

April 20, 2017

Kimberly-Clark de México, S.A.B. de C.V.
FIRST QUARTER 2017 RESULTS

Highlights:

- Net sales rose 9.2% to Ps. \$9.5 billion a new quarterly record, driven by volume and better pricing & mix
- Operating profit and net income declined by 10.8% and 1.3% respectively, mainly reflecting an increased FX pressure on costs during the quarter
- EBITDA of Ps. \$2.3 billion and 23.8% margin
- Cost savings of approximately Ps. \$300 million during the quarter
- New tissue and wipes base sheet expansion to start up in 4Q

QUARTERLY FINANCIAL RESULTS

Prepared in accordance with International Financial Reporting Standards (IFRS)
 Million pesos

	<u>1Q'17</u>	<u>1Q'16</u>	<u>CHANGE</u>
NET SALES	\$9,531	\$8,728	9.2%
GROSS PROFIT	3,385	3,436	(1.5)%
OPERATING PROFIT	1,828	2,050	(10.8)%
NET INCOME	1,095	1,110	(1.3)%
EBITDA	2,264	2,459	(7.9)%

Net sales were 9.2% higher than previous year. A price and mix contribution of 6.9% was the result of pricing initiatives implemented over the last twelve months. Volume growth was 2.3%.

Consumer product revenues increased 9.9%, Away from Home 12.9% and exports decreased 6.0% mainly as a consequence of constrained tissue capacity from positive domestic growth.

Gross profit declined 1.5% and margin was 35.5%. This reflects the significant pressure on costs, mainly a consequence of the peso depreciation, which was on average 15% YoY. Additional

pressure from recycled fiber, polymers and energy costs, in dollar terms, was not fully compensated by the positive top line performance and the Ps. \$300 million from the cost reduction program during the quarter.

Operating expenses as a percentage of sales were 40 basis points higher, at 16.3%, reflecting an increase in distribution expenses and the consolidation of 4e.

Operating income decreased 10.8%, while margin was 19.2%.

Cost of financing was Ps. \$277 million in the first quarter compared to Ps. \$453 million in the same period of last year reflecting a lower exchange rate loss of Ps. \$33 million compared to Ps. \$223 million in 1Q'16. It also reflects higher interest expense from more debt and interest rate increases.

Net income decreased 1.3% and earnings per share for the quarter were \$0.35.

EBITDA decreased 7.9% to Ps. \$2.3 billion in the quarter.

During the last twelve months, we invested Ps. \$4,316 million (Ps. \$4,090 million in Capex and acquisitions and Ps. \$226 million in our share buy-back program) and paid Ps. \$4,702 million in dividends to our shareholders.

As of March 31, the company held Ps. \$7.3 billion in cash and equivalents.

Total net debt as of March 31, 2017 was Ps. \$11.5 billion, compared to Ps. \$10.9 billion on December 2016. Long-term debt comprised 88% of total debt and all debt was denominated in Mexican pesos.

In dollars, under US GAAP, net sales decreased 5% in the quarter, operating profit decreased 22% and net income decreased 17%.

Share Buyback Program Year to Date

	<u>2017</u>	<u>2016</u>
Shares repurchased	3,041,564	4,504,283

FINANCIAL POSITION

Million Pesos

	As of March	
	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 7,276	\$ 11,088
Trade and other receivables	6,288	5,544
Inventories	3,178	2,324
Property, plant and equipment	16,583	15,694
Derivative financial instruments	3,177	1,842
Intangible assets and others	<u>3,554</u>	<u>1,518</u>
Total	\$40,056	\$ 38,010
<u>Liabilities and equity</u>		
Bank loans current	\$ 100	\$ -
Current portion of long term debt	2,500	-
Trade payables	4,679	3,998
Employee benefits	1,435	1,390
Dividends payable	4,903	4,731
Provisions and other liabilities	2,011	2,011
Current income tax payable	283	324
Long term debt	19,330	20,777
Non-current derivative financial instruments	-	71
Deferred taxes	1,340	1,479
Other liabilities	443	211
Equity	<u>3,032</u>	<u>3,018</u>
Total	\$40,056	\$ 38,010

CASH FLOW

Million pesos

	Three months ended March	
	<u>2017</u>	<u>2016</u>
Profit before tax	\$1,551	\$1,598
Depreciation	436	408
Other	277	453
Cash used in operations	<u>(1,310)</u>	<u>(1,049)</u>
Net cash flow from operating activities	954	1,410
Capital expenditures	(676)	(421)
Repurchase of shares	(106)	(178)
Bank loans and debt issuance	100	3,567
Payment of borrowings, net interest & other	<u>(231)</u>	<u>(1,022)</u>
Net increase in cash	41	3,356
Effect of exchange rate changes on cash	(226)	(201)
Cash and equivalents at the beginning of period	7,461	7,933
Cash and equivalents at the end of period	7,276	11,088

Conference Call Information

The 1Q'17 conference call will be held on Friday, April 21, 2017 at 9:30 am Eastern time (8:30 am Central time / Mexico time). To participate in the call, please dial: US +1(888) 318-6429, international +1(334) 323-7224; conference ID: KIMBERLY.

A replay of the conference call will be available through April 28, 2017. To access the replay, please dial US +1(877) 919-4059, international +1(334) 323-0140; conference ID: 56433245

Kimberly-Clark de México S.A.B. de C.V. is a Mexican company that manufactures and commercializes branded consumer products such as diapers, feminine pads, bath tissue, napkins, facial tissue, paper towels, wet wipes and soap. We are market leaders in almost all of our categories with brands such as Huggies, Kleen-Bebé, Kleenex, Kimlark, Pétalo, Cottonelle, Depend, Kotex, Evenflo and Escudo.

Investor Relations Contact

Azul Argüelles
Tel: (5255) 5282-7204
azul.arguelles@kcc.com