Kimberly-Clark Files Amended Financial Statements With SEC as Planned

DALLAS, Aug. 6 -- Kimberly-Clark Corporation (NYSE: KMB) today announced that it filed an amended Form 10-K for 1998 and an amended Form 10-Q for the first quarter of 1999 with the U.S. Securities and Exchange Commission. As previously announced on July 21, 1999, these filings restate the company's financial statements for 1995 through the first quarter of 1999. The restatements primarily relate to the timing of charges for past restructuring actions and previously announced facilities closures and have no impact on sales or cash flows.

The filings were made following completion of an audit of the amended Form 10-K and a review of the amended Form 10-Q by the company's independent auditors. A summary of the restatements, and the impact by period, is shown in the attached table.

Kimberly-Clark Corporation is a leading global manufacturer of tissue, personal care and health care products. The company's global brands include Huggies, Pull-Ups, Kotex, Depend, Kleenex, Scott, Kimberly-Clark, Tecnol, Kimwipes and WypAll. Other brands well known outside the U.S. include Andrex, Scottex, Page, Popee and Kimbies. Kimberly-Clark also is a major producer of premium business, correspondence and technical papers. The company has manufacturing operations in 40 countries and sells its products in more than 150 countries.

Certain matters contained in this news release concerning the business outlook, anticipated financial and operating results, strategies, contingencies and transactions of the company constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the company. For a description of certain factors that could cause the company's future results to differ materially from those expressed in any such forward-looking statements, see the section of Part I, Item 1 of the company's Annual Report on Form 10-K/A for the year ended December 31, 1998 entitled "Factors That May Affect Future Results."

Subsequent to the issuance of the Corporation's 1998 financial statements and the filing of its 1998 Form 10-K with the Securities and Exchange Commission (the "SEC"), and following extensive discussions with representatives of the SEC's Division of Corporation Finance concerning its review of the Corporation's financial statements, Kimberly-Clark concluded that it would restate its 1995, 1996, 1997, 1998 and first quarter 1999 financial statements and related disclosures to reflect, among other things, the following changes.

Certain merger related costs originally recorded in 1995 at the time of the Scott merger have been recorded as costs of subsequent periods when they were incurred.

Certain employee severance costs originally recorded in 1995 in connection with the Scott merger have been recorded as costs of subsequent periods when such employee severances and benefits were appropriately communicated.

The effects of changes in estimates to restructuring and other unusual charges and facility closure charges have been recorded in the periods when estimates for individual programs included in the applicable plan changed. In prior presentations, on an aggregate basis, the changes in estimates were either reallocated to other components of each such plan or were returned to earnings at the time aggregate amounts were identified as being in excess of the then current estimate to complete each plan.

Certain assets that were to be disposed of but which were not immediately removed from operations have been depreciated on an accelerated basis over their remaining useful life. In prior presentations, these assets had been written down to estimated fair value as of the date such assets were expected to be removed from service, assuming continuation of normal depreciation until the estimated date of removal.

An energy contract termination penalty has been recorded in the second quarter of 1998 and employee severance costs have been recorded in the third quarter of 1998 in connection with the planned closure of the Corporation's pulp mill in Mobile, Alabama. The Corporation had originally intended to record these charges in the third quarter of 1999 when the entire integrated pulp operation is to be disposed of, including the related sale of the associated woodlands operations, with a net gain resulting from the overall transaction. The Corporation continues to expect a net gain on the overall transaction.

(A) Revised from the unaudited amounts reported in the company's July 21, 1999 news release.