. In addition, a Tier 1 Participant may elect to defer up to 100% of his Bonus paid during a Deferral Year in 25% increments.

Tier 2 Participants - A Tier 2 Participant may elect to defer an amount of his Bonus up to the dividend distributed under Section 7.12 of the IIP during a Deferral Year. The amount of Bonus which may be deferred related to the dividend payment from the IIP shall be equal to 25% to 100% (in 25% increments) of the IIP dividend received. A Tier 2 Participant may not defer any part of his Salary pursuant to this Plan.

In no event may the amount of a Participant's deferral election related to the IIP estimated dividend payment for the upcoming Deferral Year be less than \$5,000. The deferral opportunity shall extend through December 31, 2000. A Participant shall make an annual election for the upcoming Deferral Year in the year preceding the Deferral Year for which the election is being made. Except as provided in Section 3.5, "Emergency Benefit: Waiver of Deferral," any election so made shall be irrevocable with respect to Salary and Bonus applicable to that Deferral Year.

Notwithstanding anything in this Plan to the contrary, a Participant may not elect to defer any amount under this Plan

unless the Participant files a statement with the Committee that the Participant had individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

- 3.3 Timing of Deferral Credits. The amount of Salary or Bonus, or both that a Participant elects to defer in the Agreement shall cause an equivalent reduction in the Participant's Salary and Bonus, respectively. Deferrals shall be credited throughout each Deferral Year as the Participant is paid the non-deferred portion of Salary and Bonus for such Deferral Year.
- 3.4 New Participants. Subsequent to October 1, 1994, an individual who is hired into a position which satisfies the requirements of a Tier 1 Participant or a Tier 2 Participant shall be eligible to participate in the Plan thirty (30) days after satisfying the criteria for participation. The eligible employee shall be bound by all terms and conditions of the Plan, provided, however, that his Agreement must be filed no later than thirty (30) days following his eligibility to participate.

Employees who satisfy the criteria of a Tier 1 Participant or a Tier 2 Participant as a result of a promotion or Salary increase will be eligible to participate in the Plan beginning on January 1st of the calendar year following eligibility.

- 3.5 Emergency Benefit: Waiver of Deferral. In the event that the Committee, upon written petition of the Participant or his Beneficiary, determines in its sole discretion, that the Participant or his Beneficiary has suffered an unforeseeable financial emergency, the Company shall pay to the Participant or his Beneficiary as soon as possible following such determination, an amount from the Participant's Deferred Benefit Account not in excess of the amount necessary to satisfy the emergency. For purposes of this Plan, an "unforeseeable financial emergency" is an unanticipated emergency that is caused by an event beyond the control of the Participant or Beneficiary and that would result in severe financial hardship to the individual if the emergency distribution were not permitted. Cash needs arising from foreseeable events, such as the purchase of a residence or education expenses for children shall not be considered the result of an unforeseeable financial emergency. For purposes of this Plan, an "unforeseeable financial emergency" is limited to an event described in Treasury Regulation section 1.401(k)-1(d)(2)(iv)(A)(1) or (4). For purposes of this Plan, a distribution is in "the amount necessary to satisfy the emergency" only if the requirements of Treasury Regulation section 1.401(k)-1(d)(2)(iv)(B) are satisfied. The Committee shall also grant a waiver of the Participant's agreement to defer a stated amount of Salary and Bonus upon finding that the Participant has suffered an unforeseeable financial emergency. The waiver shall be for such period of time as the Committee deems necessary under the circumstances to relieve the hardship.

- 3.6 Crediting of Earnings - As of the close of business on each Valuation Date the designated Deferred Benefit Account of each Participant shall be capable of being valued and adjusted to preserve for each Participant his proportionate interest in the related funds as if such account held actual assets and such assets were among such investment funds as the Participant, retired Participant or Beneficiary elected pursuant to Section 3.8. As of each Valuation Date the Deferred Benefit Account of each Participant shall be capable of being adjusted to reflect the effect of income, collected and accrued, realized and unrealized profits and losses, expenses which would have been incurred in connection with the sale, investment and reinvestment of the investment funds (such as brokerage, postage, express and insurance charges and transfer taxes), and all other transactions with respect to the related fund. The effect of such transactions shall be determined by the Committee in accordance with generally accepted valuation principles applied on a consistent basis. Each Participant's Deferred Benefit Account shall then be appropriately credited with his deferred amounts as set forth in Section 3.7.

- 3.7 Determination of Account. The balance of each Participant's Deferred Benefit Account as of each Valuation Date shall be calculated, in a manner determined by the Committee in accordance with generally accepted valuation principles applied on a consistent basis, as follows: the beginning balance of each Participant's Deferred Benefit Account; less distributions payable pursuant to Section 4.11 as of the Valuation Date coincident with the Determination Date set forth in Section 4.11 or, if none, the Valuation Date immediately following such Determination Date; plus investment earnings, gains and losses determined pursuant to Section 3.6 credited to each Participant's Deferred Benefit Account; plus Participant deferrals credited to each Participant's Deferred Benefit Account pursuant to Section 3.3.

- 3.8 Investment Funds and Elections. - Participants, retired Participants, and Beneficiaries may elect that their Deferred Benefit Account be credited with earnings, gains and losses as if such accounts held actual assets and such assets were among such investment funds as the Company may designate. Any such direction of investment shall be subject to such rules as the Company and the Committee may prescribe, including, without limitation, rules concerning the manner of providing investment directions, the frequency of changing such investment

directions, and method of crediting earnings, gains and losses for any portion of a Deferred Benefit Account which is not covered by any valid investment directions. The investment funds which the Company may designate shall include but not be limited to the following types of funds, which can be managed on an individual basis or as part of a mutual fund, as the Company shall determine:

- (a) money market funds;
- (b) common stock funds;
- (c) bond funds;
- (d) balanced funds;
- (e) investment funds which are primarily invested in insurance contracts; and
- (f) investment funds which are provided for under insurance contracts.

The Company shall have the sole discretion to determine the number of investment funds to be designated hereunder and the nature of the funds and may change or eliminate the investment funds provided hereunder from time to time. The Committee shall determine the rate of earnings, gains and losses to be credited to Participant's Deferred Benefit Accounts under this Plan with respect to any such investment fund for any period, taking into account the return, net of any expenses which would have been incurred in connection with the sale, investment and reinvestment of the investment funds (such as brokerage, postage, express and insurance charges and transfer taxes), of such investment funds for such period.

3.9 Reallocations. A Participant may elect to reallocate all or any whole percentage portion of his Deferred Benefit Account effective as of the last Valuation Date of any calendar month.

3.10 Vesting of Deferred Benefit Account. A Participant shall be 100 percent vested in his Deferred Benefit Account equal to the amount of Salary and Bonus he deferred into the Deferred Benefit Account and the earnings, gains or losses credited thereon.

IV. BENEFITS

4.1 Inservice Distribution. At the time a Participant executes an Agreement, he may elect to receive a return of his deferrals. The amount of the return of deferral shall be equal to the lesser of the amount deferred in a specific year or the Participant's Deferred Benefit Account. Each such return of deferral shall be made in a lump sum as soon as administratively feasible on or after the last business day of October of the fifth, tenth or fifteenth year following the year in which the deferral is earned, provided that the Participant continues in the employ of the Company, its subsidiary or affiliated company until such date. Once the Participant elects to receive his return of deferral, the election shall be irrevocable. A return of deferral pursuant to this Section 4.1 shall only be paid prior to a Participant's Termination of Service. Any return of deferral paid shall be deemed a distribution, and shall be deducted from the Participant's Deferred Benefit Account. A separate return of deferrals election shall be made for each Deferral Year.

4.2 Retirement Benefit. Subject to Section 4.6 below, upon a Participant's Retirement Date, he shall be entitled to receive the amount of his Deferred Benefit Account. The form of benefit payment, and the commencement of such benefit, shall be as provided in Section 4.6.

4.3 Termination Benefit. Upon the Termination of Service of a Participant prior to his Retirement Date, for reasons other than death or Disability, the Company shall pay to the Participant, a benefit equal to his Deferred Benefit Account.

Unless otherwise directed by the Committee, the termination benefit shall be payable in a lump sum as set forth in Section 4.11 following the Participant's Termination of Service. Upon a Termination of Service, the Participant shall immediately cease to be eligible for any other benefit provided under this Plan.

4.4 Death Benefits. Upon the death of a Participant or a retired Participant, the Beneficiary of such Participant shall receive the Participant's remaining Deferred Benefit Account. Payment of a Participant's remaining Deferred Benefit Account shall be in accordance with Section 4.6.

4.5 Disability. In the event of a Termination of Service due to Disability prior to his Retirement Date, a disabled Participant shall receive his remaining Deferred Benefit Account. Payment of a Participant's remaining Deferred Benefit Account shall be in accordance with Section 4.6.

4.6 Form of Benefit Payment.

- (a) Upon the happening of an event described in Sections 4.1, 4.2, 4.3, 4.4, or 4.5, the Company shall pay to the Participant the amount specified therein in a lump sum.
- (b) In the event that a Participant retires as described in Section 4.2, the Participant may, with the consent of the Committee, elect an installment form of benefit payments. The written request must be made prior to December 31 of the calendar year preceding the Participant's Retirement Date. The Committee may, in its discretion, grant the Participant's request.

- (c) In the event of the death of the Participant, as described in Section 4.4, the Participant's Beneficiary may, with the consent of the Committee, elect an installment benefit payment. This written request must be made no later than thirty (30) days after the Participant's date of death. The Committee may, in its discretion, grant such Beneficiary's request.
- (d) In the event that a Participant terminates service due to a Disability as described in Section 4.5, the Participant may, with the consent of the Committee, elect an installment form of benefit payment. The written request must be made no later than thirty (30) days after the date the Participant is determined to be disabled by the Retirement Committee of the Kimberly-Clark Salaried Employees' Retirement Plan. The Committee may, in its discretion, grant the Participant's request.
- (e) In the event that installment payments are to be made pursuant to Subsections 4.6(b), (c) or (d), such payments shall be in quarterly installments commencing as soon as administratively feasible after the Committee grants the request for an installment form of benefit payment. Such quarterly installments shall be payable in approximately equal amounts over a period, no less than two (2) calendar years and no more than twenty (20) calendar years.

Initially, the amount of any installments under the installment form of payment described in this Subsection 4.6(e) shall be equal to the balance of the Participant's Deferred Benefit Account to be distributed divided by the number of installments to be paid. The amount of the installment payments shall be recomputed annually and the installment payments shall be increased or decreased to reflect any changes in the Participant's Deferred Benefit Account due to fluctuations in earnings, gains and losses on the remaining balance and the number of remaining installments. Quarterly installments payments will be made on the last business day of January, April, July and October.

4.7 Limitations on the Annual Amount Paid to a Participant. Notwithstanding any other provisions of this Plan to the contrary, in the event that a portion of the payments due a Participant pursuant to Sections 3.5, 4.1, 4.2, 4.3, 4.4, 4.5, or 4.6 would not be deductible by the Company pursuant to Section 162(m) of the Code, the Company, at its discretion, may postpone payment of such amounts to the Participant until such time that the payments would be deductible by the Company. Provided, however, that no payment postponed pursuant to this Section 4.7 shall be postponed beyond the first anniversary of such Participant's Termination of Service.

4.8 Change of Control and Lump Sum Payments.

- (a) If there is a Change of Control, notwithstanding any other provision of this Plan, any Participant who has a Deferred Benefit Account hereunder may, at any time during a twenty-four (24) month period immediately following a Change of Control, elect to receive an immediate lump sum payment of the balance of his Deferred Benefit Account, reduced by a penalty equal to ten percent (10%) of the Participant's Deferred Benefit Account as of the Determination Date. The ten percent (10%) penalty shall be permanently forfeited and shall not be paid to, or in respect of, the Participant.
- (b) If there is a Change of Control, notwithstanding any other provision of this Plan, any retired or disabled Participant, or Beneficiary, who has a Deferred Benefit Account hereunder may, at any time during a twenty-four (24) month period immediately following a Change of Control, elect to receive an immediate lump sum payment of the balance of his Deferred Benefit Account, reduced by a penalty equal to five percent (5%) of the Participant's Deferred Benefit Account as of the Determination Date. The five percent (5%) penalty of the retired Participant's or Beneficiary's Deferred Benefit Account shall be permanently forfeited and shall not be paid to, or in respect of, the retired Participant or Beneficiary.
- (c) In the event no such request is made by a Participant, a retired or disabled Participant or Beneficiary, the Plan and Agreement shall remain in full force and effect.

4.9 Change In Credit Rating and Lump Sum Payments.

In the event the Company's financial rating falls below Investment Grade, a Participant, retired or disabled Participant, or Beneficiary may at any time during a six (6) month period following the reduction in the Company's financial rating, elect to receive an immediate lump sum payment of the balance of his Deferred Benefit Account reduced by a penalty equal to ten percent (10%) of the Participant's Deferred Benefit Account or five percent (5%) of the retired or disabled Participant's or Beneficiary's Deferred Benefit Account. The penalties accrued hereunder shall be permanently forfeited and shall not be paid to, or in respect of, the Participant, retired or disabled Participant or Beneficiary.

In the event no such request is made by a Participant, retired or disabled Participant or Beneficiary, the Plan and Agreement shall remain in full force and effect.

- 4.10 Tax Withholding. To the extent required by law in effect at the time payments are made, the Company shall withhold any taxes required to be withheld by any Federal, State or local government.
- 4.11 Commencement of Payments. Unless otherwise provided, commencement of payments under this Plan shall be as soon as administratively feasible on or after the last business day of the month following the Determination Date after receipt of notice and approval by the Committee of an event which entitles a Participant or a Beneficiary to payments under this Plan. Amounts payable hereunder shall be credited with interest from the Determination Date to the day prior to payment at a rate yielding interest equivalent to the per annum secondary market discount rate for six-month U.S. Treasury Bills as published by the Federal Reserve Board for the calendar week ending prior to January 1 (for interest to be credited for either of the subsequent fiscal quarters ending March 31 or June 30) or prior to July 1 (for interest to be credited for either of the subsequent fiscal quarters ending on September 30 or December 31).
- 4.12 Recipients of Payments: Designation of Beneficiary. All payments to be made by the Company under the Plan shall be made to the Participant during his lifetime, provided that if the Participant dies prior to the completion of such payments, then all subsequent payments under the Plan shall be made by the Company to the Beneficiary determined in accordance with this Section. The Participant may designate a Beneficiary by filing a written notice of such designation with the Committee in such form as the Committee requires and may include contingent Beneficiaries. The Participant may from time-to-time change the designated Beneficiary by filing a new designation in writing with the Committee. If no designation is in effect at the time when any benefits payable under this Plan shall become due, the Beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

V. CLAIMS FOR BENEFITS PROCEDURE

- 5.1 Claim for Benefits. Any claim for benefits under the Plan shall be made in writing to any member of the Committee. If such claim is wholly or partially denied by the Committee, the Committee shall, within a reasonable period of time, but not later than sixty (60) days after receipt of the claim, notify the claimant of the denial of the claim. Such notice of denial shall be in writing and shall contain:
- (a) The specific reason or reasons for denial of the claim;
 - (b) A reference to the relevant Plan provisions upon which the denial is based;
 - (c) A description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary; and
 - (d) An explanation of the Plan's claim review procedure.

If no such notice is provided, the claim shall be deemed to have been denied.

- 5.2 Request for Review of a Denial of a Claim for Benefits. Upon the receipt by the claimant of written notice of denial of the claim, the claimant may file a written request to the Committee, requesting a review of the denial of the claim, which review shall include a hearing if deemed necessary by the Committee. In connection with the claimant's appeal of the denial of his claim, he may review relevant documents and may submit issues and comments in writing.
- 5.3 Decision Upon Review of Denial of Claim for Benefits. The Committee shall render a decision on the claim review promptly, but no more than sixty (60) days after the receipt of the claimant's request for review, unless special circumstances (such as the need to hold a hearing) require an extension of time, in which case the sixty (60) day period shall be extended to 120 days. Such decision shall:
- (a) Include specific reasons for the decision;
 - (b) Be written in a manner calculated to be understood by the claimant; and
 - (c) Contain specific references to the relevant Plan provisions upon which the decision is based.

The decision of the Committee shall be final and binding in all respects on both the Company and the claimant.

VI. ADMINISTRATION

- 6.1 Committee. The Plan shall be administered by the Committee. The Committee shall elect one of its members as chairman. Members of the Committee shall not receive compensation for

their services. Committee expenses shall be paid by the Company. Members of the Committee or agents of the Committee may be Participants under the Plan. No member of the Committee who is also a Participant shall be involved in the decisions of the Committee regarding any determination of any claim for benefit with respect to himself.

6.2 General Rights, Powers, and Duties of Committee. The Committee shall be responsible for the management, operation, and administration of the Plan. The Committee may designate a Committee member or an officer of the Company as Plan Administrator. Absent such delegation, the Committee shall be the Plan Administrator. The Plan Administrator shall perform duties as designated by the Committee. In addition to any powers, rights and duties set forth elsewhere in the Plan, it shall have the following powers and duties:

- (a) To adopt such rules and regulations consistent with the provisions of the Plan as it deems necessary for the proper and efficient administration of the Plan;
- (b) To administer the Plan in accordance with its terms and any rules and regulations it establishes;
- (c) To maintain records concerning the Plan sufficient to prepare reports, returns and other information required by the Plan or by law;
- (d) To construe and interpret the Plan including any doubtful or contested terms and resolve all questions arising under the Plan;
- (e) To direct the Company to pay benefits under the Plan, and to give such other directions and instructions as may be necessary for the proper administration of the Plan;
- (f) To employ or retain agents, attorneys, actuaries, accountants or other persons, who may also be Participants in the Plan or be employed by or represent the Company, as it deems necessary for the effective exercise of its duties, and may delegate to such agents any power and duties, both ministerial and discretionary, as it may deem necessary and appropriate; and
- (g) To be responsible for the preparation, filing and disclosure on behalf of the Plan of such documents and reports as are required by any applicable Federal or State law.

6.3 Information to be Furnished to Committee. The Company shall furnish the Committee such data and information as it may require. The records of the Company shall be determinative of each Participant's period of employment, termination of employment and the reason therefor, leave of absence, reemployment, Years of Service, personal data, and Salary and Bonus reductions. Participants and their Beneficiaries shall furnish to the Committee such evidence, data, or information, and execute such documents as the Committee requests.

6.4 Responsibility. No member of the Committee, the Compensation Committee or the Board of Directors of the Company shall be liable to any person for any action taken or omitted in connection with the administration of this Plan.

6.5 Committee Review. Any action on matters within the discretion of the Committee shall be final and conclusive as to all Participants, retired Participants, Beneficiaries and other persons claiming rights under the Plan. The Committee shall exercise all of the powers, duties and responsibilities set forth hereunder in its sole discretion.

VII. AMENDMENT AND TERMINATION

7.1 Amendment. The Plan may be amended in whole or in part by either the Board of Directors or the Compensation Committee at any time. Notice of any such amendment shall be given in writing to the Committee and to each Participant and each Beneficiary. No amendment shall decrease the value of a Participant's Deferred Benefit Account.

7.2 Company's Right to Terminate. The Board of Directors may terminate the Plan and may terminate any Agreements pertaining to the Participant at any time after the Effective Date of the Plan. In the event of any such termination, the Participant shall be entitled to the amount of his Deferred Benefit Account determined under Section 3.7 as of the date of any such termination. Such benefit shall be paid to the Participant in quarterly installments over a period of no more than ten (10) years, except that the Company, in its sole discretion, may pay out such benefit in a lump sum or in installments over a period shorter than ten (10) years.

VIII. MISCELLANEOUS

8.1 No Implied Rights; Rights on Termination of Service. Neither the establishment of the Plan nor any amendment thereof shall be construed as giving any Participant, retired Participant, Beneficiary, or any other person any legal or equitable right unless such right shall be specifically provided for in the Plan or conferred by specific action of the Company in accordance

with the terms and provisions of the Plan. Except as expressly provided in this Plan, the Company shall not be required or be liable to make any payment under the Plan.

- 8.2 No Right to Company Assets. Neither the Participant nor any other person shall acquire by reason of the Plan any right in or title to any assets, funds or property of the Company whatsoever including, without limiting the generality of the foregoing, any specific funds, assets, or other property which the Company, in its sole discretion, may set aside. Any benefits which become payable hereunder shall be paid from the general assets of the Company. The Participant shall have only a contractual right to the amounts, if any, payable hereunder unsecured by any asset of the Company. Nothing contained in the Plan constitutes a guarantee by the Company that the assets of the Company shall be sufficient to pay any benefit to any person.
- 8.3 No Employment Rights. Nothing herein shall constitute a contract of employment or of continuing service or in any manner obligate the Company to continue the services of the Participant, or obligate the Participant to continue in the service of the Company, or as a limitation of the right of the Company to discharge any of its employees, with or without cause. Nothing herein shall be construed as fixing or regulating the Salary and Bonus payable to the Participant.
- 8.4 Offset. If, at the time payments or installments of payments are to be made hereunder, the Participant, retired Participant or the Beneficiary are indebted or obligated to the Company, then the payments remaining to be made to the Participant, retired Participant, or the Beneficiary may, at the discretion of the Company, be reduced by the amount of such indebtedness or obligation, provided, however, that an election by the Company not to reduce any such payment or payments shall not constitute a waiver of its claim for such indebtedness or obligation.
- 8.5 Non-assignability. Neither the Participant nor any other person shall have any voluntary or involuntary right to commute, sell, assign, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are expressly declared to be unassignable and non-transferable. No part of the amounts payable shall be, prior to actual payment, subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by the Participant or any other person, or be transferable by operation of law in the event of the Participant's or any other person's bankruptcy or insolvency.
- 8.6 Successors, Mergers, and Consolidations. The Plan and any Agreement thereunder shall inure to the benefit of and be binding upon (i) the Company and its successors and assigns, including without limitation, any corporation into which the Company may be merged or consolidated, or which acquires all or substantially all of the assets and business of the Company and (ii) the Participant and his heirs, executors, administrators and legal representatives.
- 8.7 Notice. Any notice required or permitted to be given under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, and if given to the Company, delivered to the principal office of the Company, directed to the attention of the Committee. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or the receipt for registration or certification.
- 8.8 Governing Laws. The Plan shall be construed and administered according to the laws of the State of Wisconsin.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(DOLLAR AMOUNTS IN MILLIONS)

	Year Ended December 31				
	1995 (a)	1996 (b)	1997 (c)	1998 (d)	1999 (e)
Consolidated Companies					
Income before income taxes	\$730.1	\$1,507.4	\$1,352.7	\$1,523.3	\$2,251.7
Interest expense	245.5	186.7	164.8	198.7	213.1
Interest factor in rent expense	36.1	45.7	49.8	52.3	50.5
Amortization of capitalized interest	9.7	8.6	9.0	9.4	10.0
Equity Affiliates					
Share of 50%-owned:					
Income before income taxes	40.6	49.3	51.2	47.6	43.4
Interest expense	18.5	9.5	7.1	9.9	8.0
Interest factor in rent expense . . . . .	.8	.7	.7	1.2	.9
Amortization of capitalized interest . . . . .	.7	.7	.6	.5	.6
Distributed income of less than 50%-owned	25.1	48.4	62.5	98.1	88.0
Earnings	\$1,107.1	\$1,857.0	\$1,698.4	\$1,941.0	\$2,666.2
Consolidated Companies					
Interest expense	\$245.5	\$186.7	\$164.8	\$198.7	\$213.1
Capitalized interest	8.8	13.9	17.0	12.4	12.9
Interest factor in rent expense	36.1	45.7	49.8	52.3	50.5
Equity Affiliates					
Share of 50%-owned:					
Interest and capitalized interest	18.9	9.5	7.5	10.0	8.1
Interest factor in rent expense . . . . .	.8	.7	.7	1.2	.9
Fixed Charges	\$310.1	\$256.5	\$239.8	\$274.6	\$285.5
Ratio of earnings to fixed charges	3.57	7.24	7.08	7.07	9.34

Note: The Corporation has provided Midwest Express Airlines, Inc., its former commercial airline subsidiary, with a five-year \$20 million secondary revolving credit facility for use in the event Midwest Express does not have amounts available for borrowing under its revolving bank credit facility. No drawings have been made on this facility which expires on September 27, 2000. The Corporation is contingently liable as guarantor, or directly liable as the original obligor, for certain debt and lease obligations of S.D. Warren Company, which was sold in December 1994. The buyer provided the Corporation with a letter of credit from a major financial institution guaranteeing repayment of these obligations. No losses are expected from these arrangements and they have not been included in the computation of earnings to fixed charges.

- (a) Income before income taxes for consolidated companies and the ratio of earnings to fixed charges include the following pretax items: \$814.3 million of charges for business improvement and other programs, \$21.7 million of net unusual charges and \$(126.6) of net gains on asset disposals. Excluding these items, the ratio of earnings to fixed charges was 5.86.
- (b) Income before income taxes for consolidated companies and the ratio of earnings to fixed charges include the following pretax items: \$429.9 million of charges for business improvement and other programs and \$(93.6) of gains on asset disposals. Excluding these items, the ratio of earnings to fixed charges was 8.55.
- (c) Income before income taxes for consolidated companies and the ratio of earnings to fixed charges include the following pretax items: \$478.3 million of charges for business improvement and other programs and \$(26.5) of a gain on an asset disposal. Excluding these items, the ratio of earnings to fixed charges was 8.97.
- (d) Income before income taxes for consolidated companies and the ratio of earnings to fixed charges include the following pretax items: \$377.8 million of charges for business improvement and other programs, \$42.3 million of Mobile pulp mill fees and related severances and \$(140.0) of a gain on an asset disposal. Excluding these items, the ratio of earnings to fixed charges was 8.09.
- (e) Income before income taxes for consolidated companies and the ratio of earnings to fixed charges include the following pretax items: \$47.8 million of charges for business improvement and other programs, \$22.6 million of business integration and other costs, \$9.0 million of Mobile pulp mill fees and related severances and \$(176.7) of gains on asset disposals. Excluding these items, the ratio of earnings

to fixed charges was 9.00.

MANAGEMENT'S DISCUSSION AND ANALYSIS
 Kimberly-Clark Corporation and Subsidiaries

GLOBAL BUSINESS SEGMENTS

The Corporation is organized into three global business segments. Each segment is responsible for the development and execution of global strategies to expand the Corporation's worldwide tissue, personal care, and health care and other businesses. Such strategies include global plans for branding and product positioning, cost reductions, technology and research and development programs, and capacity and capital investment for each of these businesses. The major products manufactured and marketed by each of the Corporation's business segments are as follows:

- - Tissue - facial and bathroom tissue, paper towels and wipers for household and away-from-home use; wet wipes; printing, premium business and correspondence papers; and related products.
- - Personal Care - disposable diapers, training and youth pants; feminine and incontinence care products; and related products.
- - Health Care and Other - health care products such as surgical packs and gowns, sterilization wraps and disposable face masks; disposable medical devices for respiratory care, gastroenterology and cardiology; specialty and technical papers and related products; and other products.

BUSINESS IMPROVEMENT AND OTHER PROGRAMS

The Corporation has undertaken a number of actions in recent years to address ongoing business competitiveness by improving its operating efficiency and cost structure. These programs began in 1995, at the time of the merger with Scott Paper Company ("Scott"), and were substantially completed at December 31, 1999. The activities involved in these plans did not disrupt the Corporation's business operations to any significant extent. The principal benefits of these plans have been lower production costs and a more simplified manufacturing infrastructure. A summary and status of each of these programs is set forth below.

1998 PLAN

In the fourth quarter of 1998, the Corporation announced a facilities consolidation plan (the "1998 Plan") to, among other things, further align tissue manufacturing capacity with demand in Europe, close a diaper manufacturing facility in Canada, shut down and dispose of a tissue machine in Thailand, write down certain excess feminine care production equipment in North America and reduce the Corporation's workforce by approximately 830 employees. Costs for the 1998 Plan of \$42.6 million and \$49.1 million were recorded in 1999 and 1998, respectively, and charged to cost of products sold. Costs of approximately \$20 million will be charged to cost of products sold in 2000. These costs are comprised primarily of certain severance costs and charges for accelerated depreciation for the Corporation's Larkfield, U.K. tissue manufacturing facility that will remain in use until its expected shutdown in October 2000.

Through December 31, 1999, 800 employees have been notified of the Corporation's plans to terminate their employment, and the costs of this workforce reduction were charged to earnings in the period in which such employee severance benefits were appropriately communicated. Of the employees that have been notified, 530 employees have been terminated and 270 additional employees will be terminated in 2000. Approximately 50 additional employees will be notified in 2000 of the Corporation's plans to terminate their employment. Their severance costs, which are included in the \$20 million discussed above, will be accrued and charged to cost of products sold at that time.

The charges under the 1998 Plan for the two years ended December 31, 1999 are summarized below:

(Millions of dollars)	Amounts Charged to Earnings	
	1999	1998
Workforce severance	\$16.0	\$11.1
Write-downs of property, plant and equipment and other costs	(3.0)	35.2
Accelerated depreciation	29.6	2.8
	-----	-----
Total pretax charge	\$42.6	\$49.1
	=====	=====

Charges under the 1998 Plan were included in operating profit by business segment and geography as follows:

Year Ended

(Millions of dollars)	December 31	
	1999	1998
By Business Segment		
Tissue	\$36.4	\$14.9
Personal Care	6.2	34.2
Total pretax charge	\$42.6	\$49.1
By Geography		
North America	\$ 5.7	\$34.0
Outside North America	36.9	15.1
Total pretax charge	\$42.6	\$49.1

Charges under the 1998 Plan reduced operating profit and net income as follows:

(Millions of dollars)	Year Ended December 31	
	1999	1998
Operating profit	\$42.6	\$49.1
Net income	30.3	34.1

Set forth below is a summary of the types and amounts recognized as accrued expenses for the 1998 Plan together with cash payments made against such accruals for the year ended December 31, 1999.

(Millions of dollars)	1999			Balance 12/31/99
	Balance 12/31/98	Additions (Reductions)	Payments	
Workforce severance	\$10.6	\$16.0	\$ (10.2)	\$16.4
Asset removal costs	2.5	(.4)	(2.1)	-
Environmental costs and lease contract terminations	1.0	-	-	1.0
Other costs	4.7	(2.6)	(2.1)	-
	\$18.8	\$13.0	\$ (14.4)	\$17.4

Management considers the 1998 Plan to be substantially completed as of December 31, 1999. The accrued expense balance of \$17.4 million will be paid in accordance with the terms of the applicable employee severance and other agreements.

1997 PLAN

On November 21, 1997, the Corporation announced a restructuring plan (the "1997 Plan"). The plan included the sale, closure or downsizing of 17 manufacturing facilities worldwide and a workforce reduction of approximately 4,800 employees. Costs for the 1997 Plan of \$250.8 million and \$414.2 million were recorded in 1998 and 1997, respectively, at the time costs became accruable under appropriate accounting principles. Included in such costs was accelerated depreciation charged to cost of products sold related to assets that were to be disposed of but which continued to be operated during 1997 and 1998. In 1999, the Corporation recorded a net credit of \$16.7 million, which was comprised of accelerated depreciation expense of \$23.7 million, reductions in accrued costs of \$31.9 million and lower asset write-offs and higher sales proceeds totaling \$8.5 million, due to changes in estimates.

Charges or (credits) under the 1997 Plan for the three years ended December 31, 1999 are summarized below:

(Millions of dollars)	Amounts Charged to Earnings		
	1999	1998	1997

Workforce severance	\$ (4.8)	\$ 53.2	\$ 35.4
Write-downs of property, plant and equipment and other assets	(8.5)	56.2	93.6
Contract settlements, lease terminations and other costs	(27.1)	31.3	64.2
Asset impairments	-	31.3	187.4
Accelerated depreciation	23.7	78.8	33.6
	-----	-----	-----
Total pretax charge (credit)	\$ (16.7)	\$250.8	\$414.2
	=====	=====	=====
Income statement classification:			
Cost of products sold	\$ 10.3	\$134.0	\$113.7
Restructuring and other unusual charges	(27.0)	116.8	300.5
	-----	-----	-----
Total pretax charge (credit)	\$ (16.7)	\$250.8	\$414.2
	=====	=====	=====

The effects of the 1997 Plan were included in operating profit by business segment and geography as follows:

(Millions of dollars)	Year Ended December 31		
	1999	1998	1997
-----	-----	-----	-----
By Business Segment			
Tissue	\$ (16.5)	\$149.3	\$324.4
Personal Care	7.2	87.6	72.8
Health Care	(1.3)	13.2	8.7
Unallocated	(6.1)	.7	8.3
	-----	-----	-----
Total pretax charge (credit)	\$ (16.7)	\$250.8	\$414.2
	=====	=====	=====
By Geography			
North America	\$.7	\$160.9	\$181.5
Outside North America	(11.3)	89.2	224.4
Unallocated	(6.1)	.7	8.3
	-----	-----	-----
Total pretax charge (credit)	\$ (16.7)	\$250.8	\$414.2
	=====	=====	=====

The effects of the 1997 Plan decreased (increased) operating profit and net income as follows:

(Millions of dollars)	Year Ended December 31		
	1999	1998	1997
Operating profit	\$(16.7)	\$250.8	\$414.2
Net income	(9.2)	178.9	315.0

The principal components of the 1997 Plan were as follows:

- - The sale, closure or downsizing of certain manufacturing facilities worldwide has resulted in the consolidation of the Corporation's manufacturing operations into fewer, larger and more efficient facilities and the elimination of excess, high-cost tissue manufacturing capacity in North America and Europe. Of the originally identified facilities, 16 have been closed as of December 31, 1999 and one will remain in operation. In addition, four other small facilities were closed. The effects of these modifications were reflected in earnings at the time such modifications became accruable events.
- - The workforce reduction has been completed and, through December 31, 1999, a total reduction of 3,740 employees has been realized. The costs of the reduction were charged to earnings in the period in which such employee severances and benefits were appropriately communicated.
- - Property, plant and equipment and other assets not used in the restructured manufacturing operations have been written down, excess manufacturing capacity has been eliminated, and certain inventories in restructured operations and other assets have been written down.
- - Certain of the Corporation's facilities and capacity which became excessive as a result of the combination of the Corporation's health care operations with those of Tecno Medical Products, Inc. ("Tecno") have been eliminated.
- - Certain contracts have been terminated and other costs have been incurred to achieve planned efficiencies.

In 1998, as a result of additional evaluations of the Corporation's tissue manufacturing operations, the Villanovetta, Italy tissue manufacturing facility became an impaired asset because its cash flows from use and disposal were insufficient to cover the carrying amount of the asset. Consequently, a charge to earnings of \$26.8 million was recorded in the fourth quarter of 1998. In addition, management intended to close the facility in 2000 in order to continue to align capacity with demand. While the facility continues to be an impaired asset, in late 1999, after negotiations with labor representatives, management agreed to only downsize the facility and continue operations through 2001. During this period, additional negotiations with governmental authorities and labor representatives will continue. In 1998, other less significant modifications were made to the 1997 Plan, the largest of which was a \$12.1 million charge for losses on European feminine care equipment removed from service. The effects of these modifications were included in 1998 results of operations.

Set forth below is a summary of the types and amounts of charges that were recognized as accrued expenses for the 1997 Plan together with cash payments made against such accruals for the two years ended December 31, 1999.

(Millions of dollars)	Balance	1999		Balance
	12/31/98	(Reductions)	Payments	12/31/99
Workforce severance	\$ 42.7	\$ (4.8)	\$ (37.8)	\$.1
Asset removal costs	12.7	(8.5)	(4.2)	-
Environmental costs and lease contract terminations	40.2	(9.1)	(24.1)	7.0
Other costs	15.4	(9.5)	(5.9)	-
	-----	-----	-----	-----
	\$111.0	\$ (31.9)	\$ (72.0)	\$7.1
	=====	=====	=====	=====

(Millions of dollars)	Balance	1998		Balance
	12/31/97	Additions	Payments	12/31/98
Workforce severance	\$32.1	\$53.2	\$ (42.6)	\$ 42.7
Asset removal costs	17.2	.3	(4.8)	12.7
Environmental costs and lease contract terminations	32.1	23.2	(15.1)	40.2
Other costs	9.2	7.8	(1.6)	15.4
	-----	-----	-----	-----
	\$90.6	\$84.5	\$ (64.1)	\$111.0
	=====	=====	=====	=====

Management considers the 1997 Plan to be substantially completed as of December 31, 1999. The accrued expense balance of \$7.1 million will be paid in accordance with the terms of the applicable contract settlement and other agreements.

1995 SCOTT MERGER AND RESTRUCTURING PLAN

In connection with the Scott merger, in December 1995, the Corporation announced a plan to restructure the combined operations and to accomplish other business improvement objectives (the "1995 Plan"). The 1995 Plan included (i) the cost of plant rationalizations and employee terminations to eliminate duplicate facilities and excess capacity; (ii) disposition of facilities to comply with the merger-related decrees of the U.S. Justice Department and the European Commission; (iii) costs of terminating leases, contracts and other long-term agreements; (iv) the direct costs of the merger, including fees of investment bankers, outside legal counsel and accountants; (v) impaired asset charges; and (vi) accelerated depreciation charges on assets that were to be disposed of but which were not to be immediately removed from operations.

The original estimated pretax cost of the 1995 Plan was \$1,440 million. The plan was completed in 1998 at a pretax cost of \$1,305 million. Charges or (credits) under the 1995 Plan for the two years ended December 31, 1998 are summarized below:

(Millions of dollars)	Amounts Charged to Earnings	
	1998	1997
Cost of products sold	\$ 1.7	\$15.1
Restructuring and other unusual charges	(5.0)	49.0
	-----	-----
Total pretax charge (credit)	\$ (3.3)	\$64.1
	=====	=====

The effects of the 1995 Plan were included in operating profit by business segment and geography as follows:

(Millions of dollars)	Year Ended December 31	
	1998	1997
-----	----	----
By Business Segment		
Tissue	\$.7	\$60.5
Personal Care . . . . .	.9	1.9
Health Care	(.8)	(.3)
Unallocated	(4.1)	2.0
	-----	-----
Total pretax charge (credit)	\$ (3.3)	\$64.1
	=====	=====
By Geography		
North America	\$ (2.9)	\$11.5
Outside North America	3.7	50.6
Unallocated	(4.1)	2.0
	-----	-----
Total pretax charge (credit)	\$ (3.3)	\$64.1
	=====	=====

The effects of the 1995 Plan decreased (increased) operating profit and net income as follows:

(Millions of dollars)	Year Ended December 31	
	1998	1997
-----	----	----
Operating profit	\$ (3.3)	\$64.1
Net income	(.9)	51.3

Set forth below is a summary of the types and amounts recognized as accrued expenses for the 1995 Plan together with the cash payments made against such accruals for the year ended December 31, 1998.

(Millions of dollars)	Balance 12/31/97	1998		Balance 12/31/98
		(Reductions)	Payments	
-----	-----	-----	-----	-----
Workforce severance	\$ 8.1	\$ (3.5)	\$ (4.6)	\$ -
Asset removal costs	1.9	-	(1.9)	-
Contract settlement and lease termination costs	27.1	(6.1)	(5.7)	15.3
Other costs	9.1	(1.4)	(7.0)	.7
	-----	-----	-----	-----
	\$46.2	\$ (11.0)	\$ (19.2)	\$16.0
	=====	=====	=====	=====

The 1998 accrued expense balance of \$16.0 million is being paid in accordance with the terms of the contract settlement agreements and, as of December 31, 1999, approximately \$4 million remains to be paid under a contractual lease obligation.

OTHER INFORMATION

1999 Unusual Charges

In 1999, the Corporation incurred \$13.6 million of unusual business improvement costs that were not related to the three formally adopted business improvement plans discussed above. The costs, which primarily were for employee severances and write off of assets removed from service, were charged to cost of products sold when incurred.

Write-down of Certain Intangible and Other Assets

In 1998, the carrying amounts of trademarks and unamortized goodwill of certain European businesses were determined to be impaired and written down. These write-downs, which were charged to general expense, reduced 1998 operating profit \$70.2 million and net income \$57.1 million. In addition, the Corporation began depreciating the cost of all newly acquired personal computers ("PCs") over two years. In recognition of the change in estimated useful lives, PC assets with a remaining net book value of \$16.6 million became subject to accelerated depreciation charges. These charges, along with \$8.8 million of charges for write-downs of other assets and a loss on a pulp contract, reduced 1998 operating profit \$81.2 million and net income \$64.7 million. Of the \$81.2 million, \$6.8 million was charged to cost of products sold and \$74.4 million was charged to general expense. In 1999, accelerated depreciation on PCs reduced operating profit by \$8.3 million, \$2.7 million of which was charged to cost of products sold and \$5.6 million was charged to general expense.

Approximately 91 percent of the 1998 write-down of certain intangible and other assets and accelerated depreciation on PCs described above relates to the Personal Care segment and 9 percent relates to the Tissue segment. In 1999, 50 percent of the \$8.3 million of accelerated depreciation was charged to each of the Tissue and Personal Care segments.

ANALYSIS OF CONSOLIDATED NET SALES - THREE YEARS ENDED DECEMBER 31, 1999

By Business Segment

(Millions of dollars)	Net Sales		
	1999	1998	1997
Tissue	\$ 6,968.8	\$ 6,733.1	\$ 7,210.2
Personal Care	5,138.1	4,596.5	4,510.7
Health Care and Other	936.4	1,001.5	863.6
Intersegment sales	(36.5)	(33.3)	(37.9)
Consolidated	\$13,006.8	\$12,297.8	\$12,546.6

By Geographic Area

(Millions of dollars)	Net Sales		
	1999	1998	1997
United States	\$ 8,392.5	\$ 7,992.8	\$ 7,854.3
Canada	843.4	785.1	1,052.5
Intergeographic sales	(507.4)	(408.9)	(397.2)
Total North America	8,728.5	8,369.0	8,509.6
Europe	2,544.7	2,471.2	2,548.1
Asia, Latin America and Africa	2,084.6	1,766.2	1,837.9
Intergeographic sales	(351.0)	(308.6)	(349.0)
Consolidated	\$13,006.8	\$12,297.8	\$12,546.6

Commentary:

1999 versus 1998

Consolidated net sales increased 5.8 percent above 1998. In 1998, the Corporation sold K-C Aviation Inc. ("KCA"). In 1999, it closed its Mobile, Alabama pulp mill and sold its Southeast Timberlands ("SET") and its pulp mill located in Miranda, Spain ("Miranda"). Excluding the revenues of these divested businesses for both years, consolidated net sales increased about 8 percent. Sales volumes increased approximately 9 percent, with each of the business segments contributing to the gain. However, changes in foreign currency exchange rates reduced consolidated net sales by about 1 percent, with favorable effects in Korea being more than offset by unfavorable changes in Brazil and Europe. Although the preceding tables include the divested businesses, the following net sales commentary excludes their results in order to facilitate a more meaningful discussion.

- - Worldwide net sales of tissue products increased 5 percent. Sales volumes grew by nearly 6 percent, while slightly lower prices and unfavorable foreign currency exchange rate effects, primarily in Europe,

reduced net sales by approximately 1 percent. The increase in sales volumes is primarily attributable to the contribution from the Attisholz Holding AG ("Attisholz") tissue brands in Europe, acquired in June 1999, and improved sales of Kleenex Cottonelle and Scott bathroom tissue in North America. Other significant contributors to the increase were Kleenex facial tissue, washroom systems and wet wipes products, which more than offset a decline in sales volumes for consumer towel products in North America. A portion of the tissue sales volume increase is due to operations in Colombia, in which the Corporation made an additional investment in late 1998 to gain majority ownership of certain Latin American equity companies (the "Colombian Investment").

- - Worldwide net sales of personal care products were 11.8 percent greater primarily due to a 13 percent increase in sales volumes. A selling price increase of approximately 1 percent was more than offset by the negative effect of changes in foreign currency exchange rates of slightly more than 2 percent. Net sales were higher in every geographic region. In North America, net sales increased across all brands, led by higher volumes for Huggies diapers. There was particular improvement in diaper sales in Europe and notably increased sales of personal care products in Korea. In addition, a portion of the increase in net sales is attributable to the Colombian Investment.
- - Net sales for health care and other products increased 11 percent primarily due to sales volume growth for professional health care products, including the contribution from the acquisition of Ballard Medical Products ("Ballard") in September 1999.

1998 versus 1997

Consolidated net sales were 2.0 percent lower than in 1997. In 1997, the Corporation divested a pulp and newsprint facility located in Coosa Pines, Alabama ("Coosa") and sold its 50.1 percent interest in Scott Paper Limited ("SPL"). Excluding the revenues from these divested businesses for both years, consolidated net sales remained essentially even. Sales volumes, however, increased more than 2 percent and selling prices were nearly 2 percent higher, primarily due to improved pricing for consumer tissue products in the United States. However, changes in foreign currency exchange rates, primarily in Asia, reduced consolidated net sales slightly more than 3 percent. Although the preceding tables include the divested businesses, the following net sales commentary excludes their results in order to facilitate a more meaningful discussion.

- - Worldwide net sales for tissue products declined slightly more than 3 percent primarily due to changes in currency exchange rates in Asia. Sales volumes declined approximately 1 percent as sales volume increases in Latin America and for wet wipes products, primarily in North America, were offset by lower sales volumes in Europe and Asia and

lower consumer towel volume in North America. The decline in sales volumes, however, was more than offset by an increase of nearly 2 percent in selling prices.

- - Worldwide net sales of personal care products increased about 2 percent. Sales volumes grew by nearly 5 percent and selling prices increased by about 2 percent; however, changes in foreign currency exchange rates reduced net sales by approximately 4 percent. Training and youth pants in North America and sales volume growth in Latin America were the primary factors contributing to the overall sales volume increase. These increases more than offset lower diaper sales volumes in North America and Europe which were attributable to the transition to larger size product packaging, the introduction of unisex product and increased competition.
- - Net sales for health care and other products increased more than 24 percent due to sales volume growth in health care products, driven, in large part, by the acquisition of Tecnol in December 1997.

UNUSUAL ITEMS

For purposes of this Management's Discussion and Analysis, and in order to facilitate a meaningful discussion of the ongoing operations of the Corporation, the items summarized in the following table are considered to be unusual items ("Unusual Items").

(Millions of dollars)	Year Ended December 31		
	1999	1998	1997
Charges (credits) to Operating Profit:			
Business Improvement and Other Programs:			
1998 Plan	\$ 42.6	\$ 49.1	\$ -
1997 Plan	(16.7)	250.8	414.2
1995 Plan	-	(3.3)	64.1
1999 unusual charges	13.6	-	-
Write-down of certain intangible and other assets . .	8.3	81.2	-
Gains on disposals of assets	(176.7)	(140.0)	(26.5)
Mobile pulp mill fees and related severances	9.0	42.3	-
Business integration and other costs	22.6	-	-
Net charge (credit) for unusual items	(97.3)	280.1	451.8
Operating profit as reported	2,435.4	1,697.7	1,486.1
Operating profit excluding unusual items	\$2,338.1	\$1,977.8	\$1,937.9

Note: Gains on certain disposals of assets are recorded in the Consolidated Income Statement as other (income) expense, net. In December 1999, the Corporation reclassified other (income) expense, net, to be part of reported operating profit in accordance with Regulation S-X.

- - A description of the items included in the 1998, 1997 and 1995 Plans, the 1999 unusual charges and the write-down of certain intangible and other assets is contained in the Business Improvement and Other Programs section above.
- - Gains on disposals of assets are primarily related to the sale of a portion of SET in 1999, the sale of KCA in 1998 and the sale of the Corporation's investment in Ssangyong Paper Co., Ltd. (Korea) in 1997.
- - In 1999, the Corporation recorded severance related to the sale of SET. In 1998, a contract cancellation fee and severance related to the closure of the Mobile pulp mill were recorded.

- - As part of the integration of acquired businesses, Attisholz and Ballard, the Corporation recorded certain costs, which were expensed as incurred, related to assimilating these operations. It is estimated that an additional \$10 million of cost related to these activities will be incurred and expensed in 2000.

The items displayed in the preceding table have been excluded from operating profit in the "Excluding Unusual Items" columns in the following Consolidated Operating Profit tables.

ANALYSIS OF CONSOLIDATED OPERATING PROFIT - THREE YEARS ENDED DECEMBER 31, 1999

By Business Segment

(Millions of dollars)	1999		1998		1997	
	As Reported	Excluding Unusual Items	As Reported	Excluding Unusual Items	As Reported	Excluding Unusual Items
Tissue	\$1,114.1	\$1,171.3	\$ 921.3	\$1,135.7	\$ 704.3	\$1,089.2
Personal Care	1,092.8	1,109.1	588.7	785.3	737.8	812.5
Health Care and Other	154.3	161.9	161.2	173.7	135.1	143.5
Unallocated - net	74.2	(104.2)	26.5	(116.9)	(91.1)	(107.3)
Consolidated	\$2,435.4	\$2,338.1	\$1,697.7	\$1,977.8	\$1,486.1	\$1,937.9

By Geographic Area

(Millions of dollars)	1999		1998		1997	
	As Reported	Excluding Unusual Items	As Reported	Excluding Unusual Items	As Reported	Excluding Unusual Items
United States	\$1,821.9	\$1,868.8	\$1,407.2	\$1,663.4	\$1,362.8	\$1,553.1
Canada	105.3	110.9	112.7	104.8	151.9	154.6
Europe	183.3	219.8	(39.7)	123.1	(76.1)	128.7
Asia, Latin America and Africa	250.7	242.8	191.0	203.4	138.6	208.8
Unallocated - net	74.2	(104.2)	26.5	(116.9)	(91.1)	(107.3)
Consolidated	\$2,435.4	\$2,338.1	\$1,697.7	\$1,977.8	\$1,486.1	\$1,937.9

Note: Unallocated - net consists of expenses not associated with the business segments or geographic areas and other (income) expense, net.

Commentary:

1999 versus 1998

Excluding the Unusual Items, operating profit increased 18.2 percent, and operating profit as a percentage of net sales increased to 18.0 percent in 1999 from 16.1 percent in 1998. Excluding the divested businesses and the Unusual Items for both years, operating profit increased 20.0 percent. The increase in operating profit was driven by the higher sales volumes, with productivity improvements and other manufacturing cost efficiencies contributing to the gain. The benefits of these improvements more than offset the additional investments in marketing and product improvement initiatives. The following commentary excludes the Unusual Items and the results of divested businesses in both years.

- - Operating profit for tissue products increased slightly more than 4 percent primarily due to higher sales volumes for facial and bathroom tissue and wet wipes products in North America, the Attisholz acquisition in Europe and the Colombian Investment. The sales growth along with manufacturing efficiencies more than offset the increased marketing costs for new Kleenex Cottonelle bathroom tissue and improved Scott towels and bathroom tissue in North America.
- - Operating profit for personal care products increased 41.2 percent, led by results in North America where the higher sales volumes, manufacturing cost reductions and selling price increases more than offset increased marketing costs. Operating profit also benefited from contributions by Europe due to the increased diaper sales volume, other cost savings and lower marketing expense and the Colombian Investment.
- - Operating profit for the health care and other segment increased nearly 3 percent primarily due to increased sales volumes for professional health care products which benefited from the Ballard acquisition.

1998 versus 1997

Excluding the Unusual Items, operating profit increased 2.1 percent in absolute terms and increased to 16.1 percent in 1998 from 15.4 percent in 1997 as a percentage of net sales. Excluding the divested businesses and the Unusual Items for both years, operating profit increased approximately 3.8 percent. The increase in operating profit was due to the price and sales volume increases partially offset by higher spending for advertising and promotion, the negative effect of changes in foreign currency exchange rates and additional goodwill amortization. The following operating profit commentary excludes the Unusual Items and the results of divested businesses in both years.

- - Tissue operating profit increased 7 percent principally due to the selling price increases. Restructuring and other cost savings were partially offset by changes in currency exchange rates.
- - Operating profit for personal care declined 3 percent, as increased advertising and promotion, and product improvement costs, primarily in North America, and changes in currency exchange rates more than offset the gains in selling prices and sales volumes.
- - Operating profit for health care and other products increased approximately 24 percent due, in large part, to the acquisition of Technol, partially offset by increased goodwill amortization.
- - Changes in currency exchange rates reduced consolidated operating profit by nearly 3 percent.

ADDITIONAL INCOME STATEMENT COMMENTARY

1999 versus 1998

- - Interest expense increased primarily due to higher average debt levels.
- - The Corporation's effective income tax rate was 32.4 percent in 1999 compared with 34.3 percent in 1998. Excluding the Unusual Items from both years, the Corporation's effective income tax rate was 32.1 percent in 1999 compared with 32.0 percent in 1998.
- - The Corporation's share of net income of equity companies was \$189.6 million in 1999 compared with \$146.3 million in 1998, excluding a charge related to the change in value of the Mexican peso in 1998. The increase is primarily due to the results of Kimberly-Clark de Mexico, S.A. de C.V. ("KCM"), which benefited from higher selling prices and increased sales volumes.

- - Minority owners' share of subsidiaries' net income increased in 1999 primarily due to the previously mentioned Colombian Investment and the improved results of the Corporation's majority owned subsidiary in Korea.
- - Diluted net income was \$3.09 per share in 1999 compared with \$1.99 per share in 1998, an increase of 55.3 percent. Excluding the Unusual Items in both years, the charge for the devaluation of the Mexican peso and the cumulative effect of the accounting change for start-up costs in 1998, earnings from operations were \$2.98 per share in 1999 compared with \$2.44 per share in 1998, an increase of 22.1 percent.

1998 versus 1997

- - Interest expense increased primarily due to higher average debt levels.
- - The Corporation's effective income tax rate was 34.3 percent in 1998 compared with 36.5 percent in 1997. Excluding the Unusual Items from both years, the Corporation's effective income tax rate was 32.0 percent in 1998 compared with 32.8 percent in 1997.
- - The Corporation's 1998 share of net income of equity companies includes a charge equal to \$.02 per share related to the change in the value of the Mexican peso. In 1997, a gain equal to \$.03 per share, primarily related to the sale of a portion of the tissue business of KCM to meet Mexican regulatory requirements in connection with KCM's merger with Scott's former Mexican affiliate, was included in the Corporation's share of net income of equity companies. Also included in the Corporation's share of 1997 net income of equity companies was \$2.2 million of charges for the 1997 Plan. Excluding these items in both years, the Corporation's share of net income of equity companies increased 2.2 percent.
- - Minority owners' share of subsidiaries' net income in 1998 and 1997 includes \$.8 million and \$6.5 million, respectively, attributable to other owners' share of Unusual Items. Also included in 1997 is \$8.7 million of other owners' share of the net income of SPL. Excluding these items, minority owners' share of subsidiaries' net income decreased \$4.8 million.
- - In 1997, the Corporation recorded extraordinary gains of \$17.5 million (or \$.03 per share), net of income taxes of \$38.4 million. The gains related to certain asset disposals and impairments occurring subsequent to a business combination accounted for as a pooling of interest (the Scott merger).
- - Effective January 1, 1998, the Corporation changed its method of accounting for preoperating and start-up costs to expense these costs as incurred in accordance with new accounting requirements. Previously, these costs incurred for major projects were capitalized and amortized over five years. The cumulative effect of this accounting change is presented on the income statement net of income taxes. This charge reduced reported net income for the first quarter and 1998 by \$.02 per share.
- - Diluted net income was \$1.99 per share in 1998 compared with \$1.79 per share in 1997, an increase of 11.2 percent. Excluding the Unusual Items in both years, the change in the value of the Mexican peso and the cumulative effect of the accounting change in 1998, and the extraordinary gains in 1997, earnings per share from operations increased to \$2.44 from \$2.36 in 1997, an increase of 3.4 percent.

SALES OF PRINCIPAL PRODUCTS

(Billions of dollars)	1999	1998	1997	1996
Tissue-based products	\$ 5.9	\$ 5.7	\$ 6.1	\$ 6.9
Diapers	3.0	2.6	2.7	2.3
All other	4.1	4.0	3.7	3.9
Consolidated.	\$13.0	\$12.3	\$12.5	\$13.1

- - Consolidated net sales increased 5.8 percent in 1999, after declining for the two years after 1996. The declining sales trend was affected by the divestment of noncore businesses and those businesses that were sold following the 1995 Scott merger.

LIQUIDITY AND CAPITAL RESOURCES

(Millions of dollars)	Year Ended December 31	
	1999	1998
Cash provided by operations	\$2,134.3	\$1,993.7
Capital spending.	786.4	669.5
Acquisitions of businesses, net of cash acquired. . .	271.9	342.5
Proceeds from dispositions of property and businesses	115.2	324.9
Proceeds from notes receivable.	383.0	-
Ratio of net debt to capital.	28.9%	35.6%
Pretax interest coverage - times.	11.4	8.7

Cash Flow Commentary:

- - Cash provided by operations increased by \$140.6 million. Net income plus noncash charges included in net income increased to \$2.2 billion in 1999 compared with \$1.9 billion in 1998. The Corporation invested \$67.1 million in working capital in 1999 versus a decrease of \$63.6 million in 1998.
- - Approximately \$86 million and \$83 million of cash payments were charged to the accruals for the Business Improvement and Other Programs in 1999 and 1998, respectively.
- - Cash proceeds received in 1999 from the disposal of a portion of SET and from the sale of Miranda and other asset disposals totaled \$115.2 million. Additionally, in 1999, \$383 million of notes receivable from the SET transaction were transferred for cash to a nonconsolidated special purpose entity in which the Corporation has a minority voting interest. The transfer of the notes, which was accounted for as a sale, resulted in no gain or loss to the Corporation. Cash proceeds received in 1998 from the sale of KCA and other asset disposals totaled \$324.9 million.
- - In 1999, the Corporation purchased 13.5 million shares of its common stock in connection with its share repurchase program at a total cost of about \$750 million. At December 31, 1999, authority to repurchase 7.5 million shares remained under an October 1998 repurchase authority from the Corporation's board of directors. In 1998, the Corporation purchased 19.5 million shares of its common stock in connection with its share repurchase program at a total cost of approximately \$900 million.

Financing Commentary:

- - At December 31, 1999, total debt was \$2.7 billion, essentially even with the prior year. Net debt (total debt net of cash, cash equivalents and \$220 million of long-term notes receivable) was \$2.2 billion at December 31, 1999 compared with \$2.3 billion at December 31, 1998. The Corporation's ratio of net debt to capital of 28.9 percent at December 31, 1999 is below the targeted range of 30 to 40 percent.
- - The increase in the pretax interest coverage ratio is primarily due to the higher level of pretax income. Excluding the Unusual Items in 1999 and 1998, the pretax interest coverage ratio would have been 11.0 and 10.7, respectively.
- - Revolving credit facilities of \$1.1 billion are in place for general corporate purposes and to back up commercial paper borrowings.
- - The Corporation's long-term debt securities have a Double-A rating and its commercial paper is rated in the top category.

Other Commentary:

- - On November 17, 1999, the Corporation announced that it had signed a definitive agreement to acquire Safeskin Corporation ("Safeskin"), a leading maker of high quality, disposable gloves for the health care, high-technology and scientific industries. Under the agreement, Safeskin shareholders will receive .1956 shares of the Corporation's common stock in exchange for each share of Safeskin common stock. The transaction, which is valued at approximately \$800 million, will be accounted for as a purchase.
- - Management believes that the Corporation's ability to generate cash from operations and its capacity to issue short-term and long-term debt are adequate to fund working capital, capital spending and other needs in the foreseeable future.

MARKET RISK SENSITIVITY AND INFLATION RISKS

The Corporation is disclosing information concerning market risk with respect to foreign exchange rates, interest rates and commodity prices. The Corporation makes such disclosures utilizing a sensitivity analysis approach based on hypothetical changes in foreign exchange rates, interest rates and commodity prices.

As a multinational enterprise, the Corporation is exposed to changes in foreign currency exchange rates, interest rates and commodity prices. The Corporation employs a variety of practices to manage these market risks, including its operating and financing activities and, where deemed appropriate, the use of derivative financial instruments. The Corporation uses derivative financial instruments only for risk management purposes and does not use them for speculation or for trading. All derivative instruments are either exchange traded or are entered into with major financial institutions for the purpose of reducing the Corporation's credit risk and the risk of nonperformance by third parties.

Foreign Currency Risk

Foreign currency risk is managed by the use of foreign currency forward, swap and option contracts. The use of these contracts allows the Corporation to manage its transactional exposure to exchange rate fluctuations because the gains or losses incurred on the derivative instruments will offset in whole, or in part, losses or gains on the underlying foreign currency exposure. There have been no significant changes in how foreign

currency transactional exposures were managed during 1999, and management does not foresee or expect any significant changes in such exposures or in the strategies it employs to manage them in the near future.

Foreign currency contracts and transactional exposures are sensitive to changes in foreign currency exchange rates. As of December 31, 1999, a ten percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of the foreign currencies in which the Corporation has transactional exposures would have resulted in a net pretax loss of approximately \$27 million. Gains or losses on foreign currency contracts and transactional exposures are defined as the difference between the contract rates and the hypothetical exchange rates. In the view of management, the above losses resulting from the hypothetical changes in foreign currency exchange rates are not material to the Corporation's consolidated financial position, results of operations or cash flows.

Interest Rate Risk

Interest rate risk is managed through the maintenance of a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments. The objective is to maintain a cost-effective mix that management deems appropriate. At December 31, 1999, the Corporation's debt portfolio was composed of approximately 33 percent variable-rate debt, adjusted for the effect of variable-rate assets, and 67 percent fixed-rate debt. The strategy employed by the Corporation to manage its exposure to interest rate fluctuations did not change significantly during 1999, and management does not foresee or expect any significant changes in its exposure to interest rate fluctuations or in how such exposure is managed in the near future.

Various financial instruments issued by the Corporation and its subsidiaries are sensitive to changes in interest rates. Interest rate changes would result in gains or losses in the market value of the Corporation's fixed-rate debt due to differences between the current market interest rates and the rates governing these instruments. With respect to the Corporation's fixed-rate debt outstanding at December 31, 1999, a ten percent change in interest rates would have resulted in no material change in the fair value of the Corporation's fixed-rate debt. With respect to the Corporation's commercial paper and other variable-rate debt, a ten percent increase in interest rates would have had no material effect on the Corporation's future results of operations.

Commodity Price Risk

The Corporation is subject to commodity price risk arising from price movement for purchased pulp, the market price of which is determined by industry supply and demand. Selling prices of the Corporation's tissue products can be influenced by the market price for pulp. On a worldwide basis, the Corporation has reduced its internal pulp supply to approximately 40 percent of its virgin fiber needs. The Corporation has announced its intention to further reduce its level of pulp integration to approximately 20 percent. However, such a reduction in pulp integration could increase the Corporation's commodity price risk. Specifically, increases in pulp prices could adversely affect the Corporation's earnings if selling prices are not adjusted or if such adjustments significantly trail the increases in pulp prices. The Corporation has not used derivative instruments in the management of these risks.

Inflation Risk

The Corporation's inflation risks are managed on an entity-by-entity basis through selective price increases, productivity increases and cost-containment measures. Management does not believe that inflation risk is material to the Corporation's business or its consolidated financial position, results of operations or cash flows.

"YEAR 2000" READINESS

Beginning in 1995, the Corporation was involved in a worldwide program to be "Year 2000" ready. The program involved reviews of major business, financial and other information systems, including equipment with embedded microprocessors; development of specific plans for modification or replacement of date-sensitive software or microprocessors; execution of such plans and the testing of such systems to ensure their "Year 2000" readiness. Included within the scope of the program were contacts with key suppliers and customers to determine their "Year 2000" readiness in order to ensure a steady flow of goods and services to the Corporation and continuity with respect to customer service.

As a result of this worldwide program, there were no significant occurrences of Year 2000-related failures. Additionally, the Corporation does not anticipate that any significant subsequent events will occur.

The total costs incurred to complete "Year 2000" readiness, which was comprised of staff time and the costs of replacing certain computerized systems and microprocessors, was approximately \$80 million.

CONTINGENCIES AND LEGAL MATTERS

In connection with the Mobile pulp mill closure, and as permitted by the terms of the governing contract, on May 5, 1998, the Corporation gave notice to Mobile Energy Services Company, L.L.C. ("MESC") of the Corporation's intent to terminate MESC's long-term contract for power, steam and liquor processing services with respect to the Mobile pulp mill. The resulting termination penalty of \$24.3 million, which comprised six months of adjusted demand payments under the contract, was charged to cost of products sold in the second quarter of 1998. On January 14, 1999, MESC and Mobile Energy Services Holdings, Inc. (the "debtors") filed an action against the Corporation claiming unspecified damages in connection with the cancellation of the contract.

On December 31, 1999, a joint motion of the debtors and the MESC bondholders' steering committee (the "Motion") was filed with the U.S. Bankruptcy Court seeking approval of a settlement and compromise of claims against the Corporation arising from the closure of the Mobile pulp mill and termination of the pulp mill's energy services agreement. The Motion, which was granted by the U.S. Bankruptcy Court by order dated January 24, 2000, outlines the terms of settlement for various litigation matters between the Corporation and MESC. Under the proposed settlement, the Corporation agreed to pay MESC at closing approximately \$30 million, subject to certain adjustments. Closing of the settlement would be subject to, among other conditions, MESC filing a plan of reorganization from bankruptcy and the ultimate approval of that plan by the U.S. Bankruptcy Court. The approximate \$30 million payment, which will be accrued when appropriate, is in addition to \$24.3 million previously accrued by the Corporation. In addition, the proposed settlement provides MESC with an option to purchase the Mobile pulp mill at a nominal price; a settlement of all pending litigation and arbitration between the Corporation and MESC; mutual releases by the Corporation, MESC and its affiliate (the Southern Company and affiliates), and the representatives of the MESC bondholders; and an agreement by MESC to terminate the existing tissue mill energy services agreement and to provide the Mobile tissue mill energy at market rates.

The outcome of the MESC litigation and settlement matters is not expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

ENVIRONMENTAL MATTERS

The Corporation is subject to federal, state and local environmental protection laws and regulations with respect to its business operations and is operating in compliance with, or taking action aimed at ensuring compliance with, such laws and regulations. Compliance with these laws and regulations is not expected to have a material adverse effect on the Corporation's business or results of operations. The Corporation has been named as a potentially responsible party at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business, financial condition or results of operations.

OUTLOOK

The Corporation expects sales to continue to rise 6 percent to 8 percent annually and earnings per share to grow at double-digit rates. A portion of this growth is expected to be achieved by increasing our shares in existing markets and entering new countries for additional growth. The Corporation expects product superiority and innovation to remain as the cornerstones of its growth strategy. The Corporation also expects acquisitions to continue to play a key role in its growth strategy.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Certain matters discussed in this report concerning, among other things, the business outlook, anticipated financial and operating results, strategies, contingencies and contemplated transactions of the Corporation including, but not limited to, the adequacy of the charges under the 1997 Plan, the adequacy of the 1998 Plan and the anticipated acquisition of Safeskin constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the Corporation. There can be no assurance that these events will occur or that the Corporation's results will be as estimated.

The assumptions used as a basis for the forward-looking statements include many estimates that, among other things, depend on the achievement of future cost savings, including cost savings as a result of the 1997 Plan and the 1998 Plan, and the ability to achieve intended facilities consolidations, and projected volume increases. Furthermore, the Corporation has assumed that it will continue to identify suitable acquisition candidates in those product markets where it intends to grow by acquisition. In addition, many factors outside the control of the Corporation, including the prices of the Corporation's raw materials, potential competitive pressures on selling prices or advertising and promotion expenses for the Corporation's products, and fluctuations in foreign currency exchange rates, as well as general economic conditions in the markets in which the Corporation does business, also could impact the realization of such estimates.

For a description of these and other factors that could cause the Corporation's future results to differ materially from those expressed in any such forward-looking statements, see the section of Part I, Item I of the Corporation's Annual Report on Form 10-K entitled "Factors That May Affect Future Results."

CONSOLIDATED INCOME STATEMENT
Kimberly-Clark Corporation and Subsidiaries

(Millions of dollars, except per share amounts)	Year Ended December 31		
	1999	1998	1997
NET SALES	\$13,006.8	\$12,297.8	\$12,546.6
Cost of products sold	7,681.6	7,700.2	7,939.0
GROSS PROFIT.	5,325.2	4,597.6	4,607.6
Advertising, promotion and selling expenses	2,097.8	1,937.4	1,937.2
Research expense.	249.8	224.8	211.8
General expense	707.4	717.0	623.9
Goodwill amortization	41.8	33.3	16.8
Restructuring and other unusual charges	(27.0)	111.8	349.5
Other (income) expense, net	(180.0)	(124.4)	(17.7)
OPERATING PROFIT.	2,435.4	1,697.7	1,486.1
Interest income	29.4	24.3	31.4
Interest expense.	(213.1)	(198.7)	(164.8)
INCOME BEFORE INCOME TAXES.	2,251.7	1,523.3	1,352.7
Provision for income taxes.	730.2	522.2	493.3
INCOME BEFORE EQUITY INTERESTS.	1,521.5	1,001.1	859.4
Share of net income of equity companies	189.6	137.1	157.3
Minority owners' share of subsidiaries' net income.	(43.0)	(23.9)	(31.3)
INCOME BEFORE EXTRAORDINARY GAINS AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	1,668.1	1,114.3	985.4
Extraordinary gains, net of income taxes.	-	-	17.5
Cumulative effect of accounting change, net of income taxes	-	(11.2)	-
NET INCOME.	\$ 1,668.1	\$ 1,103.1	\$ 1,002.9
PER SHARE BASIS			
BASIC			
Income before extraordinary gains and cumulative effect of accounting change.	\$ 3.11	\$ 2.02	\$ 1.77
Net income.	\$ 3.11	\$ 2.00	\$ 1.80
DILUTED			
Income before extraordinary gains and cumulative effect of accounting change.	\$ 3.09	\$ 2.01	\$ 1.76
Net income.	\$ 3.09	\$ 1.99	\$ 1.79

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET
 Kimberly-Clark Corporation and Subsidiaries

(Millions of dollars)	ASSETS	December 31	
		1999	1998

CURRENT ASSETS			
Cash and cash equivalents	\$	322.8	\$ 144.0
Accounts receivable		1,600.6	1,465.2
Inventories		1,239.9	1,283.8
Deferred income taxes		311.4	375.3
Prepaid expenses and other.		87.1	117.5
		-----	-----
TOTAL CURRENT ASSETS.		3,561.8	3,385.8
PROPERTY			
Land		190.7	161.1
Buildings		1,739.2	1,673.1
Machinery and equipment		8,747.7	8,461.2
Construction in progress.		403.2	264.6
		-----	-----
		11,080.8	10,560.0
Less accumulated depreciation		4,858.8	4,561.9
		-----	-----
NET PROPERTY.		6,222.0	5,998.1
INVESTMENTS IN EQUITY COMPANIES		863.1	813.1
ASSETS HELD FOR SALE		-	109.5
GOODWILL, NET OF ACCUMULATED AMORTIZATION		1,246.1	589.4
OTHER ASSETS.		922.5	791.9
		-----	-----
		\$12,815.5	\$11,687.8
		=====	=====

See Notes to Consolidated Financial Statements.

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31	
	1999	1998
CURRENT LIABILITIES		
Debt payable within one year	\$ 782.4	\$ 635.4
Trade accounts payable	780.4	670.1
Other payables	245.3	333.1
Accrued expenses	1,312.1	1,419.1
Accrued income taxes	584.6	570.9
Dividends payable.	141.0	135.5
TOTAL CURRENT LIABILITIES	3,845.8	3,764.1
LONG-TERM DEBT.	1,926.6	2,068.2
NONCURRENT EMPLOYEE BENEFIT AND OTHER OBLIGATIONS	868.5	899.9
DEFERRED INCOME TAXES	836.9	721.6
MINORITY OWNERS' INTERESTS IN SUBSIDIARIES.	244.6	202.5
STOCKHOLDERS' EQUITY		
Preferred stock - no par value - authorized 20.0 million shares, none issued	-	-
Common stock - \$1.25 par value - authorized 1.2 billion shares; issued 568.6 million shares at December 31, 1999 and 1998	710.8	710.8
Additional paid-in capital	166.4	86.3
Common stock held in treasury, at cost - 28.0 million and 30.3 million shares at December 31, 1999 and 1998, respectively.	(1,420.4)	(1,454.7)
Accumulated other comprehensive income (loss)	(1,114.8)	(964.3)
Retained earnings	6,764.6	5,653.4
Unearned compensation on restricted stock	(13.5)	-
TOTAL STOCKHOLDERS' EQUITY.	5,093.1	4,031.5
	\$12,815.5	\$11,687.8

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
Kimberly-Clark Corporation and Subsidiaries

(Millions of dollars, except share amounts)	Common Stock		Additional Paid-In Capital	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Unearned Compensation on Restricted Stock	Total Stock- holders' Equity	Compre- hensive Income
	Issued			Shares	Amount					
	Shares	Amount								
Balance at December 31, 1996 . . . . .	.568,596,810	\$710.8	\$136.7	5,223,194	\$(214.4)	\$(667.4)	\$4,629.3	\$ -	\$4,595.0	
Shares issued for the exercise of stock options and awards	-	-	(18.2)	(2,434,504)	88.2	-	-	-	70.0	
Shares purchased for treasury	-	-	-	18,143,208	(910.6)	-	-	-	(910.6)	
Shares issued for the acquisition of Tecno Medical Products, Inc	-	-	(5.2)	(8,681,530)	419.7	-	-	-	414.5	
Comprehensive income:										
Net income	-	-	-	-	-	-	1,002.9	-	1,002.9	\$1,002.9
Other comprehensive income (loss):										
Unrealized translation adjustments	-	-	-	-	-	(296.4)	-	-	(296.4)	(296.4)
Minimum pension liability adjustment	-	-	-	-	-	(2.8)	-	-	(2.8)	(2.8)
Comprehensive income	-	-	-	-	-	-	-	-	-	\$ 703.7 =====
Dividends declared on common shares	-	-	-	-	-	-	(532.3)	-	(532.3)	
Balance at December 31, 1997 . . . . .	.568,596,810	710.8	113.3	12,250,368	(617.1)	(966.6)	5,099.9	-	4,340.3	
Shares issued for the exercise of stock options and awards	-	-	(27.0)	(1,643,718)	82.1	-	-	-	55.1	
Shares purchased for treasury	-	-	-	19,732,752	-	(919.7)	-	-	(919.7)	
Comprehensive income:										
Net income	-	-	-	-	-	-	1,103.1	-	1,103.1	\$1,103.1
Other comprehensive income (loss):										
Unrealized translation adjustments	-	-	-	-	-	3.1	-	-	3.1	3.1
Minimum pension liability adjustment	-	-	-	-	-	(.8)	-	-	(.8)	(.8)
Comprehensive income	-	-	-	-	-	-	-	-	-	\$1,105.4 =====
Dividends declared on common shares	-	-	-	-	-	-	(549.6)	-	(549.6)	
Balance at December 31, 1998 . . . . .	.568,596,810	710.8	86.3	30,339,402	(1,454.7)	(964.3)	5,653.4	-	4,031.5	
Shares issued for the exercise of stock options and awards	-	-	(19.7)	(2,189,629)	108.9	-	-	-	89.2	
Shares purchased for treasury	-	-	-	13,940,653	(779.0)	-	-	-	(779.0)	
Shares issued for the acquisition of Ballard Medical Products	-	-	100.6	(13,758,610)	686.2	-	-	-	786.8	
Stock issued, net of forfeitures, under restricted stock plans, less amortization	-	-	(.8)	(362,000)	18.2	-	-	(13.5)	3.9	
Comprehensive income:										
Net income	-	-	-	-	-	-	1,668.1	-	1,668.1	\$1,668.1
Other comprehensive income (loss):										
Unrealized translation adjustments	-	-	-	-	-	(154.6)	-	-	(154.6)	(154.6)
Minimum pension liability adjustment	-	-	-	-	-	4.1	-	-	4.1	4.1
Comprehensive income	-	-	-	-	-	-	-	-	-	\$1,517.6 =====
Dividends declared on common shares	-	-	-	-	-	-	(556.9)	-	(556.9)	
Balance at December 31, 1999 . . . . .	.568,596,810	\$710.8	\$166.4	27,969,816	\$(1,420.4)	\$(1,114.8)	\$6,764.6	\$(13.5)	\$5,093.1	

See Notes to Consolidated Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT
 Kimberly-Clark Corporation and Subsidiaries

(Millions of dollars)	Year Ended December 31		
	1999	1998	1997
OPERATIONS			
Net income	\$ 1,668.1	\$ 1,103.1	\$ 1,002.9
Charges for business improvement and other programs			
Restructuring and other unusual charges	(27.0)	111.8	349.5
Other charges	13.2	180.7	91.2
Cumulative effect of accounting change, net of income taxes	-	11.2	-
Extraordinary gains, net of income taxes	-	-	(17.5)
Mobile pulp mill fees and related severances	9.0	42.3	-
Depreciation	586.2	594.5	528.5
Goodwill amortization	41.8	33.3	16.8
Deferred income tax provision	126.2	13.6	71.4
Net gains on asset sales	(143.9)	(125.9)	(8.4)
Equity companies' earnings in excess of dividends paid . . .	(78.7)	(15.1)	(62.1)
Minority owners' share of subsidiaries' net income	43.0	23.9	31.3
(Increase) decrease in operating working capital	(67.1)	63.6	(588.4)
Pension funding in excess of expense	(32.8)	(45.9)	(10.2)
Other	(3.7)	2.6	4.0
	-----	-----	-----
CASH PROVIDED BY OPERATIONS	2,134.3	1,993.7	1,409.0
	-----	-----	-----
INVESTING			
Capital spending	(786.4)	(669.5)	(944.3)
Acquisitions of businesses, net of cash acquired	(271.9)	(342.5)	(82.2)
Proceeds from dispositions of property and businesses	115.2	324.9	779.6
Proceeds from notes receivable	383.0	-	-
Other	(16.7)	(16.7)	(66.8)
	-----	-----	-----
CASH USED FOR INVESTING	(576.8)	(703.8)	(313.7)
	-----	-----	-----
FINANCING			
Cash dividends paid	(551.3)	(545.5)	(530.6)
Net (decrease) increase in short-term debt	(163.8)	(2.6)	355.3
Increases in long-term debt	117.7	541.3	113.0
Decreases in long-term debt	(75.9)	(319.1)	(253.8)
Proceeds from exercise of stock options	60.8	38.3	49.2
Acquisitions of common stock for the treasury	(779.0)	(919.7)	(910.6)
Other	12.8	(29.4)	89.8
	-----	-----	-----
CASH USED FOR FINANCING	(1,378.7)	(1,236.7)	(1,087.7)
	-----	-----	-----
INCREASE IN CASH AND CASH EQUIVALENTS	\$ 178.8	\$ 53.2	\$ 7.6
	=====	=====	=====

See Notes to Consolidated Financial Statements.

NOTE 1. ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Kimberly-Clark Corporation and all subsidiaries that are more than 50 percent owned and controlled. Investments in nonconsolidated companies that are at least 20 percent owned are stated at cost plus equity in undistributed net income. These latter companies are referred to as equity companies. All significant intercompany transactions and accounts are eliminated in consolidation.

In 1999, the Corporation reclassified other (income) expense, net, to be part of operating profit in accordance with Regulation S-X. This item, which is substantially comprised of gains on certain disposals of assets, was previously reported below operating profit. Certain other reclassifications have been made to conform prior year data to the current year presentation.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingencies at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Differences from those estimates are recorded in the period they become known.

INVENTORIES

Most U.S. inventories are valued at cost on the Last-In, First-Out (LIFO) method for U.S. income tax purposes and for financial reporting purposes. The balance of the U.S. inventories and inventories of consolidated operations outside the U.S. are generally valued at the lower of cost, using either the First-In, First-Out (FIFO) or weighted average cost methods, or market.

PROPERTY AND DEPRECIATION

Property, plant and equipment are stated at cost and are depreciated over their estimated useful lives on the straight-line or units-of-production method for financial reporting purposes and generally on an accelerated method for income tax purposes. Estimated useful lives are periodically reviewed and, when warranted, changes are made that result in an acceleration of depreciation. These long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their cost may not be recoverable. An impairment loss would be recognized when estimated future cash flows from the use of the asset and its eventual disposition are less than its carrying amount. When property is sold or retired, the cost of the property and the related accumulated depreciation are removed from the balance sheet and any gain or loss on the transaction is included in income.

Costs of bringing significant new or expanded facilities into operation are expensed as incurred. Prior to 1998, the Corporation's practice had been to record such costs as deferred charges and to amortize them over periods of not more than five years. The Corporation adopted Statement of Position 98-5, Reporting on the Costs of Start-Up Activities, effective January 1, 1998, and recorded a pretax charge of \$17.8 million, \$11.2 million after taxes, or \$.02 per share, as the cumulative effect of this accounting change.

NOTE 1. (Continued)

GOODWILL

Goodwill is amortized on the straight-line method ranging from 10 years to 40 years. The realizability and period of benefit of goodwill is evaluated periodically to assess recoverability. If it becomes probable that the future undiscounted cash flows associated with such goodwill is less than its carrying value, an impairment loss would be recognized. Accumulated amortization of goodwill at December 31, 1999 and 1998 was \$185.8 million and \$150.8 million, respectively.

ADVERTISING EXPENSE

Advertising expense is comprised of media, agency and production expenses. Advertising expenses are charged to income during the period incurred, except for expenses related to the development of a major commercial or media campaign which are charged to income during the period in which the advertisement or campaign is first presented by the media. Advertising expenses charged to income totaled \$336.5 million in 1999, \$295.3 million in 1998 and \$306.6 million in 1997.

REVENUE RECOGNITION

Sales revenue is recognized at the time of product shipment to unaffiliated customers and appropriate provision is made for uncollectible accounts.

ENVIRONMENTAL EXPENDITURES

Environmental expenditures related to current operations that qualify as property, plant and equipment or which substantially increase the economic value or extend the useful life of an asset are capitalized, and all other expenditures are expensed as incurred. Environmental expenditures that relate to an existing condition caused by past operations are expensed as incurred. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with completion of a feasibility study or a commitment to a formal plan of action.

STOCK-BASED COMPENSATION

Compensation cost for stock options and awards is measured based on intrinsic value under Accounting Principles Board Opinion ("APB") 25, Accounting for Stock Issued to Employees.

NEW PRONOUNCEMENTS

In 1998, Statement of Financial Accounting Standards ("SFAS") 133, Accounting for Derivative Instruments and Hedging Activities, was issued. This standard, which establishes new accounting and reporting standards for derivative financial instruments, must be adopted no later than January 1, 2001. The Corporation is currently analyzing the effect of this standard but does not expect it to have a material effect on the Corporation's consolidated financial position, results of operations or cash flows.

NOTE 2. BUSINESS IMPROVEMENT AND OTHER PROGRAMS

The Corporation has undertaken a number of actions in recent years to address ongoing business competitiveness by improving its operating efficiency and cost structure. These programs began in 1995, at the time of the merger with Scott Paper Company ("Scott"), and were substantially completed at December 31, 1999. A summary and status of each of these programs is set forth below.

1998 PLAN

In the fourth quarter of 1998, the Corporation announced a facilities consolidation plan (the "1998 Plan") to, among other things, further align tissue manufacturing capacity with demand in Europe, close a diaper manufacturing facility in Canada, shut down and dispose of a tissue machine in Thailand, write down certain excess feminine care production equipment in North America and reduce the Corporation's workforce by approximately 830 employees. Costs for the 1998 Plan of \$42.6 million and \$49.1 million were recorded in 1999 and 1998, respectively, and charged to cost of products sold. Costs of approximately \$20 million will be charged to cost of products sold in 2000. These costs are comprised primarily of certain severance costs and charges for accelerated depreciation for the Corporation's Larkfield, U.K. tissue manufacturing facility that will remain in use until its expected shutdown in October 2000.

Through December 31, 1999, 800 employees have been notified of the Corporation's plans to terminate their employment, and the costs of this workforce reduction were charged to earnings in the period in which such employee severance benefits were appropriately communicated. Of the employees that have been notified, 530 employees have been terminated and 270 additional employees will be terminated in 2000. Approximately 50 additional employees will be notified in 2000 of the Corporation's plans to terminate their employment. Their severance costs, which are included in the \$20 million discussed above, will be accrued and charged to cost of products sold at that time.

The charges under the 1998 Plan for the two years ended December 31, 1999 are summarized below:

(Millions of dollars)	Amounts Charged to Earnings	
	1999	1998
Workforce severance	\$16.0	\$11.1
Write-downs of property, plant and equipment and other costs	(3.0)	35.2
Accelerated depreciation	29.6	2.8
	-----	-----
Total pretax charge	\$42.6	\$49.1
	=====	=====

NOTE 2. (Continued)

Charges under the 1998 Plan were included in operating profit by business segment and geography as follows:

(Millions of dollars)	Year Ended December 31	
	1999	1998
By Business Segment		
Tissue	\$36.4	\$14.9
Personal Care	6.2	34.2
	-----	-----
Total pretax charge	\$42.6	\$49.1
	=====	=====
By Geography		
North America	\$ 5.7	\$34.0
Outside North America	36.9	15.1
	-----	-----
Total pretax charge	\$42.6	\$49.1
	=====	=====

Charges under the 1998 Plan reduced operating profit and net income as follows:

(Millions of dollars)	Year Ended December 31	
	1999	1998
Operating profit	\$42.6	\$49.1
Net income	30.3	34.1

Set forth below is a summary of the types and amounts recognized as accrued expenses for the 1998 Plan together with cash payments made against such accruals for the year ended December 31, 1999.

(Millions of dollars)	Balance 12/31/98	1999		Balance 12/31/99
		Additions (Reductions)	Payments	
Workforce severance	\$10.6	\$16.0	\$(10.2)	\$16.4
Asset removal costs	2.5	(.4)	(2.1)	-
Environmental costs and lease contract terminations	1.0	-	-	1.0
Other costs	4.7	(2.6)	(2.1)	-
	-----	-----	-----	-----
	\$18.8	\$13.0	\$(14.4)	\$17.4
	=====	=====	=====	=====

Management considers the 1998 Plan to be substantially completed as of December 31, 1999. The accrued expense balance of \$17.4 million will be paid in accordance with the terms of the applicable employee severance and other agreements.

1997 PLAN

On November 21, 1997, the Corporation announced a restructuring plan (the "1997 Plan"). The plan included the sale, closure or downsizing of 17 manufacturing facilities worldwide and a workforce reduction of approximately 4,800 employees. Costs for the 1997 Plan of \$250.8 million and

NOTE 2. (Continued)

\$414.2 million were recorded in 1998 and 1997, respectively, at the time costs became accruable under appropriate accounting principles. Included in such costs was accelerated depreciation charged to cost of products sold related to assets that were to be disposed of but which continued to be operated during 1997 and 1998. In 1999, the Corporation recorded a net credit of \$16.7 million, which was comprised of accelerated depreciation expense of \$23.7 million, reductions in accrued costs of \$31.9 million and lower asset write-offs and higher sales proceeds totaling \$8.5 million, due to changes in estimates.

Charges or (credits) under the 1997 Plan for the three years ended December 31, 1999 are summarized below:

(Millions of dollars)	Amounts Charged to Earnings		
	1999	1998	1997
Workforce severance	\$ (4.8)	\$ 53.2	\$ 35.4
Write-downs of property, plant and equipment and other assets	(8.5)	56.2	93.6
Contract settlements, lease terminations and other costs	(27.1)	31.3	64.2
Asset impairments	-	31.3	187.4
Accelerated depreciation	23.7	78.8	33.6
	-----	-----	-----
Total pretax charge (credit)	\$ (16.7)	\$250.8	\$414.2
	=====	=====	=====
Income statement classification:			
Cost of products sold	\$ 10.3	\$134.0	\$113.7
Restructuring and other unusual charges	(27.0)	116.8	300.5
	-----	-----	-----
Total pretax charge (credit)	\$ (16.7)	\$250.8	\$414.2
	=====	=====	=====

The effects of the 1997 Plan were included in operating profit by business segment and geography as follows:

(Millions of dollars)	Year Ended December 31		
	1999	1998	1997
By Business Segment			
Tissue	\$ (16.5)	\$149.3	\$324.4
Personal Care	7.2	87.6	72.8
Health Care	(1.3)	13.2	8.7
Unallocated	(6.1)	.7	8.3
	-----	-----	-----
Total pretax charge (credit)	\$ (16.7)	\$250.8	\$414.2
	=====	=====	=====
By Geography			
North America	\$.7	\$160.9	\$181.5
Outside North America	(11.3)	89.2	224.4
Unallocated	(6.1)	.7	8.3
	-----	-----	-----
Total pretax charge (credit)	\$ (16.7)	\$250.8	\$414.2
	=====	=====	=====

NOTE 2. (Continued)

The effects of the 1997 Plan decreased (increased) operating profit and net income as follows:

(Millions of dollars)	Year Ended December 31		
	1999	1998	1997
Operating profit	\$(16.7)	\$250.8	\$414.2
Net income	(9.2)	178.9	315.0

The principal components of the 1997 Plan were as follows:

- - The sale, closure or downsizing of certain manufacturing facilities worldwide has resulted in the consolidation of the Corporation's manufacturing operations into fewer, larger and more efficient facilities and the elimination of excess, high-cost tissue manufacturing capacity in North America and Europe. Of the originally identified facilities, 16 have been closed as of December 31, 1999 and one will remain in operation. In addition, four other small facilities were closed. The effects of these modifications were reflected in earnings at the time such modifications became accruable events.
- - The workforce reduction has been completed and, through December 31, 1999, a total reduction of 3,740 employees has been realized. The costs of the reduction were charged to earnings in the period in which such employee severances and benefits were appropriately communicated.
- - Property, plant and equipment and other assets not used in the restructured manufacturing operations have been written down, excess manufacturing capacity has been eliminated, and certain inventories in restructured operations and other assets have been written down.
- - Certain of the Corporation's facilities and capacity which became excessive as a result of the combination of the Corporation's health care operations with those of Tecno Medical Products, Inc. ("Tecno") have been eliminated.
- - Certain contracts have been terminated and other costs have been incurred to achieve planned efficiencies.

In 1998, as a result of additional evaluations of the Corporation's tissue manufacturing operations, the Villanovetta, Italy tissue manufacturing facility became an impaired asset because its cash flows from use and disposal were insufficient to cover the carrying amount of the asset. Consequently, a charge to earnings of \$26.8 million was recorded in the fourth quarter of 1998. In addition, management intended to close the facility in 2000 in order to continue to align capacity with demand. While the facility continues to be an impaired asset, in late 1999, after negotiations with labor representatives, management agreed to only downsize the facility and continue operations through 2001. During this period, additional negotiations with governmental authorities and labor representatives will continue. In 1998, other less significant modifications were made to the 1997 Plan, the largest of which was a \$12.1 million charge for losses on European feminine care equipment removed from service. The effects of these modifications were included in 1998 results of operations.

NOTE 2. (Continued)

Set forth below is a summary of the types and amounts of charges that were recognized as accrued expenses for the 1997 Plan together with cash payments made against such accruals for the two years ended December 31, 1999.

(Millions of dollars)	1999			Balance 12/31/99
	Balance 12/31/98	(Reductions)	Payments	
Workforce severance	\$ 42.7	\$ (4.8)	\$ (37.8)	\$.1
Asset removal costs	12.7	(8.5)	(4.2)	-
Environmental costs and lease contract terminations	40.2	(9.1)	(24.1)	7.0
Other costs	15.4	(9.5)	(5.9)	-
	-----	-----	-----	-----
	\$111.0	\$ (31.9)	\$ (72.0)	\$7.1
	=====	=====	=====	=====

(Millions of dollars)	1998			Balance 12/31/98
	Balance 12/31/97	Additions	Payments	
Workforce severance	\$32.1	\$53.2	\$ (42.6)	\$ 42.7
Asset removal costs	17.2	.3	(4.8)	12.7
Environmental costs and lease contract terminations	32.1	23.2	(15.1)	40.2
Other costs	9.2	7.8	(1.6)	15.4
	-----	-----	-----	-----
	\$90.6	\$84.5	\$ (64.1)	\$111.0
	=====	=====	=====	=====

Management considers the 1997 Plan to be substantially completed as of December 31, 1999. The accrued expense balance of \$7.1 million will be paid in accordance with the terms of the applicable contract settlement and other agreements.

1995 SCOTT MERGER AND RESTRUCTURING PLAN

In connection with the Scott merger, in December 1995, the Corporation announced a plan to restructure the combined operations and to accomplish other business improvement objectives (the "1995 Plan"). The 1995 Plan included (i) the cost of plant rationalizations and employee terminations to eliminate duplicate facilities and excess capacity; (ii) disposition of facilities to comply with the merger-related decrees of the U.S. Justice Department and the European Commission; (iii) costs of terminating leases, contracts and other long-term agreements; (iv) the direct costs of the merger, including fees of investment bankers, outside legal counsel and accountants; (v) impaired asset charges; and (vi) accelerated depreciation charges on assets that were to be disposed of but which were not to be immediately removed from operations.

NOTE 2. (Continued)

The original estimated pretax cost of the 1995 Plan was \$1,440 million. The plan was completed in 1998 at a pretax cost of \$1,305 million. Charges or (credits) under the 1995 Plan for the two years ended December 31, 1998 are summarized below:

(Millions of dollars)	Amounts Charged to Earnings	
	1998	1997
Cost of products sold	\$ 1.7	\$15.1
Restructuring and other unusual charges	(5.0)	49.0
Total pretax charge (credit)	\$ (3.3)	\$64.1

The effects of the 1995 Plan were included in operating profit by business segment and geography as follows:

(Millions of dollars)	Year Ended December 31	
	1998	1997
By Business Segment		
Tissue	\$.7	\$60.5
Personal Care . . . . .	.9	1.9
Health Care	(.8)	(.3)
Unallocated	(4.1)	2.0
Total pretax charge (credit)	\$ (3.3)	\$64.1
By Geography		
North America	\$ (2.9)	\$11.5
Outside North America	3.7	50.6
Unallocated	(4.1)	2.0
Total pretax charge (credit)	\$ (3.3)	\$64.1

The effects of the 1995 Plan decreased (increased) operating profit and net income as follows:

(Millions of dollars)	Year Ended December 31	
	1998	1997
Operating profit	\$ (3.3)	\$64.1
Net income	(.9)	51.3

NOTE 2. (Continued)

Set forth below is a summary of the types and amounts recognized as accrued expenses for the 1995 Plan together with the cash payments made against such accruals for the year ended December 31, 1998.

(Millions of dollars)	Balance	1998		Balance
	12/31/97	(Reductions)	Payments	12/31/98
Workforce severance	\$ 8.1	\$ (3.5)	\$ (4.6)	\$ -
Asset removal costs	1.9	-	(1.9)	-
Contract settlement and lease termination costs	27.1	(6.1)	(5.7)	15.3
Other costs	9.1	(1.4)	(7.0)	.7
	-----	-----	-----	-----
	\$46.2	\$ (11.0)	\$ (19.2)	\$16.0
	=====	=====	=====	=====

The 1998 accrued expense balance of \$16.0 million is being paid in accordance with the terms of the contract settlement agreements and, as of December 31, 1999, approximately \$4 million remains to be paid under a contractual lease obligation.

OTHER INFORMATION

1999 Unusual Charges

In 1999, the Corporation incurred \$13.6 million of unusual business improvement costs that were not related to the three formally adopted business improvement plans discussed above. The costs, which primarily were for employee severances and write off of assets removed from service, were charged to cost of products sold when incurred.

Write-down of Certain Intangible and Other Assets

In 1998, the carrying amounts of trademarks and unamortized goodwill of certain European businesses were determined to be impaired and written down. These write-downs, which were charged to general expense, reduced 1998 operating profit \$70.2 million and net income \$57.1 million. In addition, the Corporation began depreciating the cost of all newly acquired personal computers ("PCs") over two years. In recognition of the change in estimated useful lives, PC assets with a remaining net book value of \$16.6 million became subject to accelerated depreciation charges. These charges, along with \$8.8 million of charges for write-downs of other assets and a loss on a pulp contract, reduced 1998 operating profit \$81.2 million and net income \$64.7 million. Of the \$81.2 million, \$6.8 million was charged to cost of products sold and \$74.4 million was charged to general expense. In 1999, accelerated depreciation on PCs reduced operating profit by \$8.3 million, \$2.7 million of which was charged to cost of products sold and \$5.6 million was charged to general expense.

Approximately 91 percent of the 1998 write-down of certain intangible and other assets and accelerated depreciation on PCs described above relates to the Personal Care segment and 9 percent relates to the Tissue segment. In 1999, 50 percent of the \$8.3 million of accelerated depreciation was charged to each of the Tissue and Personal Care segments.

NOTE 3. INCOME TAXES

An analysis of the provision for income taxes follows:

(Millions of dollars)	Year Ended December 31		
	1999	1998	1997
-----	----	----	----
Current income taxes:			
United States	\$386.9	\$402.0	\$423.9
State	69.8	26.8	96.7
Other countries	147.3	79.8	104.6
Total	604.0	508.6	625.2
-----	-----	-----	-----
Deferred income taxes:			
United States	139.2	39.8	(29.3)
State	(18.7)	5.5	(49.5)
Other countries	5.7	(38.3)	(14.7)
Total	126.2	7.0	(93.5)
-----	-----	-----	-----
Total provision for income taxes	730.2	515.6	531.7
Less income taxes related to:			
Extraordinary gains	-	-	38.4
Cumulative effect of accounting change	-	(6.6)	-
-----	-----	-----	-----
Total provision excluding income taxes related to extraordinary gains and cumulative effect of accounting change	\$730.2	\$522.2	\$493.3
	=====	=====	=====

Income before income taxes is classified in the Consolidated Income Statement as follows:

(Millions of dollars)	Year Ended December 31		
	1999	1998	1997
-----	----	----	----
Income Before Extraordinary Gains and Cumulative Effect of Accounting Change:			
United States	\$1,782.7	\$1,455.6	\$1,291.6
Other countries	469.0	67.7	61.1
Total	\$2,251.7	\$1,523.3	\$1,352.7
-----	-----	-----	-----
Extraordinary Gains:			
United States	\$ -	\$ -	\$ 55.9
-----	-----	-----	-----
Cumulative Effect of Accounting Change:			
United States	\$ -	\$ (17.2)	\$ -
Other countries	-	(.6)	-
Total	\$ -	\$ (17.8)	\$ -
-----	-----	-----	-----

NOTE 3. (Continued)

Deferred income tax assets are composed of the following:

(Millions of dollars)	December 31	
	1999	1998
Current deferred income tax asset attributable to:		
Advertising and promotion accruals	\$ 27.5	\$ 29.7
Pension, postretirement and other employee benefits	121.9	92.0
Other accrued expenses, including those related to business improvement programs	124.6	210.4
Inventory	31.0	41.9
Other	6.7	6.1
Valuation allowances	(.3)	(4.8)
	-----	-----
Net current deferred income tax asset	\$ 311.4	\$ 375.3
	=====	=====
Noncurrent deferred income tax asset attributable to:		
Accumulated depreciation	\$ (42.4)	\$ (11.7)
Income tax loss carryforwards	294.1	290.4
Other	11.1	6.3
Valuation allowances	(255.8)	(267.1)
	-----	-----
Net noncurrent deferred income tax asset included in other assets	\$ 7.0	\$ 17.9
	=====	=====
Noncurrent deferred income tax liability attributable to:		
Accumulated depreciation	\$ (869.0)	\$ (908.6)
Income tax loss carryforwards	55.3	47.4
Pension and other postretirement benefits	227.0	242.0
Installment sales	(275.7)	(137.9)
Other	25.5	35.5
	-----	-----
Net noncurrent deferred income tax liability	\$ (836.9)	\$ (721.6)
	=====	=====

Valuation allowances for deferred income tax assets decreased by \$15.8 million in 1999 and increased \$68.9 million in 1998. Valuation allowances at the end of 1999 primarily relate to the potentially unusable portion of income tax loss carryforwards of \$931.2 million in jurisdictions primarily outside the United States. If not utilized against taxable income, \$306.4 million of the loss carryforwards will expire from 2000 through 2009. The remaining \$624.8 million has no expiration date.

Realization of deferred tax assets is dependent on generating sufficient taxable income prior to expiration of the loss carryforwards. Although realization is not assured, management believes it is more likely than not that all of the deferred tax assets, net of applicable valuation allowances, will be realized. The amount of the deferred tax assets considered realizable could be reduced or increased if estimates of future taxable income during the carryforward period are reduced or increased.

NOTE 3. (Continued)

Presented below is a reconciliation of the income tax provision computed at the U.S. federal statutory tax rate to the provision for income taxes excluding income taxes applicable to extraordinary gains and cumulative effect of an accounting change.

(Millions of dollars)	Year Ended December 31					
	1999		1998		1997	
	Amount	Percent	Amount	Percent	Amount	Percent
Income before income taxes:						
As reported.	\$2,251.7		\$1,523.3		\$1,352.7	
Charges (credits) for business improvement programs and other unusual items.	(97.3)		280.1		451.8	
Income before income taxes excluding the above charges.	\$2,154.4		\$1,803.4		\$1,804.5	
Tax at U.S. statutory rate(a).	\$ 754.0	35.0%	\$ 631.2	35.0%	\$631.6	35.0%
State income taxes, net of federal tax benefit.	29.7	1.4	17.3	1.0	34.9	1.9
Operating losses for which no tax benefit was recognized, net of operating losses realized.	7.0	.3	24.4	1.4	22.0	1.2
Other - net.	(99.1)	(4.6)	(96.1)	(5.4)	(97.2)	(5.3)
	691.6	32.1%	576.8	32.0%	591.3	32.8%
Tax effects of business improvement programs and other unusual items .	38.6	39.7%	(54.6)	(19.5)%	(98.0)	(21.7)%
Provision for income taxes	\$ 730.2	32.4%	\$ 522.2	34.3%	\$493.3	36.5%

(a) Tax at U.S. statutory rate is based on income before income taxes excluding the charges (credits) for business improvement programs and other unusual items. The tax effects of such programs are shown elsewhere in the table.

At December 31, 1999, income taxes have not been provided on approximately \$1.7 billion of unremitted earnings of subsidiaries operating outside the U.S. These earnings, which are considered to be invested indefinitely, would become subject to income tax if they were remitted as dividends, were lent to the Corporation or a U.S. affiliate, or if the Corporation were to sell its stock in the subsidiaries. Determination of the amount of unrecognized deferred U.S. income tax liability on these unremitted earnings is not practicable because of the complexities associated with its hypothetical calculation. Withholding taxes of approximately \$170 million would be payable upon remittance of all previously unremitted earnings at December 31, 1999.

NOTE 4. POSTRETIREMENT AND OTHER BENEFITS

The Corporation and its subsidiaries in North America and the United Kingdom have defined benefit and/or defined contribution retirement plans covering substantially all regular employees. Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. For the principal defined benefit plans in North America and the United Kingdom, the funding policy is to contribute assets that, at a minimum, fully fund the accumulated benefit obligation, subject to regulatory and tax deductibility limits. The funding policy for the remaining defined benefit plans outside North America and nonqualified U.S. plans providing pension benefits in excess of limitations imposed by the U.S. income tax code is based on legal requirements, tax considerations, customary business practices in such countries and investment opportunities.

Substantially all retired employees of the Corporation and its North American subsidiaries and certain international employees are covered by health care and life insurance benefit plans. Benefits are based on years of service and age at retirement. The plans are principally noncontributory for employees who retired before 1993, and are contributory for most employees who retire in 1993 or after. Certain U.S. plans limit the Corporation's cost of future annual per capita retiree medical benefits to no more than 200 percent of the 1992 annual per capita cost. Certain other U.S. plans limit the Corporation's future cost for retiree medical benefits to a defined annual per capita medical cost.

Summarized financial information about postretirement plans, excluding defined contribution retirement plans, is presented below.

(Millions of dollars)	Pension Benefits		Other Benefits	
	Year Ended		December 31	
	1999	1998	1999	1998
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation at beginning of year	\$3,867.5	\$3,623.2	\$ 658.6	\$ 638.0
Service cost	73.3	69.2	12.5	11.8
Interest cost	251.1	247.1	45.2	44.2
Participants' contributions	7.2	8.3	4.9	4.0
Amendments	11.6	9.5	-	-
Actuarial (gain) loss	(292.9)	171.8	(28.4)	27.5
Acquisitions	1.0	1.5	-	-
Curtailments	11.9	(8.4)	(4.1)	(2.6)
Special termination benefits	1.9	5.0	-	-
Currency exchange rate effects	(12.2)	(2.3)	1.5	(2.0)
Benefit payments	(271.9)	(257.4)	(63.3)	(62.3)
Benefit obligation at end of year	3,648.5	3,867.5	626.9	658.6
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	3,927.2	3,619.9	-	-
Actual return on plan assets	736.9	525.7	-	-
Employer contributions	25.0	24.5	58.4	58.3
Participants' contributions	7.2	8.3	4.9	4.0
Currency exchange rate effects	(8.4)	(11.3)	-	-
Benefit payments	(261.7)	(239.9)	(63.3)	(62.3)
Fair value of plan assets at end of year	4,426.2	3,927.2	-	-
FUNDED STATUS				
Funded status at end of year	777.7	59.7	(626.9)	(658.6)
Unrecognized net actuarial (gain) loss	(682.4)	9.5	(91.6)	(68.0)
Unrecognized transition amount	(10.9)	(15.3)	-	-
Unrecognized prior service cost	67.0	64.2	(15.5)	(17.7)
Net amount recognized	\$ 151.4	\$ 118.1	\$ (734.0)	\$ (744.3)
AMOUNTS RECOGNIZED IN THE BALANCE SHEET CONSIST OF:				
Prepaid benefit cost	\$ 248.2	\$ 228.8	\$ -	\$ -
Accrued benefit cost	(117.9)	(139.6)	(734.0)	(744.3)
Intangible asset	4.9	6.1	-	-
Accumulated other comprehensive income	16.2	22.8	-	-
Net amount recognized	\$ 151.4	\$ 118.1	\$ (734.0)	\$ (744.3)

The above pension benefit information has been presented on an aggregated basis whereby benefit obligation and plan asset information for plans in which plan assets exceed accumulated benefit obligations ("ABO") have been combined with plans where the ABO exceeds plan assets. Summary disaggregated information about these plans follows:

(Millions of dollars)	Assets Exceed ABO		ABO Exceeds Assets	
	December 31			
	1999	1998	1999	1998
Projected benefit obligation	\$3,483.1	\$3,757.1	\$165.4	\$110.4
ABO	3,309.1	3,417.3	152.6	100.1
Fair value of plan assets	4,379.6	3,926.2	46.6	1.0

Weighted Average Assumptions	Pension Benefits		Other Benefits	
	December 31			
	1999	1998	1999	1998
Discount rate	7.4%	6.6%	7.7%	6.7%
Expected return on plan assets	9.3%	9.3%	-	-
Rate of compensation increase	4.3%	3.9%	-	-
Health care cost trend rate(a)	-	-	7.5%	7.8%

(a) Assumed to decrease gradually to 6% in 2003 and remain at that level for the large majority of plans and to zero by 2006 and thereafter for the balance.

(Millions of dollars)	Pension Benefits			Other Benefits		
	Year Ended December 31					
	1999	1998	1997	1999	1998	1997
Components Of Net Periodic Benefit Cost						
Service cost	\$ 73.3	\$ 69.2	\$ 72.6	\$12.5	\$11.8	\$10.7
Interest cost	251.1	247.1	246.7	45.2	44.2	44.9
Expected return on plan assets	(352.8)	(332.3)	(297.8)	-	-	-
Amortization of prior service cost	9.5	8.5	7.9	(2.1)	(2.1)	-
Amortization of transition amount	(4.6)	(5.3)	(5.3)	-	-	-
Recognized net actuarial loss (gain)	4.8	2.9	2.9	(4.4)	(4.9)	(8.1)
Curtailments	18.0	.7	.5	(4.1)	(.4)	(.7)
Other	6.1	5.1	-	-	-	-
Net periodic benefit cost (income)	\$ 5.4	\$ (4.1)	\$ 27.5	\$47.1	\$48.6	\$46.8

Assumed health care cost trend rates affect the amounts reported for postretirement health care benefit plans. A one-percentage-point change in assumed health care trend rates would have the following effects:

(Millions of dollars)	One-Percentage-Point	
	Increase	Decrease
Effect on total of service and interest cost components	\$ 4.1	\$ 3.3
Effect on postretirement benefit obligation	44.6	37.4

NOTE 4. (Continued)

DEFINED CONTRIBUTION RETIREMENT PLANS

The Corporation's contributions to the defined contribution retirement plans are based on the age and compensation of covered employees. The Corporation's contributions, all of which were charged to expense, were \$26.1 million, \$23.8 million and \$14.8 million in 1999, 1998 and 1997, respectively.

INVESTMENT PLANS

Voluntary contribution investment plans are provided to substantially all North American employees. Under the plans, the Corporation matches a portion of employee contributions. Costs charged to expense under the plans were \$25.1 million, \$26.1 million and \$24.9 million in 1999, 1998 and 1997, respectively.

NOTE 5. EARNINGS PER SHARE

There are no adjustments required to be made to Income Before Extraordinary Gains and Cumulative Effect of Accounting Change for purposes of computing basic and diluted earnings per share ("EPS").

A reconciliation of the average number of common shares outstanding used in the basic and diluted EPS computations follows:

(Millions)	Average Common Shares Outstanding		
	1999	1998	1997
Basic	536.3	550.3	555.9
Dilutive effect of stock options	3.1	2.3	3.1
Dilutive effect of deferred compensation plan shares . . . . .	.1	-	-
Dilutive effect of shares issued for participation share awards . . . . .	.6	.5	.3
Diluted	540.1	553.1	559.3

Options outstanding that were not included in the computation of diluted EPS because their exercise price was greater than the average market price of the common shares are summarized below:

Description	1999	1998	1997
Number of shares (millions) . . . . .	.1	9.1	-
Weighted-average option price	\$58.10	\$52.74	-
Expiration date of option	2009	2004-2008	-
Options outstanding at year end	yes	yes	-

The number of common shares outstanding as of December 31, 1999, 1998 and 1997 was 540.6 million, 538.3 million and 556.3 million, respectively.

The major issues of long-term debt outstanding were:

(Millions of dollars)	December 31	
	1999	1998

Kimberly-Clark Corporation:		
6 1/4% Debentures due 2018	\$ 297.7	\$ 297.6
6 3/8% Debentures due 2028	198.3	198.2
7 7/8% Debentures due 2023	199.7	199.7
8 5/8% Notes due 2001	199.9	199.8
9% Notes due 2000	100.0	99.9
6 7/8% Debentures due 2014	99.7	99.7
5% Notes maturing to 2002	27.0	36.0
6.2% to 7.55% Industrial Development Revenue Bonds maturing to 2023 . . .	79.7	79.7
Other	16.5	3.7
	-----	-----
	1,218.5	1,214.3
Subsidiaries:		
7% Debentures due 2023	194.3	194.0
11.1% Bonds due 2000	99.8	99.6
8.3% to 11% Debentures maturing to 2022	175.2	163.8
Industrial Development Revenue Bonds at variable rates (weighted- average rate at December 31, 1999 - 4%) maturing to 2032	298.3	286.6
5 3/4% to 6 3/8% Industrial Development Revenue Bonds maturing to 2007	22.3	22.9
Bank loans and other financings in various currencies at fixed rates (weighted-average rate at December 31, 1999 - 9.6%) maturing to 2009	106.7	97.9
Bank loans and other financings in various currencies at variable rates (weighted-average rate at December 31, 1999 - 10.1%) maturing to 2009	108.9	45.6
	-----	-----
Total long-term debt	2,224.0	2,124.7
Less current portion	297.4	56.5
	-----	-----
Long-term portion	\$1,926.6	\$2,068.2
	=====	=====

Fair value of long-term debt was \$2,212.0 million and \$2,256.6 million at December 31, 1999 and 1998, respectively. Scheduled maturities of long-term debt are \$249.5 million in 2001, \$34.9 million in 2002, \$12.2 million in 2003 and \$124.0 million in 2004.

At December 31, 1999, the Corporation had a \$1.1 billion syndicated revolving credit facility. This facility, unused at December 31, 1999, permits borrowing at competitive interest rates and is available for general corporate purposes, including backup for commercial paper borrowings. The Corporation pays commitment fees on the unused portion but may cancel the facility without penalty at any time prior to its expiration. Of this facility, \$550 million expires in November 2000 and the balance expires in November 2004.

NOTE 6. (Continued)

Debt payable within one year:

(Millions of dollars)	December 31	
	1999	1998
Commercial paper	\$353.4	\$418.0
Current portion of long-term debt	297.4	56.5
Other short-term debt	131.6	160.9
	-----	-----
Total	\$782.4	\$635.4
	=====	=====

At December 31, 1999 and 1998, the weighted-average interest rate for commercial paper was 5.4 percent and 5.3 percent, respectively.

As a multinational enterprise, the Corporation is exposed to changes in foreign currency exchange rates, interest rates and commodity prices. The Corporation employs a variety of practices to manage these market risks, including its operating and financing activities and, where deemed appropriate, the use of derivative financial instruments. The Corporation uses derivative financial instruments only for risk management purposes and does not use them for speculation or for trading. All derivative instruments are either exchange traded or are entered into with major financial institutions for the purpose of reducing the Corporation's credit risk and the risk of nonperformance by third parties.

Foreign Currency Risk Management

Foreign currency risk is managed by the use of foreign currency forward, swap and option contracts. The use of these contracts allows the Corporation to manage its transactional exposure to exchange rate fluctuations because the gains or losses incurred on the derivative instruments will offset in whole, or in part, losses or gains on the underlying foreign currency exposure. There have been no significant changes in how foreign currency transactional exposures were managed during 1999, and management does not foresee or expect any significant changes in such exposures or in the strategies it employs to manage them in the near future.

Foreign currency losses included in consolidated net income were \$1.4 million, \$32.8 million and \$10.2 million in 1999, 1998 and 1997, respectively. Included in foreign currency losses were the Corporation's share of foreign currency gains and losses at the Corporation's Mexican affiliate, Kimberly-Clark de Mexico, S.A. de C.V. ("KCM"), attributable to changes in the value of the Mexican peso, which is the Corporation's most significant foreign currency risk. The Corporation's share of the peso currency losses was not significant in 1999 and 1997 and was \$.02 per share in 1998.

Beginning in 1999, the Mexican economy was no longer deemed to be hyperinflationary and the peso, rather than the U.S. dollar, became the functional currency for accounting purposes. Consequently, changes in the value of the peso resulted in gains or losses on U.S. dollar obligations of KCM. Prior to 1999, Mexico's economy was deemed to be hyperinflationary and the functional currency of KCM was the U.S. dollar. Accordingly, changes in the value of the peso did not result in foreign currency gains or losses attributable to the U.S. dollar obligations of KCM. However, changes in the value of the peso in 1998 and 1997 resulted in gains or losses attributable to peso-denominated monetary assets held by KCM.

Gains and losses on instruments that hedge firm commitments are deferred and included in the basis of the underlying hedged items. Premiums paid for options are amortized ratably over the life of the option. Contracts used to hedge recorded foreign currency transactions generally mature within one year and are marked-to-market with the resulting gains or losses included in current income. These gains and losses offset foreign exchange gains and losses on the underlying transactions. Notwithstanding the sizable notional principal amounts involved, the Corporation's credit exposure under these arrangements is limited to the fair value of the agreements with a positive fair value at the reporting date. Additionally, credit risk with respect to the counterparties is considered minimal in view of the financial strength of the counterparties.

NOTE 7. (Continued)

The following table presents the aggregate notional principal amounts, carrying values and fair values of the Corporation's foreign currency forward contracts outstanding at December 31, 1999 and 1998:

(Millions of dollars)	1999			1998		
	Notional Principal Amounts	Carrying Values	Fair Values	Notional Principal Amounts	Carrying Values	Fair Values
Forward contracts						
Assets	\$770.5	\$18.0	\$16.8	\$848.0	\$ 4.1	\$ (3.0)
Liabilities	375.9	(6.8)	(4.4)	964.0	(12.1)	(4.4)

Translation Risk

The income statements of foreign operations, other than those in hyperinflationary economies, are translated into U.S. dollars at rates of exchange in effect each month. The balance sheets of these operations are translated at period-end exchange rates, and the differences from historical exchange rates are reflected in stockholders' equity as unrealized translation adjustments.

The income statements and balance sheets of operations in hyperinflationary economies are translated into U.S. dollars using both current and historical rates of exchange. For balance sheet accounts translated at current exchange rates, such as cash and accounts receivable, the differences from historical exchange rates are reflected in income. Operations that are deemed to be hyperinflationary are as follows: Brazil (prior to January 1, 1998), Ecuador, Mexico (effective January 1, 1997 through December 31, 1998), Turkey and Venezuela.

Translation exposure is not hedged. The risk to any particular entity's net assets is minimized to the extent that the entity is financed with local currency borrowing. In addition, many of the Corporation's non-U.S. operations buy the majority of their inputs and sell the majority of their outputs in their local currency, thereby minimizing the effect of currency rate changes on their local operating profit margins.

Interest Rate Risk Management

Interest rate risk is managed through the maintenance of a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments. The objective is to maintain a cost-effective mix that management deems appropriate. The strategy employed by the Corporation to manage its exposure to interest rate fluctuations did not change significantly during 1999. Management does not foresee or expect any significant changes in its exposure to interest rate fluctuations or in how such exposure is managed in the near future.

Commodity Price Risk Management

The Corporation is subject to commodity price risk arising from price movement for purchased pulp, the market price of which is determined by industry supply and demand. Selling prices of the Corporation's tissue products can be influenced by the market price for pulp. On a worldwide basis, the Corporation has reduced its internal pulp supply to approximately 40 percent of its virgin fiber needs. The Corporation has announced its intention to further reduce its level of pulp integration to approximately 20 percent. However, such a reduction in pulp integration could increase the Corporation's commodity price risk. Specifically, increases in pulp prices could adversely affect the Corporation's earnings if selling prices are not adjusted or if such adjustments significantly trail the increases in pulp prices. The Corporation has not used derivative instruments in the management of these risks.

NOTE 8. STOCK COMPENSATION PLANS

Kimberly-Clark Equity Participation Plans provide for awards of participation shares and stock options to key employees of the Corporation and its subsidiaries. Upon maturity, participation share awards are paid, in cash or cash and shares of the Corporation's stock, based on the increase in the book value of the Corporation's common stock during the award period. Participants do not receive dividends on the participation shares, but their accounts are credited with dividend shares payable, in cash or cash and shares of the Corporation's stock, at the maturity of the award. Neither participation nor dividend shares are shares of common stock. In conjunction with the restricted stock plan discussed later in this note, no additional participation shares will be awarded after 1998.

Data concerning participation and dividend shares follow:

(Thousands of shares)	1999	1998	1997
-----	----	----	----
Outstanding - Beginning of year . . .	10,049	9,381	7,173
Awarded	-	2,145	1,994
Dividend shares credited - net . . .	808	883	795
Matured	(483)	(1,925)	(500)
Forfeited	(145)	(435)	(81)
	-----	-----	-----
Outstanding - End of year	10,229	10,049	9,381
	=====	=====	=====

Amounts expensed related to participation shares were \$34.9 million, \$23.1 million and \$26.8 million in 1999, 1998 and 1997, respectively.

The Corporation also has stock option plans under which executives and key employees may be granted awards. Under these plans, all stock options are granted at not less than market value at date of grant, expire 10 years after the date of grant and generally become exercisable over three years.

In October 1997, approximately 57,000 employees worldwide were granted approximately 3.2 million stock options and .2 million stock appreciation rights under the Corporation's Global Stock Option Plan. Employees were granted options to purchase a fixed number of shares, ranging from 25 to 125 shares per employee, of common stock at a price equal to the fair market value of the Corporation's stock at the date of grant. The grants generally become exercisable after the third anniversary of the grant date and have a term of seven years.

As part of the acquisition of Ballard Medical Products ("Ballard") discussed in Note 12 to the Consolidated Financial Statements, outstanding Ballard stock options were converted into options to acquire approximately 463,000 shares of the Corporation's common stock at a weighted-average exercise price of \$36.13.

NOTE 8. (Continued)

Data concerning stock option activity follows:

(Options in thousands)	1999		1998		1997	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
Outstanding - Beginning of year	17,132	\$41.04	16,195	\$36.73	12,609	\$26.61
Granted	5,271	48.46	3,076	55.94	6,111	51.12
Exercised	(2,154)	27.24	(1,608)	22.91	(2,401)	20.15
Canceled or expired	(545)	51.46	(531)	50.86	(124)	38.61
Converted Ballard stock options	463	36.13	-	-	-	-
Outstanding - End of year	20,167 (a)	44.08	17,132	41.04	16,195	36.73
Exercisable - End of year	9,588	36.59	8,429	30.10	7,016	25.57

(a) Data concerning stock options at December 31, 1999 follows (options in thousands):

Exercise Price Range	Options Outstanding			Options Exercisable	
	Options	Weighted-Average Exercise Price	Remaining Contractual Life (Years)	Options	Weighted-Average Price
\$9.83 - \$14.73	151	\$13.43	2.3	151	\$13.43
18.16 - 20.44	837	19.71	2.1	837	19.71
22.36 - 28.34	3,265	26.09	3.9	3,265	26.09
39.94 - 48.31	7,720	45.58	7.9	2,613	40.27
50.00 - 59.81	8,194	52.89	6.6	2,722	52.15
	20,167			9,588	

At December 31, 1999, the number of additional shares of common stock of the Corporation available for awards under the 1992 Plan was 13.2 million shares.

The Corporation has elected to follow APB 25 and related interpretations in accounting for its stock options. Under APB 25, because the exercise price of employee stock options that have been awarded was equal to the market price of the underlying stock on the date of grant, no compensation expense was required to be recognized. However, SFAS 123, Accounting for Stock-Based Compensation, requires presentation of pro forma net income and earnings per share as if the Corporation had accounted for its employee stock options under a fair value method. For purposes of pro forma disclosure, the estimated fair value of such stock options is amortized to expense over the vesting period. Under the fair value method, the Corporation's net income and net income per share would have been reduced as follows:

(Millions of dollars, except per share amounts)	1999	1998	1997
Net income	\$41.2	\$31.0	\$22.4
Basic and diluted net income per share . . . . .	.08	.06	.04

NOTE 8. (Continued)

The weighted-average fair value of the individual options granted during 1999, 1998 and 1997 is estimated as \$11.77, \$13.36 and \$12.22, respectively, on the date of grant. The fair values were determined using a Black-Scholes option-pricing model with the following assumptions:

	1999 ----	1998 ----	1997 ----
Dividend yield.	2.15%	1.79%	1.88%
Volatility.	21.40%	17.60%	18.30%
Risk-free interest rate .	5.25%	5.59%	5.98%
Expected life	5.8 YEARS	5.8 years	5.4 years

UNEARNED COMPENSATION ON RESTRICTED STOCK

Effective January 1, 1999, the Corporation adopted a restricted stock plan under which certain key employees may be granted, in the aggregate, up to 2.5 million shares of the Corporation's common stock (or awards of restricted stock units). These restricted stock awards vest and become unrestricted shares in three to ten years from the date of grant. Although plan participants are entitled to cash dividends and may vote such awarded shares, the sale or transfer of such shares is limited during the restricted period. During 1999, .4 million shares were awarded and at December 31, 1999, 2.1 million shares of the Corporation's common stock remained available for awards.

The market value of the Corporation's common stock determines the value of the restricted stock award, and such value is recorded at the date of the award as unearned compensation on restricted stock in a separate component of stockholders' equity. This unearned compensation is amortized to compensation expense over the periods of restriction. During 1999, \$5.0 million was charged to compensation expense under the plan.

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NOTE 9. COMMITMENTS

LEASES

The future minimum obligations under leases having a noncancelable term in excess of one year as of December 31, 1999, are as follows:

(Millions of dollars) -----	Operating Leases -----
Year Ending December 31:	
2000	\$ 62.1
2001	47.9
2002	30.8
2003	21.6
2004	16.7
Thereafter	63.0

Future minimum obligations	\$242.1
	=====

Operating lease obligations have been reduced by approximately \$11.5 million for rental income from noncancelable sublease agreements.

Consolidated rental expense under operating leases was \$151.4 million, \$156.9 million, and \$150.8 million in 1999, 1998 and 1997, respectively.

RAW MATERIALS

The Corporation has entered into long-term contracts for the purchase of raw materials, primarily pulp. The minimum purchase commitments extend to 2003. At current prices, the commitments are approximately \$348 million, \$341 million and \$237 million in 2000, 2001 and 2002, respectively. The commitment beyond the year 2002 is approximately \$96 million in total.

Although the Corporation is primarily liable for rental payments on the above-mentioned leases and, considering the purchase commitments for raw materials described above, management believes the Corporation's exposure to losses, if any, under these arrangements is not material.

STOCKHOLDERS' EQUITY

At December 31, 1999, unremitted net income of equity companies included in consolidated retained earnings was \$713.3 million.

On June 21, 1988, the board of directors of the Corporation declared a distribution of one preferred share purchase right for each outstanding share of the Corporation's common stock. On June 8, 1995, the board amended the plan governing such rights. The rights are intended to protect the stockholders against abusive takeover tactics.

A right will entitle its holder to purchase one two-hundredth of a share of Series A Junior Participating Preferred Stock at an exercise price of \$225, but will not become exercisable until 10 days after a person or group acquires or announces a tender offer that would result in the ownership of 20 percent or more of the Corporation's outstanding common shares.

Under certain circumstances, a right will entitle its holder to acquire either shares of the Corporation's stock or shares of an acquiring company's common stock, in either event having a market value of twice the exercise price of the right. At any time after the acquisition by a person or group of 20 percent or more, but fewer than 50 percent, of the Corporation's common shares, the Corporation may exchange the rights, except for rights held by the acquiring person or group, in whole or in part, at a rate of one right for one share of the Corporation's common stock or for one two-hundredth of a share of Series A Junior Participating Preferred Stock.

The rights may be redeemed at \$.005 per right prior to the acquisition by a person or group of 20 percent or more of the common stock. Unless redeemed earlier, the rights expire on June 8, 2005.

NOTE 10. (Continued)

OTHER COMPREHENSIVE INCOME

The changes in the components of other comprehensive income (loss) are as follows:

(Millions of dollars)	Year Ended December 31								
	1999			1998			1997		
	Pretax Amount	Tax Exp. (Credit)	Net Amount	Pretax Amount	Tax Exp. (Credit)	Net Amount	Pretax Amount	Tax Exp. (Credit)	Net Amount
Unrealized translation adjustments	\$ (154.6)	\$ -	\$ (154.6)	\$ 3.1	\$ -	\$ 3.1	\$ (296.4)	\$ -	\$ (296.4)
Minimum pension liability adjustment	6.6	2.5	4.1	(1.4)	(.6)	(.8)	(4.5)	(1.7)	(2.8)
Other comprehensive income (loss)	\$ (148.0)	\$ 2.5	\$ (150.5)	\$ 1.7	\$ (.6)	\$ 2.3	\$ (300.9)	\$ (1.7)	\$ (299.2)

Accumulated balances of other comprehensive income (loss), net of applicable income taxes:

(Millions of dollars)	December 31	
	1999	1998
Unrealized translation adjustments	\$ (1,104.7)	\$ (950.1)
Minimum pension liability adjustment	(10.1)	(14.2)
Accumulated other comprehensive income (loss)	\$ (1,114.8)	\$ (964.3)

NOTE 11. EXTRAORDINARY GAINS

In March 1997, the Corporation sold a noncore pulp and newsprint facility located in Coosa Pines, Alabama ("Coosa") for approximately \$600 million in cash. Also, in the first quarter of 1997, the Corporation recorded impairment losses on certain tissue and pulp manufacturing facilities. These impairment losses totaled \$111.5 million before income tax benefits. In June 1997, the Corporation completed the sale of its interest in Scott Paper Limited ("SPL") for approximately \$127 million. The above described transactions have been aggregated and reported as extraordinary gains totaling \$17.5 million, net of applicable income taxes of \$38.4 million. The high effective income tax rate on the extraordinary gains is due to income tax loss carryforwards that precluded the current recognition of the income tax benefit on certain impairment losses and the tax basis in SPL being substantially lower than the carrying amount of the investment in the financial statements. The extraordinary gains were equal to \$.03 per share for both basic and diluted EPS.

ACQUISITIONS

On June 10, 1999, the Corporation completed the acquisition of the European consumer and away-from-home tissue businesses of Attisholz Holding AG ("Attisholz") for \$365 million in cash. On September 23, 1999, the Corporation completed the acquisition of Ballard through the exchange of approximately 13.8 million shares of the Corporation's common stock for all outstanding shares of Ballard. The value of the exchange of stock plus related acquisition costs was approximately \$788 million. These acquisitions were accounted for as purchases. Accordingly, the results of operations of these two entities have been included in the Corporation's consolidated results of operations from the date of their acquisition and their assets and liabilities are included in the Consolidated Balance Sheet as of December 31, 1999.

The Corporation engaged independent appraisers to assist in the determination of the fair value of the acquired assets of Attisholz and Ballard. Although the appraisals are not yet complete, the Corporation believes that the allocation of the purchase price will result in assigning values to intangible assets in a range of \$720 million to \$740 million. These intangible assets will be amortized on the straight-line method over periods up to 30 years.

The unaudited pro forma combined historical results, as if the Attisholz and Ballard businesses had been acquired at the beginning of fiscal 1999 and 1998 are estimated to be:

(Millions of dollars, except per share amounts)	1999	1998
-----	----	----
Net sales	\$13,235.8	\$12,733.6
Income before extraordinary gains and cumulative effect of accounting change	1,631.8	1,099.9
Net income	1,631.8	1,088.7
Basic net income per share	2.98	1.93
Diluted net income per share	2.96	1.92

The pro forma results include amortization of the intangibles discussed above and interest expense on debt assumed to be issued to finance the Attisholz purchase and to acquire the treasury stock exchanged in the Ballard purchase. The pro forma results are not necessarily indicative of what actually would have occurred if the acquisition had been completed as of the beginning of each of the fiscal periods presented, nor are they necessarily indicative of future consolidated results.

Other acquisitions relating primarily to increased ownership and expansion in Asia and Latin America in 1999 and 1998 were \$44.7 million and \$342.5 million, respectively. The Corporation recognized goodwill on acquisitions of consolidated subsidiaries of \$41.4 million in 1999 and \$72.8 million in 1998. In addition, goodwill of \$150.4 million related to the acquisitions of equity companies in 1998 was recorded in investments in equity companies.

In December 1997, the Corporation acquired Tecnol in a purchase transaction through the exchange of approximately 8.7 million shares of the Corporation's common stock for all the outstanding shares of Tecnol common stock. The value of the exchange of stock plus related acquisition costs was approximately \$428 million. The allocation of the purchase price resulted in assigning values to goodwill and other intangible assets of \$336 million.

Other acquisitions in 1997 primarily related to increased ownership in Asia and Latin America were \$82.2 million, resulting in goodwill of \$48.5 million, none of which relates to acquisitions of equity companies.

DISPOSITIONS

Southeast Timberlands

In April 1998, the U.S. Environmental Protection Agency enacted new and more stringent air emission and water discharge regulations, referred to as the Cluster Rule, that impose additional pollution control requirements on the Corporation's pulp production facilities. These rules would have required the Corporation to spend more than \$250 million to meet the Cluster Rule requirements at its Mobile, Alabama pulp mill. Sappi Fine Paper (S.D. Warren Company), a producer of printing and publishing papers, had purchased approximately one-third of the pulp mill's output. On May 4, 1998, S.D. Warren and the Corporation announced an agreement to terminate their pulp supply contract effective September 1, 1999. As a result of the cancellation of the pulp supply contract and the cost of implementing the Cluster Rule, on May 5, 1998, the Corporation announced its intention to dispose of its entire integrated pulp operation in Mobile, Alabama, including the related sale of the associated woodlands operations (the "Southeast Timberlands") and the closure of its pulp production facility. The pulp facility was shut down in August 1999. Closure of the pulp mill resulted in the elimination of approximately 450 jobs, and severance costs of \$18.0 million for these employees were charged to cost of products sold in the third quarter of 1998, at the time the employees were notified of their termination benefits.

On September 30, 1999, the Corporation sold approximately 460,000 acres of the Southeast Timberlands to Joshua Timberlands, LLC for notes receivable with approximate face value of \$400 million ("Joshua Notes"). The Joshua Notes, which were recorded at their fair value of approximately \$383 million, bear interest initially at floating rates based on LIBOR less 15 basis points and are backed by irrevocable standby letters of credit issued by a major money-center bank, are due September 30, 2009 and are extendable in additional five-year increments up to September 30, 2029, at the option of the note holder. Additional acres of such timberland and related equipment were sold to other buyers prior to September 30, 1999 for \$66 million in cash. The closure of the pulp mill combined with the sale of the related timberlands resulted in a pretax gain of \$153.3 million, which is recorded in other (income) expense, net. The after-tax effect of the transaction was a gain of \$95.7 million, or \$.18 per share.

In November 1999, the Joshua Notes were transferred for cash to a noncontrolled special purpose entity ("SPE") in which the Corporation has a minority voting interest. The transfer of the Joshua Notes, which was accounted for as a sale, resulted in no gain or loss to the Corporation. The SPE is accounted for as an equity investment by the Corporation.

In connection with the pulp mill closure, and as permitted by the terms of the governing contract, on May 5, 1998, the Corporation gave notice to Mobile Energy Services Company, L.L.C. ("MESC") of the Corporation's intent to terminate MESC's long-term contract for power, steam and liquor processing services with respect to the Mobile pulp mill. The resulting termination penalty of \$24.3 million, which comprised six months of adjusted demand payments under the contract, was charged to cost of products sold in the second quarter of 1998. On January 14, 1999, MESC and Mobile Energy Services Holdings, Inc. (the "debtors") filed an action against the Corporation claiming unspecified damages in connection with the cancellation of the contract.

On December 31, 1999, a joint motion of the debtors and the MESC bondholders' steering committee (the "Motion") was filed with the U.S. Bankruptcy Court seeking approval of a settlement and compromise of claims against the Corporation arising from the closure of the Mobile pulp mill and termination of the pulp mill's energy services agreement. The Motion, which was granted by the U.S. Bankruptcy Court by order dated January 24, 2000, outlines the terms of settlement for various litigation matters between the Corporation and MESC. Under the proposed settlement, the Corporation agreed to pay MESC at closing approximately \$30 million, subject to certain adjustments. Closing of the settlement would be subject to, among other conditions, MESC filing a plan of reorganization from bankruptcy and the ultimate approval of that plan by the U.S. Bankruptcy Court. The approximate \$30 million payment, which will be accrued when appropriate, is in addition to \$24.3 million previously accrued by the Corporation. In addition, the proposed settlement provides MESC with an option to purchase the Mobile pulp mill at a nominal price; a settlement of all pending litigation and arbitration between the Corporation and MESC; mutual releases by the Corporation, MESC and its affiliate (the Southern Company and affiliates), and the representatives of the MESC bondholders; and an agreement by MESC to terminate the existing tissue mill energy services agreement and to provide the Mobile tissue mill energy at market rates.

The outcome of the MESC litigation and settlement matters is not expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

K-C Aviation Inc.

In August 1998, the Corporation completed the sale of its subsidiary, K-C Aviation Inc. ("KCA"), for \$250 million in cash. The sale resulted in a pretax gain of \$140.0 million, which is included in other (income) expense, net. The transaction resulted in an after-tax gain of \$78.3 million, or \$.14 per share.

Assets Held for Sale

During 1999, 1998 and 1997, in accordance with SFAS 121, depreciation was suspended on certain timberlands assets, pulp producing facilities and depreciable property that were held for disposal or disposed of. Depreciation for these facilities would have been \$5.5 million in 1999, \$12.6 million in 1998 and \$47.3 million in 1997. The suspended depreciation in 1999 relates to the sale of the Southeast Timberlands, which was completed in September 1999. The lower amount of suspended depreciation in 1998 versus 1997 was a result of the sale of Coosa in March 1997, the sale of SPL in June 1997 and the reclassification of the New Glasgow, Nova Scotia and the Terrace Bay, Ontario pulp manufacturing facilities from assets held for sale to property, plant and equipment used in operations during 1998.

LITIGATION

On May 13, 1997, the State of Florida, acting through its attorney general, filed a complaint in the Gainesville Division of the United States District Court for the Northern District of Florida (the "Florida District Court"), alleging that manufacturers of tissue products for away-from-home use, including the Corporation and Scott, agreed to fix prices by coordinating price increases for such products. Following Florida's complaint, an action by the states of Maryland, New York and West Virginia, as well as approximately 45 class action complaints, have been filed in various federal and state courts around the United States. These actions contain allegations similar to those made by the State of Florida in its complaint. The actions in federal courts have been consolidated for pretrial proceedings in the Florida District Court. Class certification was granted in the federal proceedings in July 1998 and will be contested in the state cases. The foregoing actions seek an unspecified amount of actual and treble damages.

In February 2000, the State of Florida is expected to agree to dismiss its complaint with prejudice pursuant to a settlement with defendants. With respect to the remaining actions, the Corporation has answered the complaints in these actions and has denied the allegations contained therein as well as any liability. The Corporation intends to contest these claims vigorously. These actions are not expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

The Corporation also is subject to routine litigation from time to time, which, individually or in the aggregate, is not expected to have a material adverse effect on the Corporation's business, financial condition or results of operations.

ENVIRONMENTAL MATTERS

The Corporation has been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statute, at a number of waste disposal sites, none of which, individually, or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business, financial condition or results of operations.

(Millions of dollars, except per share amounts)	1999				1998			
	Fourth(a)	Third(b)	Second(c)	First (d)	Fourth(e)	Third(f)	Second(g)	First (h)
Net sales	\$3,425.5	\$3,307.5	\$3,148.6	\$3,125.2	\$3,108.2	\$3,099.7	\$3,041.3	\$3,048.6
Gross profit	1,409.0	1,345.9	1,297.0	1,273.3	1,192.3	1,166.6	1,126.1	1,112.6
Operating profit	602.5	719.0	569.3	544.6	384.1	530.6	400.1	382.9
Income before cumulative effect of accounting change	424.0	478.4	391.1	374.6	266.7	326.8	262.9	257.9
Per share basis:								
Basic . . . . .	.78	.90	.73	.70	.49	.60	.47	.46
Diluted . . . . .	.77	.89	.73	.69	.49	.59	.47	.46
Net income	424.0	478.4	391.1	374.6	266.7	326.8	262.9	246.7
Per share basis:								
Basic . . . . .	.78	.90	.73	.70	.49	.60	.47	.44
Diluted . . . . .	.77	.89	.73	.69	.49	.59	.47	.44
Cash dividends declared per share . . . . .	.26	.26	.26	.26	.25	.25	.25	.25
Market price per share:								
High	69.56	62.19	64.06	54.88	54.94	49.44	52.44	59.44
Low	50.81	52.13	48.00	44.81	39.44	35.88	44.44	46.75
Close	65.44	52.75	57.00	47.94	54.50	40.50	45.88	50.13

(a) Included in the fourth quarter 1999 are the following items:

(Millions of dollars, except per share amounts)	Gross Profit	Operating Profit	Net Income	Basic and Diluted Net Income per Share
Charges for business improvement and other programs . .	\$ 8.5	\$ (.2)	\$2.4	
Business integration and other costs	1.8	9.2	6.1	
	-----	-----	-----	
Total	\$10.3	\$9.0	\$8.5	\$.02
	=====	=====	=====	=====

(b) Included in the third quarter 1999 are the following items:

(Millions of dollars, except per share amounts)	Gross Profit	Operating Profit	Net Income	Basic and Diluted Net Income per Share
Charges for business improvement and other programs . .	\$36.2	\$ 19.4	\$ 13.4	
Business integration and other costs	9.4	13.4	8.4	
Gain on asset disposal	-	(153.3)	(95.7)	
	-----	-----	-----	
Total	\$45.6	\$(120.5)	\$(73.9)	\$(.14)
	=====	=====	=====	=====

(c) Included in the second quarter 1999 are the following items:

(Millions of dollars, except per share amounts)	Gross Profit	Operating Profit	Net Income	Basic and Diluted Net Income per Share
Charges for business improvement and other programs . .	\$ 5.8	\$ 5.8	\$ 4.4	
Mobile pulp mill fees and related severances.	9.0	9.0	5.6	
Gains on asset disposals.	-	(23.4)	(16.6)	
	-----	-----	-----	
Total	\$14.8	\$ (8.6)	\$ (6.6)	\$ (.01)
	=====	=====	=====	=====

(d) Gross profit, operating profit, net income and basic and diluted net income per share includes \$18.5 million, \$22.8 million, \$15.4 million and \$.03, respectively, related to the charges for business improvement and other programs.

(e) Gross profit, operating profit, net income and basic and diluted net income per share includes \$69.8 million, \$151.9 million, \$106.8 million and \$.20, respectively, related to the charges for business improvement and other programs.

(f) Included in the third quarter 1998 are the following items:

(Millions of dollars, except per share amounts)	Gross Profit	Operating Profit	Net Income	Basic and Diluted Net Income per Share
Charges for business improvement and other programs . .	\$28.1	\$ 100.2	\$ 77.4	
Mobile pulp mill fees and related severances.	18.0	18.0	11.0	
Gain on asset disposal.	-	(140.0)	(78.3)	
	-----	-----	-----	
Total	\$46.1	\$ (21.8)	\$ 10.1	\$.03
	=====	=====	=====	=====

Basic and diluted net income per share include a loss of \$.01 per share related to the change in the value of the Mexican peso.

(g) Included in the second quarter 1998 are the following items:

(Millions of dollars, except per share amounts)	Gross Profit	Operating Profit	Net Income	Basic and Diluted Net Income per Share
Charges for business improvement and other programs . .	\$45.3	\$53.9	\$45.7	
Mobile pulp mill fees and related severances.	24.3	24.3	14.9	
	-----	-----	-----	
Total	\$69.6	\$78.2	\$60.6	\$.11
	=====	=====	=====	=====

(h) Gross profit, operating profit, net income and basic and diluted net income per share includes \$48.4 million, \$71.8 million, \$46.9 million and \$.08, respectively, related to the charges for business improvement and other programs. Basic and diluted net income per share also include a loss of \$.01 per share related to the change in the value of the Mexican peso.

SUPPLEMENTAL BALANCE SHEET DATA

Summary of Accounts Receivable	December 31	
	1999	1998
Accounts Receivable:		
From customers	\$1,492.3	\$1,396.0
Other	179.9	136.5
Less allowance for doubtful accounts and sales discounts	(71.6)	(67.3)
Total	\$1,600.6	\$1,465.2

Accounts receivable are carried at amounts that approximate fair value.

Long-term notes receivable carried at \$220 million have a fair value of approximately \$212 million.

Summary of Inventories	December 31	
	1999	1998
Inventories by Major Class:		
At the lower of cost on the First-In, First-Out (FIFO) method, weighted-average cost method or market:		
Raw materials	\$ 342.3	\$ 355.4
Work in process	171.2	164.2
Finished goods	713.4	751.3
Supplies and other	215.4	195.5
	1,442.3	1,466.4
Excess of FIFO cost over Last-In, First-Out (LIFO) cost	(202.4)	(182.6)
Total	\$1,239.9	\$1,283.8

Total inventories include \$399.2 million and \$490.2 million of inventories valued on the LIFO method at December 31, 1999 and 1998, respectively.

Summary of Accrued Expenses	December 31	
	1999	1998
Accruals for the 1998 and 1997 Plans	\$ 24.5	\$ 129.8
Accrued advertising and promotion expense	277.8	272.6
Accrued salaries and wages	392.8	335.0
Other accrued expenses	617.0	681.7
Total accrued expenses	\$1,312.1	\$1,419.1

SUPPLEMENTAL CASH FLOW STATEMENT DATA

Summary of Cash Flow Effects of (Increase) Decrease in Operating Working Capital(a)	Year Ended December 31		
	1999	1998	1997
Accounts receivable	\$ (10.3)	\$ 87.5	\$ 13.4
Inventories	111.2	(.4)	(43.7)
Prepaid expenses	22.4	14.2	(13.6)
Trade accounts payable	41.1	(101.2)	(89.0)
Other payables	(98.4)	41.0	27.9
Accrued expenses	(147.3)	(116.3)	(294.7)
Accrued income taxes	34.9	130.8	(151.9)
Currency rate changes	(20.7)	8.0	(36.8)
(Increase) decrease in operating working capital	\$ (67.1)	\$ 63.6	\$ (588.4)

(a) Excludes the effects of acquisitions, dispositions and the business improvement and other programs discussed in Note 2 to the Consolidated Financial Statements.

Other Cash Flow Data	Year Ended December 31		
	1999	1998	1997
Reconciliation of changes in cash and cash equivalents:			
Balance, January 1	\$144.0	\$ 90.8	\$ 83.2
Increase	178.8	53.2	7.6
Balance, December 31	\$322.8	\$144.0	\$ 90.8
Interest paid	\$227.1	\$192.1	\$173.6
Income taxes paid	557.8	368.6	557.3
Increase (decrease) in cash and cash equivalents due to currency rate changes . . . . .	.1	2.4	(17.4)

Interest Expense	Year Ended December 31		
	1999	1998	1997
Gross interest cost	\$226.0	\$211.1	\$181.8
Capitalized interest on major construction projects	(12.9)	(12.4)	(17.0)
Interest expense	\$213.1	\$198.7	\$164.8

NOTE 16. BUSINESS SEGMENT AND GEOGRAPHIC DATA INFORMATION

The Corporation is organized into three global business segments as follows:

- - The Tissue segment manufactures and markets facial and bathroom tissue, 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; disposable medical devices for respiratory care, gastroenterology and cardiology; specialty and technical papers and related products; and other products.

Information concerning consolidated operations by business segment and geographic area, as well as data for equity companies, is presented in the tables below and on the following pages:

CONSOLIDATED OPERATIONS BY BUSINESS SEGMENT

(Millions of dollars)	Net Sales			Operating Profit		
	1999	1998	1997	1999(a)	1998(a)	1997(a)
Tissue	\$ 6,968.8	\$ 6,733.1	\$ 7,210.2	\$1,114.1	\$ 921.3	\$ 704.3
Personal Care	5,138.1	4,596.5	4,510.7	1,092.8	588.7	737.8
Health Care and Other	936.4	1,001.5	863.6	154.3	161.2	135.1
Combined	13,043.3	12,331.1	12,584.5	2,361.2	1,671.2	1,577.2
Intersegment sales	(36.5)	(33.3)	(37.9)	-	-	-
Unallocated items - net	-	-	-	74.2	26.5	(91.1)
Consolidated	\$13,006.8	\$12,297.8	\$12,546.6	\$2,435.4	\$1,697.7	\$1,486.1

(Millions of dollars)	Assets			Depreciation			Capital Spending		
	1999	1998	1997	1999	1998	1997	1999	1998	1997
Tissue	\$ 6,096.6	\$ 5,870.8	\$ 5,885.0	\$359.6	\$341.5	\$303.3	\$482.2	\$345.6	\$563.5
Personal Care	3,234.8	3,138.7	3,154.2	195.8	220.0	198.7	260.7	290.4	326.6
Health Care and Other	1,679.0	951.1	1,005.6	29.8	31.8	24.7	43.0	31.2	44.9
Combined	11,010.4	9,960.6	10,044.8	585.2	593.3	526.7	785.9	667.2	935.0
Unallocated(b) assets	1,805.1	1,727.2	1,372.3	1.0	1.2	1.8	.5	2.3	9.3
Consolidated	\$12,815.5	\$11,687.8	\$11,417.1	\$586.2	\$594.5	\$528.5	\$786.4	\$669.5	\$944.3

NOTE 16. (Continued)

(a) Included in Business Segment operating profit are the following unusual items:

(Millions of dollars)	1999				Total
	Tissue	Personal Care	Health Care and Other	Unallocated	
Charges for business improvement and other programs	\$31.8	\$16.3	\$1.4	\$ (1.7)	\$ 47.8
Business integration and others costs	16.4	-	6.2	-	22.6
Mobile pulp mill fees and related severances	9.0	-	-	-	9.0
Gains on asset disposals	-	-	-	(176.7)	(176.7)
Total	\$57.2	\$16.3	\$7.6	\$ (178.4)	\$ (97.3)

(Millions of dollars)	1998				Total
	Tissue	Personal Care	Health Care and Other	Unallocated	
Charges for business improvement and other programs	\$172.1	\$196.6	\$12.5	\$ (3.4)	\$377.8
Mobile pulp mill fees and related severances	42.3	-	-	-	42.3
Gain on asset disposal	-	-	-	(140.0)	(140.0)
Total	\$214.4	\$196.6	\$12.5	\$ (143.4)	\$280.1

(Millions of dollars)	1997				Total
	Tissue	Personal Care	Health Care and Other	Unallocated	
Charges for business improvement and other programs	\$384.9	\$74.7	\$8.4	\$ 10.3	\$478.3
Gain on asset disposal	-	-	-	(26.5)	(26.5)
Total	\$384.9	\$74.7	\$8.4	\$ (16.2)	\$451.8

(b) Assets include investments in equity companies of \$863.1 million, \$813.1 million and \$567.7 million in 1999, 1998 and 1997, respectively.

CONSOLIDATED OPERATIONS BY GEOGRAPHIC AREA

(Millions of dollars)	Net Sales			Operating Profit		
	1999	1998	1997	1999 (a)	1998 (a)	1997 (a)
United States	\$ 8,392.5	\$ 7,992.8	\$ 7,854.3	\$1,821.9	\$1,407.2	\$1,362.8
Canada	843.4	785.1	1,052.5	105.3	112.7	151.9
Intergeographic items (b)	(507.4)	(408.9)	(397.2)	-	-	-
North America	8,728.5	8,369.0	8,509.6	1,927.2	1,519.9	1,514.7
Europe	2,544.7	2,471.2	2,548.1	183.3	(39.7)	(76.1)
Asia, Latin America and Africa	2,084.6	1,766.2	1,837.9	250.7	191.0	138.6
Combined	13,357.8	12,606.4	12,895.6	2,361.2	1,671.2	1,577.2
Intergeographic items	(351.0)	(308.6)	(349.0)	-	-	-
Unallocated items - net	-	-	-	74.2	26.5	(91.1)
Consolidated	\$13,006.8	\$12,297.8	\$12,546.6	\$2,435.4	\$1,697.7	\$1,486.1

(Millions of dollars)	Assets		
	1999	1998	1997
United States	\$ 6,363.1	\$ 5,807.4	\$ 5,901.0
Canada	497.5	470.0	547.5
Intergeographic items	(79.0)	(52.6)	(65.4)
North America	6,781.6	6,224.8	6,383.1
Europe	2,404.1	2,133.2	2,279.9
Asia, Latin America and Africa	1,960.7	1,714.9	1,524.6
Combined	11,146.4	10,072.9	10,187.6
Intergeographic items	(136.0)	(112.3)	(142.8)
Unallocated items - net(c)	1,805.1	1,727.2	1,372.3
Consolidated	\$12,815.5	\$11,687.8	\$11,417.1

Note: The Corporation has reclassified the results of its Puerto Rican operations to Latin America from the United States.

(a) Included in geographic operating profit are the following unusual items:

(Millions of dollars)	1999					
	U.S.	Canada	Europe	Asia, Latin America and Africa	Unallocated	Total
Charges for business improvement and other programs	\$20.5	\$5.6	\$31.3	\$ (7.9)	\$ (1.7)	\$ 47.8
Business integration and other costs	17.4	-	5.2	-	-	22.6
Mobile pulp mill fees and related severances	9.0	-	-	-	-	9.0
Gains on asset disposals	-	-	-	-	(176.7)	(176.7)
Total	\$46.9	\$5.6	\$36.5	\$ (7.9)	\$ (178.4)	\$ (97.3)

(Millions of dollars)	1998					
	U.S.	Canada	Europe	Asia, Latin America and Africa	Unallocated	Total
Charges for business improvement and other programs	\$213.9	\$ (7.9)	\$162.8	\$12.4	\$ (3.4)	\$ 377.8
Mobile pulp mill fees and related severances	42.3	-	-	-	-	42.3
Gain on asset disposal	-	-	-	-	(140.0)	(140.0)
Total	\$256.2	\$ (7.9)	\$162.8	\$12.4	\$ (143.4)	\$ (280.1)

(Millions of dollars)	1997					
	U.S.	Canada	Europe	Asia, Latin America and Africa	Unallocated	Total
Charges for business improvement and other programs	\$190.3	\$2.7	\$204.8	\$70.2	\$ 10.3	\$ 478.3
Gain on asset disposal	-	-	-	-	(26.5)	(26.5)
Total	\$190.3	\$2.7	\$204.8	\$70.2	\$ (16.2)	\$ 451.8

(b) Net sales include \$287.6 million, \$255.9 million and \$246.0 million by operations in Canada to the U.S. in 1999, 1998 and 1997, respectively.

NOTE 16. (Continued)

- (c) Assets include investments in equity companies of \$863.1 million, \$813.1 million and \$567.7 million in 1999, 1998 and 1997, respectively.

EQUITY COMPANIES' DATA BY GEOGRAPHIC AREA

(Millions of dollars)	Net Sales	Gross Profit	Operating Profit	Net Income	Kimberly-Clark's Share of Net Income
For the year ended:					
December 31, 1999					
Latin America (a)	\$1,611.6	\$638.9	\$477.7	\$334.1	\$154.0
Asia, Australia and Middle East	714.0	263.1	98.6	73.4	35.6
Total	\$2,325.6	\$902.0	\$576.3	\$407.5	\$189.6
For the year ended:					
December 31, 1998					
Latin America (b)	\$1,606.8	\$574.4	\$344.5	\$245.5	\$113.5
Asia, Australia and Middle East	666.9	236.6	81.8	49.1	23.6
Total	\$2,273.7	\$811.0	\$426.3	\$294.6	\$137.1
For the year ended:					
December 31, 1997					
Latin America (c)	\$1,464.3	\$528.6	\$444.2	\$283.1	\$130.8
Asia, Australia and Middle East	698.1	253.6	93.7	55.0	26.5
Total	\$2,162.4	\$782.2	\$537.9	\$338.1	\$157.3

(a) As of January 1, 1999, the Corporation consolidated Colombiana Kimberly Colpapel S.A., its Colombian affiliate, in which the Corporation made an additional investment in late 1998 to gain majority ownership of certain equity affiliates.

(b) Operating profit, net income and Kimberly-Clark's share of net income includes a loss of \$38.9 million, \$19.8 million and \$9.2 million, respectively, related to the change in the value of the Mexican peso. In May 1998, the Corporation acquired 50 percent of Klabin Tissue, S.A., the leading tissue manufacturer in Brazil.

(c) Operating profit, net income and Kimberly-Clark's share of net income includes a gain of \$73.0 million, \$36.0 million and \$16.3 million, primarily related to the sale of a portion of the tissue business of KCM. Additionally, operating profit, net income and Kimberly-Clark's share of net income includes \$6.7 million, \$4.4 million and \$2.2 million, respectively, related to the 1997 Plan.

(Millions of dollars)	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Stock- holders' Equity
December 31, 1999					
Latin America	\$ 860.6	\$1,076.4	\$428.8	\$400.9	\$1,107.3
Asia, Australia and Middle East	254.0	391.7	143.3	194.1	308.3
	-----	-----	-----	-----	-----
Total	\$1,114.6	\$1,468.1	\$572.1	\$595.0	\$1,415.6
	=====	=====	=====	=====	=====
December 31, 1998					
Latin America	\$ 785.5	\$1,170.7	\$575.0	\$154.0	\$1,227.2
Asia, Australia and Middle East	239.2	359.1	129.5	173.8	295.1
	-----	-----	-----	-----	-----
Total	\$1,024.7	\$1,529.8	\$704.5	\$327.8	\$1,522.3
	=====	=====	=====	=====	=====
December 31, 1997					
Latin America	\$ 752.8	\$ 624.6	\$336.0	\$278.4	\$ 763.0
Asia, Australia and Middle East	226.8	386.9	128.0	185.5	300.2
	-----	-----	-----	-----	-----
Total	\$ 979.6	\$1,011.5	\$464.0	\$463.9	\$1,063.2
	=====	=====	=====	=====	=====

Equity companies are principally engaged in operations in the Tissue and Personal Care businesses.

KCM is partially owned by the public and its stock is publicly traded in Mexico. At December 31, 1999, the Corporation's investment in this equity company was \$448.0 million, and the estimated fair value of the investment was \$2.4 billion based on the market price of publicly traded shares.

INDEPENDENT AUDITORS' REPORT
Kimberly-Clark Corporation and Subsidiaries

Kimberly-Clark Corporation, Its Directors and Stockholders:

We have audited the accompanying consolidated balance sheets of Kimberly-Clark Corporation and Subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Kimberly-Clark Corporation and Subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Dallas, Texas
January 24, 2000

AUDIT COMMITTEE CHAIRMAN'S LETTER
Kimberly-Clark Corporation and Subsidiaries

The members of the Audit Committee are selected by the board of directors. The committee consists of four outside directors and met five times during 1999.

The Audit Committee oversees the financial reporting process on behalf of the board of directors. As part of that responsibility, the committee recommends to the board of directors, subject to stockholder approval, the selection of the Corporation's independent auditor. The Audit Committee discusses the overall scope and specific plans for annual audits with the Corporation's internal auditors and Deloitte & Touche LLP. The committee also discusses the Corporation's annual consolidated financial statements and the adequacy of its internal controls. The committee meets regularly with the internal auditors and with Deloitte & Touche LLP, with and without management present, to discuss the results of their audits, their evaluations of the Corporation's internal controls, and the overall quality of the Corporation's financial reporting. The meetings also are designed to facilitate any private communication with the committee desired by the internal auditors or independent auditor.

/s/ Paul J. Collins

Paul J. Collins
Chairman, Audit Committee
January 24, 2000

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
Kimberly-Clark Corporation and Subsidiaries

The management of Kimberly-Clark Corporation is responsible for conducting all aspects of the business, including the preparation of the consolidated financial statements in this annual report. The consolidated financial statements have been prepared using generally accepted accounting principles considered appropriate in the circumstances to present fairly the Corporation's consolidated financial position, results of operations and cash flows on a consistent basis. Management also has prepared the other information in this annual report and is responsible for its accuracy and consistency with the consolidated financial statements.

As can be expected in a complex and dynamic business environment, some financial statement amounts are based on management's estimates and judgments. Even though estimates and judgments are used, measures have been taken to provide reasonable assurance of the integrity and reliability of the financial information contained in this annual report. These measures include an effective control-oriented environment in which the internal audit function plays an important role, an Audit Committee of the board of directors that oversees the financial reporting process, and independent audits.

One characteristic of a control-oriented environment is a system of internal control over financial reporting and over safeguarding of assets against unauthorized acquisition, use or disposition, designed to provide reasonable assurance to management and the board of directors regarding preparation of reliable published financial statements and such asset safeguarding. The system is supported with written policies and procedures, contains self-monitoring mechanisms and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to financial statement preparation and such asset safeguarding.

The Corporation also has adopted a code of conduct that, among other things, contains policies for conducting business affairs in a lawful and ethical manner everywhere in which it does business, for avoiding potential conflicts of interest and for preserving confidentiality of information and business ideas. Internal controls have been implemented to provide reasonable assurance that the code of conduct is followed.

The consolidated financial statements have been audited by the independent accounting firm, Deloitte & Touche LLP. During their audits, independent auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of stockholders and the board of directors and all committees of the board. Management believes that all representations made to the independent auditors during their audits were valid and appropriate.

During the audits conducted by both the independent auditors and the internal audit function, management received recommendations to strengthen or modify internal controls in response to developments and changes. Management has adopted, or is in the process of adopting, all recommendations that are cost effective.

The Corporation has assessed its internal control system as of December 31, 1999, in relation to criteria for effective internal control over financial reporting described in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that, as of December 31, 1999, its system of internal control over the preparation of its published interim and annual consolidated financial statements and over safeguarding of assets against unauthorized acquisition, use or disposition met those criteria.

/s/ Wayne R. Sanders

/s/ Thomas J. Falk

/s/ John W. Donehower

Wayne R. Sanders
Chairman of the Board and
Chief Executive Officer

Thomas J. Falk
President and
Chief Operating Officer

John W. Donehower
Senior Vice President and
Chief Financial Officer

January 24, 2000

ADDITIONAL INFORMATION

TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSING AGENT

BankBoston N.A. is the Transfer Agent, Registrar and Dividend Disbursing Agent for the Company's common stock and is responsible for maintaining shareholder account records. Inquiries regarding dividend payments, lost certificates, IRS Form 1099, changes in address, name or ownership, and information regarding Kimberly-Clark's Dividend Reinvestment and Stock Purchase Plan should be addressed to:

BankBoston N.A.
c/o EquiServe L.P.
P.O. Box 8040
Boston, Massachusetts 02266-8040
Telephone: 800-730-4001
Internet: <http://www.equiserve.com>

DIVIDENDS AND DIVIDEND REINVESTMENT PLAN

Quarterly dividends have been paid continually since 1935. Dividends are paid on or about the second day of January, April, July and October. The Automatic Dividend Reinvestment service of EquiServe L.P. is available to Kimberly-Clark stockholders of record. The service makes it possible for Kimberly-Clark stockholders of record to have their dividends automatically reinvested in common stock and to make additional cash investments up to \$3,000 per quarter.

STOCK EXCHANGES

Kimberly-Clark common stock is listed on the New York, Chicago and Pacific stock exchanges. The ticker symbol is KMB.

ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders will be held at the Corporation's World Headquarters, 351 Phelps Drive, Irving, Texas, at 11:00 a.m. on Thursday, April 13, 2000.

INVESTOR RELATIONS

Securities analysts, portfolio managers and representatives of institutional investors seeking information about the Company should contact Michael D. Masseth, Vice President - Investor Relations, at 972-281-1478. Investors may also obtain information about Kimberly-Clark and copies of documents released by the Company by calling 800-639-1352.

CALENDAR

Kimberly-Clark's fiscal year ends December 31. The annual report is distributed in March.

SEC FORM 10-K AND OTHER INFORMATION/COMPANY WEB SITE

Stockholders and others will find the Company's financial information, press releases and other information on the Company's web site at www.kimberly-clark.com. There is a direct link from the web site to the Securities and Exchange Commission (SEC) filings via the EDGAR database, including Forms 10-K, 10-Q and 8-K. Stockholders may contact Stockholder Services, P.O. Box 612606, Dallas, Texas 75261-2606 or call 972-281-1521 to obtain a hard copy of these reports, without charge.

EMPLOYEES AND STOCKHOLDERS

In its worldwide consolidated operations, Kimberly-Clark had 54,800 employees as of December 31, 1999. Equity companies had an additional 12,700 employees. The Corporation had 52,332 stockholders of record and 540.6 million shares of common stock outstanding as of the same date.

TRADEMARKS

The brand names mentioned in this report - Andrex, Classic Crest, Cottonelle, Depend, DryNites, Environment, GoodNites, Hakle, Huggies, Kimberly-Clark, Kimwipes, Kleenex, Kotex, Little Swimmers, Neve, Poise, Pull-Ups, Scott, Tecnol, UV Ultra and WypAll - are trademarks of Kimberly-Clark Corporation or its affiliates.

CONSOLIDATED SUBSIDIARIES AND EQUITY COMPANIES
Kimberly-Clark Corporation and Subsidiaries

The following list includes certain companies that were owned directly or indirectly by Kimberly-Clark Corporation, a Delaware corporation, Dallas, Texas, as of December 31, 1999.

This list includes all significant subsidiaries and equity companies. The place of incorporation or organization is the same as the location of the company except as shown parenthetically.

Consolidated Subsidiaries

Avent, Inc. and subsidiaries (Delaware), Tucson, Arizona
Ballard Medical Products and subsidiaries, Draper, Utah
Colombiana Kimberly Colpapel S.A. and subsidiaries, Medellin, Colombia (69%)
Ecuapel, S.A., Guayaquil, Ecuador (69%)
Hakle-Kimberly Switzerland GmbH and subsidiaries, Reichenburg, Switzerland
Hakle-Kimberly Deutschland GmbH and subsidiaries, Koblenz, Germany
Housing Horizons, LLC, Dallas, Texas
K-C Hanoi Co. Ltd., Hanoi, Vietnam (70%)
Kimberly Bolivia S.A., Santa Cruz, Bolivia (42%)
Kimberly-Clark Argentina Holdings S.A. and subsidiaries, Buenos Aires, Argentina
Kimberly-Clark a.s., Czech Republic
Kimberly-Clark Australia Holdings Pty. Ltd. and subsidiaries, Milsons Point, Australia
Kimberly-Clark B.V., Ede, The Netherlands
Kimberly-Clark CBG Hygienic Products Company Limited, Chengdu, Handan, Kunming and Nanjing, China
Kimberly-Clark Canada Inc. and subsidiaries, Mississauga, Ontario, Canada
Kimberly-Clark Central American Holdings, S.A., Panama (81%)
Kimberly-Clark de Centro America, S.A. and subsidiaries, Sitio del Nino, El Salvador (81%)
Kimberly-Clark Chile, S.A., Santiago, Chile
Kimberly-Clark do Brasil Limitada and subsidiaries, Sao Paulo, Brazil
Kimberly-Clark Holding Ltd. and subsidiaries, Kent, United Kingdom
Kimberly-Clark (Hong Kong) Limited, Kowloon, Hong Kong
Kimberly-Clark International, S.A., Panama City, Panama
Kimberly-Clark Japan Limited, Tokyo, Japan
Kimberly-Clark Kenko Industria e Comercio Ltda. and subsidiaries, Sao Paulo, Brazil (51%)
Kimberly-Clark Lda., Lisbon, Portugal
Kimberly-Clark Luxembourg S.A.R.L. and subsidiaries, Luxembourg
Kimberly-Clark Malaysia Sendirian Berhad, Petaling Jaya, Malaysia
Kimberly-Clark N.V., Duffel, Belgium
Kimberly-Clark ooo, Moscow, Russia
Kimberly-Clark Paper (Guangzhou) Company Ltd., Guangzhou, China
Kimberly-Clark Paper (Shanghai), Ltd., Shanghai, China
Kimberly-Clark Paraguay, S.A., Asuncion, Paraguay
Kimberly-Clark Personal Hygienic Products Co., Ltd., Beijing, China
Kimberly-Clark Personal Hygienic Products (Nanjing) Co. Ltd., Nanjing, China
Kimberly-Clark Philippines Inc., Makati, Philippines (87%)
Kimberly-Clark Poland Sp. z o.o., Warsaw, Poland
Kimberly-Clark Printing Technology, Inc. (California) and subsidiaries, Roswell, Georgia
Kimberly-Clark Products (Malaysia) Sdn. Bhd., Kluang, Malaysia
Kimberly-Clark Pudumjee Limited, Pune, India (51%)
Kimberly-Clark Puerto Rico, Inc. (Delaware), San Juan, Puerto Rico

Kimberly-Clark, S.L. and subsidiaries, Madrid, Spain
Kimberly-Clark - SID, S.A., Dominican Republic (80%)
Kimberly-Clark Singapore Pte. Ltd., Singapore
Kimberly-Clark S.N.C., Saint Cloud, France
Kimberly-Clark Southern Africa (Holdings) (Pty) Ltd. and subsidiaries, Johannesburg, South Africa (50% plus one share)
Kimberly-Clark S.p.A. and subsidiaries, Turin, Italy
Kimberly-Clark Technical Paper, Inc. (New Hampshire), East Ryegate, Vermont
Kimberly-Clark Thailand Limited, Bangkok, Thailand
Kimberly-Clark Tissue Company (Pennsylvania), Dallas, Texas
Kimberly-Clark Ukraine LLC, Kiev, Ukraine
Kimberly-Clark Uruguay, S.A., Montevideo, Uruguay
Kimberly-Clark Vietnam Co, Inc., Ho Chi Minh City, Vietnam
Kimberly-Clark Worldwide, Inc. (Delaware), Dallas, Texas
KIMNICA, S.A., Managua, Nicaragua
MIMO S.A., Guayaquil, Ecuador (69%)
MIMO S.A., Lima, Peru (55%)
Papelera Guaicaipuro, C.A., Maracay, Venezuela (69%)
Papeles Absorbentes, S.A., Guatemala City, Guatemala (66%)
P.T. Scott Paper Indonesia, Jakarta Utara, Indonesia
Scott Paper Company de Costa Rica, S.A. and subsidiaries, San Jose, Costa Rica (81%)
Scott Paper Company - Honduras, S.A. de C.V., San Pedro, Honduras (81%)
Scott, S.A. and subsidiaries, Saint Cloud, France
Taiwan Scott Paper Corporation, Taipei, Taiwan (67%)
Tecnol, Inc. and subsidiaries (Delaware), Fort Worth, Texas
Venekim, C.A., Caracas, Venezuela (69%)
YuHan-Kimberly, Limited, Seoul, Korea (70%)

Equity Companies

Hogla-Kimberly, Limited and subsidiaries, Hadera, Israel (49.9%)
KCK Tissue S.A., Buenos Aires, Argentina (50%)
Kimberly-Clark Australia Pty. Limited, Milsons Point, New South Wales, Australia (50%)
Kimberly-Clark Lever, Ltd., Pune, India (50%)
Kimberly-Clark de Mexico, S.A. de C.V. and subsidiaries, Mexico City, Mexico (47.9%)

Klabin Kimberly S.A., Sao Paulo, Brazil (50%)
Olayan Kimberly-Clark Arabia Company, Al-Khobar, Kingdom of Saudi Arabia (49%)
Olayan Kimberly-Clark (Bahrain) WLL, Manama, Bahrain (49%)
Ovisan Turkey, Pendik, Turkey (49.9%)
P.T. Kimsari Paper Indonesia, Medan, Indonesia (50%)
Tenosur S.A., Colombia (34%)

INDEPENDENT AUDITORS' CONSENT

KIMBERLY-CLARK CORPORATION:

We consent to the incorporation by reference in Kimberly-Clark Corporation's Registration Statements on Form S-8 (Nos. 33-5299, 33-49050, 33-58402, 33-64063, 33-64689, 33-64931, 333-02607, 333-06996, 333-17367, 333-38385, 333-43647, 333-71661, 333-94139, and 333-85099) and on Form S-3 (Nos. 33-52343, 333-45399 and 333-68903) of our reports dated January 24, 2000 appearing in and incorporated by reference in this Annual Report on Form 10-K of Kimberly-Clark Corporation.

/s/ Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

Dallas, Texas
March 22, 2000

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ John F. Bergstrom

John F. Bergstrom

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Pastora San Juan Cafferty

Pastora San Juan Cafferty

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Paul J. Collins

Paul J. Collins

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Robert W. Dechard

Robert W. Dechard

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Thomas J. Falk

Thomas J. Falk

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ William O. Fifield

William O. Fifield

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Claudio X. Gonzalez

Claudio X. Gonzalez

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Louis E. Levy

Louis E. Levy

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Frank A. McPherson

Frank A. McPherson

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Linda Johnson Rice

Linda Johnson Rice

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Wayne R. Sanders

Wayne R. Sanders

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Wolfgang R. Schmitt

Wolfgang R. Schmitt

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2000.

/s/ Randall L. Tobias

Randall L. Tobias

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