

KIMBERLY CLARK CORP  
Form 10-Q  
November 04, 2011  
Table of Contents

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

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)

P. O. Box 619100

Dallas, Texas

75261-9100

(Address of principal executive offices)

(Zip Code)

(972) 281-1200

(Registrant's telephone number, including area code)

39-0394230  
(I.R.S. Employer  
Identification No.)

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 31, 2011, there were 394,097,360 shares of the Corporation's common stock outstanding.

---

Table of Contents

<u>PART I – FINANCIAL INFORMATION</u>	<u>3</u>
<u>Item 1. Financial Statements</u>	<u>3</u>
<u>CONSOLIDATED INCOME STATEMENT</u>	<u>3</u>
<u>CONDENSED CONSOLIDATED BALANCE SHEET</u>	<u>4</u>
<u>CONDENSED CONSOLIDATED CASH FLOW STATEMENT</u>	<u>5</u>
<u>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</u>	<u>6</u>
<u>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>7</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>22</u>
<u>Item 4. Controls and Procedures</u>	<u>32</u>
<u>PART II – OTHER INFORMATION</u>	<u>33</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>33</u>
<u>Item 6. Exhibits</u>	<u>34</u>

---

Table of Contents

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements.

## KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

## CONSOLIDATED INCOME STATEMENT

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(Millions of dollars, except per share amounts)	2011	2010	2011	2010
Net Sales	\$5,382	\$4,979	\$15,670	\$14,671
Cost of products sold	3,794	3,365	11,062	9,766
Gross Profit	1,588	1,614	4,608	4,905
Marketing, research and general expenses	943	909	2,804	2,719
Other (income) and expense, net	(17 )	7	(27 )	112
Operating Profit	662	698	1,831	2,074
Interest income	5	5	13	16
Interest expense	(70 )	(59 )	(205 )	(180 )
Income Before Income Taxes and Equity Interests	597	644	1,639	1,910
Provision for income taxes	(174 )	(195 )	(499 )	(617 )
Income Before Equity Interests	423	449	1,140	1,293
Share of net income of equity companies	35	40	122	130
Net Income	458	489	1,262	1,423
Net income attributable to noncontrolling interests	(26 )	(20 )	(72 )	(72 )
Net Income Attributable to Kimberly-Clark Corporation	\$432	\$469	\$1,190	\$1,351
Per Share Basis:				
Net Income Attributable to Kimberly-Clark Corporation				
Basic	\$1.10	\$1.14	\$3.00	\$3.27
Diluted	1.09	1.14	2.98	3.25
Cash Dividends Declared	\$.70	\$.66	\$2.10	\$1.98

See Notes to Consolidated Financial Statements.

Table of Contents

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEET  
 (Unaudited)

(Millions of dollars)	September 30 2011	December 31 2010
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,232	\$ 876
Accounts receivable, net	2,434	2,472
Note receivable	—	218
Inventories	2,421	2,373
Other current assets	452	389
Total Current Assets	6,539	6,328
Property	18,193	17,877
Less accumulated depreciation	10,146	9,521
Net Property	8,047	8,356
Investments in Equity Companies	372	374
Goodwill	3,321	3,403
Long-Term Notes Receivable	394	393
Other Assets	957	1,010
	\$ 19,630	\$ 19,864
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Debt payable within one year	\$ 758	\$ 344
Redeemable preferred securities of subsidiary	506	506
Trade accounts payable	2,262	2,206
Accrued expenses	1,978	1,909
Other current liabilities	312	373
Total Current Liabilities	5,816	5,338
Long-Term Debt	5,422	5,120
Noncurrent Employee Benefits	1,394	1,810
Long-Term Income Taxes Payable	254	260
Deferred Income Taxes	493	369
Other Liabilities	247	224
Redeemable Preferred and Common Securities of Subsidiaries	541	541
Stockholders' Equity		
Kimberly-Clark Corporation	5,179	5,917
Noncontrolling interests	284	285
Total Stockholders' Equity	5,463	6,202
	\$ 19,630	\$ 19,864

See Notes to Consolidated Financial Statements.

Table of Contents

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
 (Unaudited)

(Millions of dollars)	Nine Months Ended September 30	
	2011	2010
<b>Operating Activities</b>		
Net income	\$1,262	\$1,423
Depreciation and amortization	821	607
Stock-based compensation	37	41
Increase in operating working capital	(155 )	(175 )
Deferred income taxes	200	20
Net losses on asset dispositions	1	19
Equity companies' earnings in excess of dividends paid	(46 )	(63 )
Postretirement benefits	(331 )	(145 )
Other	(18 )	69
<b>Cash Provided by Operations</b>	<b>1,771</b>	<b>1,796</b>
<b>Investing Activities</b>		
Capital spending	(656 )	(611 )
Proceeds from maturity of note receivable	220	—
Proceeds from sales of investments	21	29
Proceeds from dispositions of property	23	4
Investments in time deposits	(122 )	(114 )
Maturities of time deposits	115	168
Other	4	12
<b>Cash Used for Investing</b>	<b>(395 )</b>	<b>(512 )</b>
<b>Financing Activities</b>		
Cash dividends paid	(824 )	(796 )
Net increase in short-term debt	14	146
Proceeds from issuance of long-term debt	799	281
Repayments of long-term debt	(20 )	(470 )
Cash paid on redeemable preferred securities of subsidiary	(40 )	(40 )
Proceeds from exercise of stock options	294	117
Acquisitions of common stock for the treasury	(1,246 )	(695 )
Other	(8 )	(49 )
<b>Cash Used for Financing</b>	<b>(1,031 )</b>	<b>(1,506 )</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	11	(43 )
Increase (decrease) in Cash and Cash Equivalents	356	(265 )
Cash and Cash Equivalents, beginning of year	876	798
Cash and Cash Equivalents, end of period	\$1,232	\$533
See Notes to Consolidated Financial Statements.		

Table of Contents

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(Unaudited)

(Millions of dollars)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2011	2010	2011	2010
Net Income	\$458	\$489	\$1,262	\$1,423
Other Comprehensive Income, Net of Tax:				
Unrealized currency translation adjustments	(664 )	615	(224 )	264
Employee postretirement benefits	45	(6 )	45	47
Other	(8 )	(44 )	(36 )	(37 )
Total Other Comprehensive Income, Net of Tax	(627 )	565	(215 )	274
Comprehensive Income	(169 )	1,054	1,047	1,697
Comprehensive income attributable to noncontrolling interests	2	36	58	79
Comprehensive Income Attributable to Kimberly-Clark Corporation	\$(171 )	\$1,018	\$989	\$1,618
See Notes to Consolidated Financial Statements.				

Table of Contents

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Unaudited)

## Note 1. Accounting Policies

## Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation have been included.

For further information, refer to the Consolidated Financial Statements and footnotes included in our Annual Report on Form 10-K for the year ended December 31, 2010. The terms “Corporation,” “Kimberly-Clark,” “K-C,” “we,” “our” and “us” refer to Kimberly-Clark Corporation and its consolidated subsidiaries.

## Note 2. Fair Value Measurements

The following fair value information is based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels in the hierarchy used to measure fair value are:

Level 1 – Unadjusted quoted prices in active markets accessible at the reporting date for identical assets and liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets. Quoted prices for identical or similar assets and liabilities in markets that are not considered active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are significant to the valuation and are unobservable.

During the three months ended September 30, 2011 and 2010, there were no significant transfers among level 1, 2, or 3 fair value determinations.

Set forth below are the assets and liabilities that are measured on a recurring basis at fair value and the inputs used to develop those fair value measurements.

	September 30 Fair Value Measurements			
	2011	Level 1	Level 2	Level 3
	(Millions of dollars)			
Assets				
Company-owned life insurance (“COLI”)	\$43	\$—	\$43	\$—
Available-for-sale securities	14	14	—	—
Derivatives	68	—	68	—
Total	\$125	\$14	\$111	\$—
Liabilities				
Derivatives	\$163	\$—	\$163	\$—



Table of Contents

	December 31 2010	Fair Value Measurements		
		Level 1	Level 2	Level 3
		(Millions of dollars)		
Assets				
Company-owned life insurance ("COLI")	\$46	\$—	\$46	\$—
Available-for-sale securities	15	15	—	—
Derivatives	70	—	70	—
Total	\$131	\$15	\$116	\$—
Liabilities				
Derivatives	\$48	\$—	\$48	\$—

The COLI policies are a source of funding primarily for our nonqualified employee benefits and are included in other assets. Available-for-sale securities are included in other assets. The derivative assets and liabilities are included in other current assets, other assets, accrued expenses and other liabilities, as appropriate.

Level 1 Fair Values - The fair values of certain available-for-sale securities are based on quoted market prices in active markets for identical assets. Unrealized losses on these securities aggregating \$4 million at September 30, 2011 and \$2 million at December 31, 2010 are recorded in Accumulated Other Comprehensive Income ("AOCI") until realized. The unrealized losses have not been recognized in earnings because we have both the intent and ability to hold the securities for a period of time sufficient to allow for an anticipated recovery of fair value to the cost of these securities.

Level 2 Fair Values - The fair value of the COLI policies is derived from investments in a mix of money market, fixed income and equity funds managed by unrelated fund managers. The fair values of derivatives used to manage interest rate risk and commodity price risk are based on LIBOR rates and interest rate swap curves and NYMEX price quotations, respectively. The fair value of hedging instruments used to manage foreign currency risk is based on quotations of spot currency rates and forward points, which are converted into implied forward currency rates. Additional information on our use of derivative instruments is contained in Note 9.

## Fair Value Disclosures

The following table includes the fair value of our financial instruments for which disclosure of fair value is required:

	Carrying	Estimated	Carrying	Estimated
	Amount	Fair Value	Amount	Fair Value
	September 30, 2011		December 31, 2010	
	(Millions of dollars)			
Assets				
Cash and cash equivalents <sup>(a)</sup>	\$1,232	\$1,232	\$876	\$876
Time deposits <sup>(b)</sup>	85	85	80	80
Notes receivable <sup>(c)</sup>	394	371	611	597
Liabilities and redeemable preferred and common securities of subsidiaries				
Short-term debt <sup>(d)</sup>	88	88	79	79
Monetization loan <sup>(c)</sup>	397	385	397	397
Long-term debt <sup>(e)</sup>	5,695	6,666	4,988	5,556
Redeemable preferred and common securities of subsidiaries <sup>(f)</sup>	1,047	1,117	1,047	1,127

<sup>(a)</sup> Cash equivalents are comprised of certificates of deposit, time deposits and other interest-bearing investments with original maturity dates of 90 days or less, all of which are recorded at cost, which approximates fair value.

<sup>(b)</sup> Time deposits, included in Other current assets on the Condensed Consolidated Balance Sheet, are comprised of deposits with original maturities of more than 90 days but less than one year, all of which are recorded at cost,

which approximates fair value.

8

---

Table of Contents

Notes receivable represent held-to-maturity securities, which arose from the sale of nonstrategic timberlands and related assets. The notes are backed by irrevocable standby letters of credit issued by money center banks. We collected in cash the \$220 million face value of the note receivable that matured on July 7, 2011. The remaining note receivable, with a face value of \$397 million, matures in September 2014. At September 30, 2011 a consolidated variable interest entity (“VIE”) has an outstanding long-term monetization loan secured by the remaining note held by this VIE. As of September 30, 2011, the difference between the carrying amount of the remaining note and its fair value represents an unrealized loss position for which an other-than-temporary impairment has not been recognized in earnings because we have both the intent and ability to hold the note for a period of time sufficient to allow for an anticipated recovery of fair value to the carrying amount of the note. Neither the note nor the monetization loan is traded in active markets. Accordingly, their fair values were calculated using a floating rate pricing model that compared the stated spread to the fair value spread to determine the price at which each of the financial instruments should trade. The model used the following inputs to calculate fair values: face value, current LIBOR rate, fair value credit spread, stated spread, maturity date and interest payment dates.

(d) Short-term debt is recorded at cost, which approximates fair value.

Long-term debt excludes the monetization loan and includes the portion payable within the next twelve months (\$670 million at September 30, 2011 and \$265 million at December 31, 2010). Fair values were estimated based on quoted prices for financial instruments for which all significant inputs were observable, either directly or indirectly.

The redeemable preferred securities are not traded in active markets. Accordingly, their fair values were calculated using a pricing model that compares the stated spread to the fair value spread to determine the price at which each of the financial instruments should trade. The model used the following inputs to calculate fair values: face value, current benchmark rate, fair value spread, stated spread, maturity date and interest payment dates. We determined the fair value and carrying amount of the redeemable common securities were \$35 million at September 30, 2011 and December 31, 2010 based on various inputs, including an independent third-party appraisal, adjusted for current market conditions.

Note 3. Pulp and Tissue Restructuring

On January 21, 2011, we initiated a pulp and tissue restructuring plan in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and K-C Professional businesses. The restructuring involves the streamlining, sale or closure of 5 to 6 of our manufacturing facilities around the world. In conjunction with these actions, we have begun to exit certain non-strategic products, primarily non-branded offerings, and transfer some production to lower-cost facilities in order to improve overall profitability and returns. Facilities impacted by the restructuring include our pulp and tissue facility in Everett, Washington and the two facilities in Australia that manufacture pulp and tissue.

The restructuring plan commenced in the first quarter of 2011 and is expected to be completed by December 31, 2012. The restructuring is expected to result in cumulative charges of approximately \$400 million to \$600 million before tax (\$280 million to \$420 million after tax) over that period. We anticipate that the charges will fall into the following categories and approximate dollar ranges: workforce reduction costs (\$50 million to \$100 million); incremental depreciation (\$300 million to \$400 million); and other associated costs (\$50 million to \$100 million). Cash costs related to the streamlining of operations, sale or closure, relocation of equipment, severance and other expenses are expected to account for approximately 25 percent to 50 percent of the charges. Noncash charges will consist primarily of incremental depreciation.

As a result of the restructuring, we expect that by 2013 annual net sales will be reduced by \$250 million to \$300 million and operating profit will increase by at least \$75 million. Most of the restructuring will impact the consumer tissue business segment.



Table of Contents

The following charges were incurred in connection with the restructuring:

	Three Months Ended September 30, 2011 (Millions of dollars)	Nine Months Ended September 30, 2011
Incremental depreciation	\$76	\$192
Charges for workforce reductions	11	54
Asset write-offs	5	13
Other exit costs	3	3
Cost of products sold	95	262
Charges for workforce reductions included in Marketing, research and general expenses	—	5
Provision for income taxes	(29	) (85
Net charges	\$66	\$182

See Note 10 for additional information on the pulp and tissue restructuring charges by segment.

Pretax charges for the pulp and tissue restructuring relate to activities in the following geographic areas:

	Three Months Ended September 30, 2011			
	North America	Australia	Other	Total
	(Millions of dollars)			
Incremental depreciation	\$53	\$19	\$4	\$76
Charges for workforce reductions	10	—	1	11
Asset write-offs	2	3	—	5
Other exit costs	1	2	—	3
Total charges	\$66	\$24	\$5	\$95

	Nine Months Ended September 30, 2011			
	North America	Australia	Other	Total
	(Millions of dollars)			
Incremental depreciation	\$123	\$59	\$10	\$192
Charges for workforce reductions	10	46	3	59
Asset write-offs	8	5	—	13
Other exit costs	1	2	—	3
Total charges	\$142	\$112	\$13	\$267

The following summarizes the cash charges recorded and reconciles these charges to accrued expenses:

	Millions of dollars
Accrued expenses - January 1, 2011	\$—
Charges for workforce reductions and other exit costs	62
Cash payments	(34
Currency and other	15
Accrued expenses - September 30, 2011	\$43

Table of Contents

## Note 4. Highly Inflationary Accounting for Venezuelan Operations

The cumulative inflation in Venezuela for the three years ended December 31, 2009 was more than 100 percent, based on the Consumer Price Index/National Consumer Price Index. As a result, effective January 1, 2010, our Venezuelan subsidiary (“K-C Venezuela”) began accounting for its operations as highly inflationary, as required by GAAP. Under highly inflationary accounting, K-C Venezuela’s functional currency became the U.S. dollar, and its income statement and balance sheet are measured into U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on bolivar-denominated monetary assets and liabilities is reflected in earnings in other (income) and expense, net.

As a result of the adoption of highly inflationary accounting, we recorded an after-tax charge of \$96 million in first quarter 2010 to remeasure K-C Venezuela’s bolivar-denominated net monetary asset position into U.S. dollars at an exchange rate of approximately 6 bolivars per U.S. dollar. In the Condensed Consolidated Cash Flow Statement, this non-cash charge was included in Other in Cash Provided by Operations. This charge was recorded in the following Consolidated Income Statement line items:

	Millions of dollars
Cost of products sold	\$19
Other (income) and expense, net	79
Provision for income taxes	(2 )
Net charge	\$96

For the first quarter 2010, we determined that, under highly inflationary accounting, the unregulated parallel market exchange rate was the appropriate exchange rate to measure K-C Venezuela’s bolivar-denominated transactions into U.S. dollars as this was the rate at which K-C Venezuela had substantially converted the bolivars it generated from its operations into U.S. dollars to pay for its significant imports of U.S. dollar-denominated finished goods, raw materials and services to support its operations.

On May 18, 2010, the Venezuelan government enacted reforms to its currency exchange regulations to close the parallel market. On June 9, 2010, the Central Bank of Venezuela began a regulated currency exchange system (the “central bank system”) that replaced the previous unregulated parallel market. As a result of the currency exchange regulations imposed on May 18, 2010, we determined that the central bank system rate of 5.4 bolivars per U.S. dollar was the appropriate exchange rate to measure K C Venezuela’s bolivar-denominated transactions into U.S. dollars during the period May 18, 2010 through September 30, 2011.

In July 2011, K-C Venezuela paid a dividend related to its 2008 dividend remittance request that was approved in June 2011 by the Venezuelan government at an exchange rate of 4.3 bolivars per U.S. dollar. This dividend represented less than 5 percent of K-C Venezuela’s bolivar-denominated net assets, which totaled approximately \$130 million at September 30, 2011. We believe that these bolivar-denominated net assets, primarily cash, should continue to be measured at the central bank system rate of 5.4 bolivars per U.S. dollar given the uncertainty of accessing more significant future dividend remittances or other mechanisms of repatriating the cash at the rate of 4.3 bolivars per U.S. dollar.

For the full year 2010 and for the nine months ended September 30, 2011, K-C Venezuela represented 1 percent of Consolidated Net Sales. At September 30, 2011, our net investment in K-C Venezuela was approximately \$220 million, valued at 5.4 bolivars per U.S. dollar.

Table of Contents

## Note 5. Inventories

The following schedule presents a summary of inventories by major class:

(Millions of dollars)	September 30, 2011			December 31, 2010		
	LIFO	Non-LIFO	Total	LIFO	Non-LIFO	Total
At the lower of cost, determined on the FIFO or weighted-average cost methods, or market:						
Raw materials	\$ 175	\$ 335	\$ 510	\$ 154	\$ 350	\$ 504
Work in process	242	142	384	195	144	339
Finished goods	769	769	1,538	715	763	1,478
Supplies and other	—	302	302	—	298	298
	1,186	1,548	2,734	1,064	1,555	2,619
Excess of FIFO or weighted-average cost over LIFO cost	(313 )	—	(313 )	(246 )	—	(246 )
Total	\$ 873	\$ 1,548	\$ 2,421	\$ 818	\$ 1,555	\$ 2,373

We use the LIFO method of valuing inventory for financial reporting purposes for most U.S. inventories. Interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time.

## Note 6. Employee Postretirement Benefits

The table below presents benefit cost information for defined benefit plans and other postretirement benefit plans:

(Millions of dollars)	Defined Benefit Plans		Other Postretirement Benefit Plans	
	Three Months Ended September 30			
	2011	2010	2011	2010
Service cost	\$ 14	\$ 14	\$ 3	\$ 3
Interest cost	77	77	10	11
Expected return on plan assets	(87 )	(84 )	—	—
Recognized net actuarial loss	23	25	—	—
Other	4	1	—	1
Net periodic benefit cost	\$ 31	\$ 33	\$ 13	\$ 15

(Millions of dollars)	Defined Benefit Plans		Other Postretirement Benefit Plans	
	Nine Months Ended September 30			
	2011	2010	2011	2010
Service cost	\$ 42	\$ 41	\$ 10	\$ 10
Interest cost	231	231	32	32
Expected return on plan assets	(260 )	(251 )	—	—
Recognized net actuarial loss	70	74	—	—
Other	6	5	2	3
Net periodic benefit cost	\$ 89	\$ 100	\$ 44	\$ 45





Table of Contents

We made cash contributions to our pension trusts as follows:

	Nine Months Ended September 30	
	2011	2010
	(Millions of dollars)	
First Quarter	\$265	\$176
Second Quarter	150	52
Third Quarter	1	2
Total	\$416	\$230

We plan to accelerate additional pension contributions into 2011. As a result, we plan to contribute an aggregate of \$680 to \$760 million in 2011 (increased from our prior estimate of \$420 to \$500 million).

Various derivative instruments are utilized in the management of K-C's defined benefit plan assets. These derivative instruments are used to manage risk or achieve a target asset allocation. For the U.S. pension plan, equity volatility is managed by entering into exchange-traded puts and over-the-counter calls to create equity collars with a zero net premium at initiation. The equity collar strategy is designed to reduce potential equity losses and limit gains, resulting in lower equity volatility for the plan. As of September 30, 2011, equity collars are in place on approximately 45 percent of the plan's \$1.3 billion equity allocation. In addition to the equity collars, as of September 30, 2011, long-dated Treasury futures contracts to maintain a target asset allocation are in place with a notional value of about \$580 million.

#### Note 7. Earnings Per Share

There are no adjustments required to be made to net income for purposes of computing basic and diluted EPS. The average number of common shares outstanding is reconciled to those used in the basic and diluted EPS computations as follows:

(Millions of shares)	Average Common Shares Outstanding			
	Three Months Ended		Nine Months Ended	
	September 30 2011	September 30 2010	September 30 2011	September 30 2010
Average shares outstanding	392.1	409.0	395.7	412.6
Participating securities	.1	.9	.4	1.1
Basic	392.2	409.9	396.1	413.7
Dilutive effect of stock options	1.6	1.5	1.5	1.1
Dilutive effect of restricted share and restricted share unit awards	1.4	1.2	1.2	1.1
Diluted	395.2	412.6	398.8	415.9

Options outstanding during the three and nine month periods ended September 30, 2011 to purchase 3.2 million and 4.8 million shares of common stock, respectively, were not included in the computation of diluted EPS mainly because the exercise prices of the options were greater than the average market price of the common shares during the periods.

Options outstanding during the three and nine month periods ended September 30, 2010 to purchase 6.1 million and 13.7 million shares of common stock, respectively, were not included in the computation of diluted EPS mainly because the exercise prices of the options were greater than the average market price of the common shares during the periods.

The number of common shares outstanding as of September 30, 2011 and 2010 was 393.3 million and 408.0 million, respectively.

Table of Contents

## Note 8. Stockholders' Equity

Set forth below are reconciliations for the nine months ended September 30, 2011 and 2010 of the carrying amount of total stockholders' equity from the beginning of the period to the end of the period. In addition, each of the reconciliations displays the amount of net income allocable to redeemable preferred securities of subsidiaries.

(Millions of dollars)	Comprehensive Income	Stockholders' Equity Attributable to		
		The Corporation	Noncontrolling Interests	Redeemable Securities of Subsidiaries
Balance at December 31, 2010		\$5,917	\$ 285	\$1,047
Comprehensive Income:				
Net income	\$ 1,262	1,190	30	42
Other comprehensive income, net of tax:				
Unrealized translation	(224 )	(209 )	(15 )	—
Employee postretirement benefits	45	44	1	—
Other	(36 )	(36 )	—	—
Total Comprehensive Income	\$ 1,047			
Stock-based awards exercised or vested		306	—	—
Income tax benefits on stock-based compensation		7	—	—
Shares repurchased		(1,246 )	—	—
Recognition of stock-based compensation		37	—	—
Dividends declared		(830 )	(17 )	(1 )
Other		(1 )	1 )	(1 )
Return on redeemable preferred securities and noncontrolling interests		—	(1 )	(40 )
Balance at September 30, 2011		\$5,179	\$ 284	\$1,047

The net unrealized currency translation adjustments for the nine months ended September 30, 2011 are primarily due to a strengthening of the U.S. dollar against most foreign currencies, partially offset by a weakening of the U.S. dollar against the Euro.

In the nine months ended September 30, 2011, we repurchased 19 million shares for a total cost of \$1.24 billion. We do not expect to repurchase any additional shares in the fourth quarter of 2011.

Table of Contents

(Millions of dollars)	Comprehensive Income	Stockholders' Equity Attributable to		
		The Corporation	Noncontrolling Interests	Redeemable Securities of Subsidiaries
Balance at December 31, 2009		\$5,406	\$ 284	\$1,052
Comprehensive Income:				
Net income	\$ 1,423	1,351	30	42
Other comprehensive income, net of tax:				
Unrealized translation	264	257	6	1
Employee postretirement benefits	47	47	—	—
Other	(37	) (37	) —	—
Total Comprehensive Income	\$ 1,697			
Stock-based awards exercised or vested		115	—	—
Income tax benefits on stock-based compensation		1	—	—
Shares repurchased		(706	) —	—
Recognition of stock-based compensation		41	—	—
Dividends declared		(816	) (47	) (1
Other		1	1	(2
Return on redeemable preferred securities and noncontrolling interests		—	—	(40
Balance at September 30, 2010		\$5,660	\$ 274	\$1,052

Net unrealized currency gains or losses resulting from the translation of assets and liabilities of non-U.S. subsidiaries, except those in highly inflationary economies, are accumulated in a separate section of stockholders' equity. For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in stockholders' equity rather than income. Upon the sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from stockholders' equity and reported as part of the gain or loss on the sale or liquidation.

Also included in stockholders' equity are the effects of foreign exchange rate changes on intercompany balances of a long-term investment nature and transactions designated as hedges of net foreign investments.

#### Note 9. Objectives and Strategies for Using Derivatives

As a multinational enterprise, we are exposed to financial risks, such as changes in foreign currency exchange rates, interest rates, commodity prices and the value of investments of our defined benefit pension plans. We employ a number of practices to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Our policies allow the use of derivatives for risk management purposes and prohibit their use for speculation. Our policies also prohibit the use of any leveraged derivative instrument.

Consistent with our policies, foreign currency derivative instruments, interest rate swaps and locks, equity collars and the majority of commodity hedging contracts are entered into with major financial institutions.

On the date a derivative contract is entered into, we formally designate certain derivatives as cash flow, fair value or net investment hedges and establish how the effectiveness of these hedges will be assessed and measured. This process links the derivatives to the transactions or financial balances they are hedging. Changes in the fair value of derivatives not designated as hedging instruments are recorded in earnings as they occur.

Table of Contents

Set forth below is a summary of the fair values of our derivative instruments classified by the risks they are used to manage:

(Millions of dollars)	September 30 2011		December 31 2010	
	Assets	Liabilities	Assets	Liabilities
Interest rate risk	\$ 13	\$63	\$24	\$2
Foreign currency exchange risk	55	93	46	39
Commodity price risk	—	7	—	7
Total	\$68	\$163	\$70	\$48

**Foreign Currency Exchange Risk Management**

We have a centralized U.S. dollar functional currency international treasury operation (“In-House Bank”) that manages foreign currency exchange risks by netting, on a daily basis, our exposures to recorded non-U.S. dollar assets and liabilities and entering into derivative instruments with third parties whenever our net exposure in any single currency exceeds predetermined limits. These derivative instruments are not designated as hedging instruments. Changes in the fair value of these instruments are recorded in earnings when they occur. The In-House Bank also records the gain or loss on the remeasurement of its non-U.S. dollar-denominated monetary assets and liabilities in earnings.

Consequently, the net effect on earnings from the use of these non-designated derivatives is substantially neutralized by transactional gains and losses recorded on the underlying liabilities. The In-House Bank’s daily notional derivative positions with third parties averaged \$1.4 billion in the first nine months of 2011 and its average net exposure for the period was \$1.2 billion. The In-House Bank used nine counterparties for its foreign exchange derivative contracts.

We enter into derivative instruments to hedge a portion of the net foreign currency exposures of our non-U.S. operations, principally for their forecasted purchases of pulp, which are priced in U.S. dollars, and imports of intercompany finished goods and work-in-process priced predominately in U.S. dollars and euros. The derivative instruments used to manage these exposures are designated and qualify as cash flow hedges. As of September 30, 2011, outstanding derivative contracts of \$865 million notional value were designated as cash flow hedges for the forecasted purchases of pulp and intercompany finished goods and work-in-process.

The foreign currency exposure on non-functional currency denominated monetary assets and liabilities managed outside the In-House Bank, primarily intercompany loans, is hedged with derivative instruments with third parties. At September 30, 2011, the notional amount of these predominantly undesignated derivative instruments was \$550 million.

**Foreign Currency Translation Risk Management**

Translation adjustments result from translating foreign entities’ financial statements to U.S. dollars from their functional currencies. Translation exposure, which results from changes in translation rates between functional currencies and the U.S. dollar, generally is not hedged. However, consistent with other years, a portion of our net investment in our Mexican affiliate has been hedged. At September 30, 2011, we had in place net investment hedges of \$67 million for a portion of our investment in our Mexican affiliate. Changes in the fair value of net investment hedges are recognized in other comprehensive income to offset the change in value of the net investment being hedged. There was no significant ineffectiveness related to net investment hedges as of September 30, 2011 and 2010.

**Interest Rate Risk Management**

Interest rate risk is managed using a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments and interest rate swaps. From time to time, interest rate swap contracts, which are derivative instruments, are entered into to facilitate the maintenance of the desired ratio of variable- and fixed-rate debt. These derivative instruments are designated and qualify as fair value hedges or, to a lesser extent, cash flow hedges.

From time to time, we hedge the anticipated issuance of fixed-rate debt, using forward-starting swaps or “treasury locks” (e.g., a 10-year “treasury lock” hedging the anticipated underlying U.S. Treasury interest rate related to issuance of 10-year debt at a future date). These contracts are designated as cash flow hedges.

At September 30, 2011, the aggregate notional values of outstanding interest rate contracts designated as fair value hedges and cash flow hedges were \$700 million and \$580 million, respectively.

Table of Contents

## Commodity Price Risk Management

We use derivative instruments to hedge a portion of our exposure to market risk arising from changes in the price of natural gas. Hedging of this risk is accomplished by entering into forward swap contracts, which are designated as cash flow hedges of specific quantities of natural gas expected to be purchased in future months.

As of September 30, 2011, outstanding commodity forward contracts were in place to hedge forecasted purchases of about 25 percent of our estimated natural gas requirements for the next twelve months and a lesser percentage for future periods.

## Effect of Derivative Instruments on Results of Operations and Other Comprehensive Income

## Fair Value Hedges

Derivative instruments that are designated and qualify as fair value hedges are predominantly used to manage interest rate risk and foreign currency exchange risk. The fair values of these instruments are recorded as an asset or liability, as appropriate, with the offset recorded in current earnings. The offset to the change in fair values of the related hedged items also is recorded in current earnings. Any realized gain or loss on the derivatives that hedge interest rate risk is amortized to interest expense over the life of the related debt.

Fair value hedges resulted in no significant ineffectiveness in the nine months ended September 30, 2011 and 2010.

For the nine months ended September 30, 2011 and 2010, no gain or loss was recognized in earnings as a result of a hedged firm commitment no longer qualifying as a fair value hedge.

## Cash Flow Hedges

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is initially recorded in AOCI, net of related income taxes, and recognized in earnings in the same period that the hedged exposure affects earnings.

Cash flow hedges resulted in no significant ineffectiveness in the nine months ended September 30, 2011 and 2010.

For the nine months ended September 30, 2011 and 2010, no gains or losses were reclassified into earnings as a result of the discontinuance of cash flow hedges due to the original forecasted transaction no longer being probable of occurring. At September 30, 2011, \$2 million of after-tax gains are expected to be reclassified from AOCI primarily to cost of sales during the next twelve months, consistent with the timing of the underlying hedged transactions. The maximum maturity of cash flow hedges in place at September 30, 2011 is October 2013.

## Quantitative Information about Our Use of Derivative Instruments

The following tables display the classification and amount of pretax gains and losses reported in the Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income ("OCI") and the classification and fair values of derivative instruments presented in the Condensed Consolidated Balance Sheet.

For the three months ended September 30 (Millions of dollars):

	Income Statement Classifications	(Gain) or Loss	
		Recognized in Income	
		2011	2010
Undesignated foreign exchange hedging instruments	Other (income) and expense, net <sup>(a)</sup>	\$92	\$(115 )
<b>Fair Value Hedges</b>			
Interest rate swap contracts	Interest expense	\$8	\$(2 )
Hedged debt instruments	Interest expense	\$(8 )	\$2

Table of Contents

	Amount of (Gain) or Loss Recognized In AOCI		Income Statement Classification of Gain or Loss Reclassified from AOCI	(Gain) or Loss Reclassified from AOCI into Income	
	2011	2010		2011	2010
<b>Cash Flow Hedges</b>					
Interest rate contracts	\$61	\$12	Interest expense	\$—	\$(1 )
Foreign exchange contracts	(34 )	40	Cost of products sold	15	(6 )
Foreign exchange contracts	(8 )	—	Other (income) and expense, net	(8 )	—
Commodity contracts	5	8	Cost of products sold	1	2
<b>Total</b>	<b>\$24</b>	<b>\$60</b>		<b>\$8</b>	<b>\$(5 )</b>
<b>Net Investment Hedges</b>					
Foreign exchange contracts	\$(7 )	\$2		\$—	\$—

For the nine months ended September 30 (Millions of dollars):

	Income Statement Classifications	(Gain) or Loss Recognized in Income	
		2011	2010
Undesignated foreign exchange hedging instruments	Other (income) and expense, net <sup>(a)</sup>	\$(7 )	\$(34 )
<b>Fair Value Hedges</b>			
Interest rate swap contracts	Interest expense	\$3	\$(16 )
Hedged debt instruments	Interest expense	\$(3 )	\$16
Foreign exchange contracts	Other (income) and expense, net	\$—	\$(1 )

	Amount of (Gain) or Loss Recognized In AOCI		Income Statement Classification of Gain or Loss Reclassified from AOCI	(Gain) or Loss Reclassified from AOCI into Income	
	2011	2010		2011	2010
<b>Cash Flow Hedges</b>					
Interest rate contracts	\$69	\$42	Interest expense	\$(2 )	\$(2 )
Foreign exchange contracts	11	7	Cost of products sold	36	2
Foreign exchange contracts	(3 )	—	Other (income) and expense, net	(3 )	—
Commodity contracts	6	15	Cost of products sold	6	8
<b>Total</b>	<b>\$83</b>	<b>\$64</b>		<b>\$37</b>	<b>\$8</b>
<b>Net Investment Hedges</b>					
Foreign exchange contracts	\$(4 )	\$4		\$—	\$—

(Gains) and losses on these instruments primarily relate to derivatives entered into with third parties to manage

<sup>(a)</sup> foreign currency exchange exposure on the remeasurement of non-functional currency denominated monetary assets and liabilities. Consequently, the effect on earnings from the use of these undesignated derivatives is substantially neutralized by transactional gains and losses recorded on the underlying assets and liabilities.

Table of Contents

## Fair Values of Derivative Instruments

	Balance Sheet Location	September 30 2011	December 31 2010
(Millions of dollars)			
Assets			
Derivatives designated as hedging instruments:			
Interest rate contracts	Other current assets	\$2	\$—
Interest rate contracts	Other assets	11	24
Foreign exchange contracts	Other current assets	19	4
Foreign exchange contracts	Other assets	4	1
Total		36	29
Undesignated derivatives:			
Foreign exchange contracts	Other current assets	32	41
Total asset derivatives		\$68	\$70
Liabilities			
Derivatives designated as hedging instruments:			
Interest rate contracts	Accrued expenses	\$37	\$—
Interest rate contracts	Other liabilities	26	2
Foreign exchange contracts	Accrued expenses	5	16
Foreign exchange contracts	Other liabilities	—	3
Commodity contracts	Accrued expenses	6	7
Commodity contracts	Other liabilities	1	—
Total		75	28
Undesignated derivatives:			
Foreign exchange contracts and other	Accrued expenses	88	20
Total liability derivatives		\$163	\$48

## Note 10. Description of Business Segments

We are organized into operating segments based on product groupings. These operating segments have been aggregated into four reportable global business segments: Personal Care, Consumer Tissue, K-C Professional & Other, and Health Care. The reportable segments were determined in accordance with how our executive managers develop and execute global strategies to drive growth and profitability. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses. Segment management is evaluated on several factors, including operating profit. Segment operating profit excludes other (income) and expense, net and income and expense not associated with the business segments, including the charges related to the pulp and tissue restructuring described in Note 3.

The principal sources of revenue in each global business segment are described below:

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

The Consumer Tissue segment manufactures and markets facial and bathroom tissue, paper towels, napkins and related products for household use. Products in this segment are sold under the Kleenex, Scott, Cottonelle, Viva,



Andrex, Scottex, Hakle, Page and other brand names.

The K-C Professional & Other segment manufactures and markets facial and bathroom tissue, paper towels, napkins, wipers

19

---

Table of Contents

and a range of safety products for the away-from-home marketplace. Products in this segment are sold under the Kimberly-Clark, Kleenex, Scott, WypAll, Kimtech, KleenGuard, Kimcare and Jackson brand names.

The Health Care segment manufactures and markets health care products such as surgical drapes and gowns, infection control products, face masks, exam gloves, respiratory products, pain management products primarily sold through I-Flow, and other disposable medical products. Products in this segment are sold under the Kimberly-Clark, Ballard, ON-Q and other brand names.

The following schedules present information concerning consolidated operations by business segment:

(Millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	2011	2010
<b>NET SALES:</b>				
Personal Care	\$2,390	\$2,183	\$6,918	\$6,501
Consumer Tissue	1,711	1,643	5,054	4,778
K-C Professional & Other	863	781	2,477	2,312
Health Care	407	367	1,186	1,078
Corporate & Other	11	5	35	2
Consolidated	\$5,382	\$4,979	\$15,670	\$14,671
<b>OPERATING PROFIT (reconciled to income before income taxes):</b>				
Personal Care	\$396	\$428	\$1,185	\$1,343
Consumer Tissue	206	156	529	488
K-C Professional & Other	127	116	360	356
Health Care	56	49	159	148
Other (income) and expense, net <sup>(a)</sup>	(17	) 7	(27	) 112
Corporate & Other <sup>(b)</sup>	(140	) (44	) (429	) (149
Total Operating Profit	662	698	1,831	2,074
Interest income	5	5	13	16
Interest expense	(70	) (59	) (205	) (180
Income Before Income Taxes and Equity Interests	\$597	\$644	\$1,639	\$1,910

For the nine months ended September 30, 2010, Other (income) and expense, net included a \$79 million charge for <sup>(a)</sup> the adoption of highly inflationary accounting in Venezuela effective January 1, 2010. See additional information in Note 4.

For the three months ended September 30, 2011, pulp and tissue restructuring charges of \$95 million are included in Corporate & Other. See additional information in Note 3. For the nine months ended September 30, 2011, pulp <sup>(b)</sup> and tissue restructuring charges of \$267 million and a non-deductible business tax charge of \$32 million related to a law change in Colombia are included in Corporate & Other. The restructuring charges related to the business segments are as follows:

	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011
Consumer Tissue	\$81	\$233
K-C Professional & Other	14	34
Total	\$95	\$267



Table of Contents

Also included in Corporate & Other for the nine months ended September 30, 2010, is a \$19 million charge related to the adoption of highly inflationary accounting in Venezuela. The charges related to the business segments are as follows:

	Millions of dollars
Personal Care	\$11
Consumer Tissue	6
K-C Professional & Other	2
Total	\$19

21

---

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

This management's discussion and analysis of financial condition and results of operations is intended to provide investors with an understanding of our recent performance, financial condition and prospects. The following will be discussed and analyzed:

Overview of Third Quarter 2011 Results

Results of Operations and Related Information

Liquidity and Capital Resources

Legal Matters

Business Outlook

Overview of Third Quarter 2011 Results

Net sales increased 8.1 percent primarily due to the positive impact of foreign currency rates and increases in net selling prices.

Operating profit and net income attributable to Kimberly-Clark Corporation decreased 5.2 percent and 7.9 percent, respectively.

Results were negatively impacted by \$95 million in pre-tax charges, \$66 million after tax, for the pulp and tissue restructuring.

Cash provided by operations was \$750 million, an increase of 1 percent compared to last year.

Results of Operations and Related Information

This section presents a discussion and analysis of our third quarter and first nine months of 2011 net sales, operating profit and other information relevant to an understanding of the results of operations.

Table of Contents

Third Quarter of 2011 Compared With Third Quarter of 2010

Analysis of Net Sales  
By Business Segment  
(Millions of dollars)

Net Sales	2011	2010
Personal Care	\$2,390	\$2,183
Consumer Tissue	1,711	1,643
K-C Professional & Other	863	781
Health Care	407	367
Corporate & Other	11	5
Consolidated	\$5,382	\$4,979
Commentary:		

## Percent Change in Net Sales Versus Prior Year

	Total Change	Changes Due To			Currency
		Volume Growth	Net Price	Mix/ Other	
Consolidated	8.1	—	3	1	4
Personal Care	9.5	3	3	(1	) 4
Consumer Tissue	4.1	(6	) 4	1	5
K-C Professional & Other	10.5	3	2	—	5
Health Care	10.9	9	(1	) —	3

Personal care net sales in North America decreased 1 percent. Changes in net selling prices and product mix each reduced sales by 1 percent, while favorable currency rates added 1 percent to sales. Overall sales volumes were even with the year-ago period. Volumes increased double-digits in adult care and baby wipes, with market share gains in both categories. New Poise Hourglass Shape pads were introduced in the third quarter and contributed to the volume growth in adult care. Feminine care volumes increased high-single digits, with continued momentum in the U by Kotex brand. Although new Huggies Little Movers Slip-On diapers had solid initial sales, infant care volumes declined low-single digits, and child care volumes fell at a double-digit rate. Category declines, competitive promotional activity, reductions in customer inventory levels in diapers and some consumer trade-down in child care accounted for the volume decline.

In Europe, personal care net sales increased 8 percent, including an 11 percent benefit from changes in currency rates. Sales volumes fell 1 percent, as lower diaper volumes were mostly offset by growth in other product areas, including baby wipes and child care. In addition, changes in net selling prices and product mix each reduced sales 1 percent. In our international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa (“K-C International”), personal care net sales increased 21 percent, including a 7 percent benefit from changes in currency rates. Sales volumes were up 6 percent, including double-digit growth in China, South Korea and Vietnam. In addition, volumes rose high-single digits in Latin America, with broad-based improvements throughout the region. Overall net selling prices rose 9 percent compared to the year-ago period, driven by increases in Latin America. In North America, net sales of consumer tissue products decreased 1 percent compared to the year-ago period. Net selling prices rose 6 percent, while sales volumes fell 7 percent due to lower sales of bathroom tissue and facial tissue. The declines reflect the near-term impact of sheet count reductions, along with the company's focus on revenue realization and strong year-ago promotion support. By product category, bathroom tissue volumes fell double-digits and Kleenex facial tissue volumes were off high single-digits. In other product areas, paper towel volumes rose at a

double-digit rate and benefited from improved distribution levels and promotion activity.

23

---

Table of Contents

In Europe, consumer tissue net sales increased 8 percent, including a favorable currency benefit of 11 percent. Sales volumes and net selling prices each declined 2 percent as market conditions worsened somewhat over the last three months.

In K-C International, consumer tissue net sales increased 11 percent, including an 8 percent benefit from changes in currency rates. Net selling prices increased 6 percent, driven by improvements in Latin America, and changes in product mix benefited sales by 3 percent. Sales volumes declined 7 percent, including a 2 percent negative impact from exiting certain non-strategic products in conjunction with the pulp and tissue restructuring.

Net sales of K-C Professional (“KCP”) & other products in North America increased 4 percent. Net selling prices rose 2 percent, while changes in product mix and currency rates each benefited sales by 1 percent. Sales volumes were even with year-ago levels. Although safety product volumes advanced mid-single digits, washroom product volumes were even with year-ago levels, as high unemployment and office vacancy levels continued to impact demand, and wiper volumes declined low-single digits. Net sales in Europe increased 20 percent, driven by stronger currency rates that benefited sales by 13 percent. In addition, sales volumes advanced 6 percent compared to a relatively soft year-ago performance. Net sales increased 19 percent in K-C International, including a 9 percent benefit from favorable currency rates. Sales volumes were up 7 percent, with particular strength in Latin America and South Asia, and net selling prices rose 3 percent.

Net sales of health care products increased 11 percent in the third quarter. Sales volumes rose 9 percent and changes in currency rates increased sales 3 percent, while net selling prices were off 1 percent. Medical supply volumes rose double-digits, led by growth in exam gloves and surgical products, reflecting improved North American market demand. In other areas of the business, global medical device volumes increased high-single digits, including strong growth in Europe and Asia.

By Geography

(Millions of dollars)

Net Sales	2011	2010
North America	\$2,740	\$2,741
Outside North America	2,838	2,429
Intergeographic sales	(196	) (191
Consolidated	\$5,382	\$4,979

Commentary:

Net sales in North America were essentially even with the prior year, primarily due to higher net selling prices and favorable currency effects, offset by lower sales volumes, primarily in infant care and child care.

Net sales outside North America increased 16.8 percent due to favorable currency effects, higher net selling prices, higher sales volumes, primarily in personal care, in a number of markets including most of Latin America, South Korea, China, and Vietnam, and improvement in product mix.



Table of Contents

Analysis of Operating Profit  
By Business Segment  
(Millions of dollars)

Operating Profit	2011	2010
Personal Care	\$396	\$428
Consumer Tissue	206	156
K-C Professional & Other	127	116
Health Care	56	49
Corporate & Other <sup>(a)</sup>	(140)	(44)
Other (income) and expense, net	(17)	7
Consolidated	\$662	\$698

<sup>(a)</sup> Corporate & Other in 2011 includes pulp and tissue restructuring charges of \$95 million.

Commentary:

	Percentage Change in Operating Profit Versus Prior Year						Other <sup>(b)</sup>
	Total Change	Volume	Net Price	Input Costs <sup>(a)</sup>	Cost Savings	Currency	
Consolidated	(5.2)	—	22	(21)	13	5	(24)
Personal Care	(7.5)	2	17	(18)	8	2	(18)
Consumer Tissue	32.1	(16)	46	(14)	19	4	(7)
K-C Professional & Other	9.5	3	14	(27)	20	9	(10)
Health Care	14.3	28	(7)	(39)	13	3	16

<sup>(a)</sup> Includes inflation in raw materials, energy and distribution costs.

<sup>(b)</sup> Consolidated includes the impact of the 2011 charges related to the pulp and tissue restructuring.

Consolidated operating profit decreased compared to the prior year. The benefits of higher net sales, cost savings of \$90 million, and favorable currency effects were more than offset by inflation in input costs of \$150 million, including \$110 million for raw materials other than fiber, primarily polymer resin and other oil-based materials, \$20 million for energy, \$15 million in distribution costs, and \$5 million in higher fiber costs. Current year results were also impacted by \$95 million of charges related to the pulp and tissue restructuring. Lower production volumes in 2011, to manage inventory levels, adversely affected operating profit comparisons by \$30 million. Marketing, research and general expenses in the third quarter of 2011 increased slightly compared to 2010, but fell as a percent of net sales, reflecting our focus on reducing overhead spending, along with significant year-ago marketing spending.

Personal care segment operating profit decreased as the benefits from sales growth and cost savings were more than offset by input cost inflation, the negative impact of lower production volumes and increases in marketing, research and general expenses. In North America, operating profit decreased as inflation in input costs, unfavorable product mix, lower net selling prices and the negative impact of lower production volumes were partially offset by a lower level of marketing, research and general expenses. Operating profit in Europe decreased slightly due to inflation in input costs mostly offset by cost savings. In K-C International, operating profit increased as higher net selling prices, cost savings, higher sales volumes and favorable currency effects were partially offset by inflation in input costs, the negative effects of lower production volumes and higher marketing, research and general expenses.

Consumer tissue segment operating profit increased as sales growth, cost savings, and lower marketing, research and general expenses were partially offset by inflation in input costs and the negative impact of lower production volumes. Operating profit in North America increased as higher net selling prices, lower marketing, research and general expenses and cost savings were partially offset by lower sales volumes. In Europe, operating profit decreased as cost

savings were

25

---

Table of Contents

more than offset by inflation in input costs, lower net selling prices and the negative effects of lower production volumes. Operating profit in K-C International increased as higher net selling prices and cost savings were partially offset by inflation in input costs and the negative effects of lower production volumes.

Operating profit for KCP products increased due to sales growth and cost savings, partially offset by input cost inflation and higher marketing, research and general expenses.

Health care segment operating profit increased as sales growth, cost savings and the positive impact from higher production volumes were partially offset by inflation in input costs.

By Geography

(Millions of dollars)

Operating Profit	2011	2010
North America	\$492	\$499
Outside North America	293	250
Corporate & Other <sup>(a)</sup>	(140	) (44
Other (income) and expense, net	(17	) 7
Consolidated	\$662	\$698

<sup>(a)</sup> Corporate & Other in 2011 includes pulp and tissue restructuring charges of \$95 million.

Commentary:

Operating profit in North America decreased 1.4 percent as higher net selling prices, cost savings and lower marketing, research and general expenses were more than offset by inflation in input costs, unfavorable product mix and lower sales volumes.

- Operating profit outside North America increased 17.2 percent as higher net selling prices, cost savings and favorable currency effects were partially offset by inflation in input costs, the negative effects of lower production volumes and higher marketing, research and general expenses.

Additional Income Statement Commentary

Interest expense for the third quarter of 2011 was \$11 million higher than the prior year due to a higher level of debt.

Our effective tax rate for the third quarter of 2011 was 29.1 percent compared to 30.3 percent in the prior year.

Our share of net income of equity companies in the third quarter was \$5 million lower than the prior year.

Kimberly-Clark de Mexico, S.A.B. de C.V. 's ("KCM") sales increased double-digits, but earnings comparisons were negatively impacted by input cost inflation. In addition, foreign currency transaction losses as a result of the weakening of the Mexican peso reduced KCM's earnings in the quarter.

Table of Contents

## First Nine Months of 2011 Compared With First Nine Months of 2010

Analysis of Net Sales  
By Business Segment  
(Millions of dollars)

Net Sales	2011	2010
Personal Care	\$6,918	\$6,501
Consumer Tissue	5,054	4,778
K-C Professional & Other	2,477	2,312
Health Care	1,186	1,078
Corporate & Other	35	2
Consolidated	\$15,670	\$14,671
Commentary:		

## Percent Change in Net Sales Versus Prior Year

	Total Change	Changes Due To			Currency
		Volume Growth	Net Price	Mix/ Other	
Consolidated	6.8	1	2	—	4
Personal Care	6.4	2	1	(1	) 4
Consumer Tissue	5.8	(2	) 3	1	4
K-C Professional & Other	7.1	2	2	(1	) 4
Health Care	10.0	8	—	—	2

Personal care net sales increased due to favorable currency effects, primarily in Australia, Brazil, Europe and South Korea, higher net selling prices and higher sales volumes.

Consumer tissue net sales increased due to favorable currency effects, higher net selling prices and favorable product mix, partially offset by lower sales volumes. The favorable currency effects primarily occurred in the same countries as personal care.

Net sales of KCP products increased due to favorable currency effects, higher net selling prices and higher sales volumes.

Health care net sales increased due to higher sales volumes and favorable currency effects.

By Geography  
(Millions of dollars)

Net Sales	2011	2010	
North America	\$8,080	\$8,055	
Outside North America	8,154	7,170	
Intergeographic sales	(564	) (554	)
Consolidated	\$15,670	\$14,671	

Table of Contents

## Commentary:

Net sales in North America increased 0.3 percent due to higher sales volumes and favorable currency effects mostly offset by lower net selling prices.

Net sales outside North America increased 13.7 percent due to favorable currency effects, primarily in Europe, Australia, Brazil and South Korea, higher net selling prices, higher sales volumes and favorable product mix.

## Analysis of Operating Profit

## By Business Segment

(Millions of dollars)

Operating Profit	2011	2010
Personal Care	\$1,185	\$1,343
Consumer Tissue	529	488
K-C Professional & Other	360	356
Health Care	159	148
Corporate & Other <sup>(a)(b)</sup>	(429 )	(149 )
Other (income) and expense, net <sup>(b)</sup>	(27 )	112 )
Consolidated	\$1,831	\$2,074

<sup>(a)</sup> Corporate & Other in 2011 includes pulp and tissue restructuring charges of \$267 million and a non-deductible business tax charge of \$32 million related to a law change in Colombia.

<sup>(b)</sup> In 2010, Corporate & Other includes a \$19 million charge, and Other (income) and expense, net includes a \$79 million charge related to the adoption of highly inflationary accounting in Venezuela.

## Commentary:

## Percentage Change in Operating Profit Versus Prior Year

## Change Due To

	Total Change	Volume	Net Price	Input Costs <sup>(a)</sup>	Cost Savings	Currency	Other <sup>(b)</sup>
Consolidated	(11.7 )	4	12	(25 )	9	7	(19 )
Personal Care	(11.8 )	3	6	(19 )	4	3	(9 )
Consumer Tissue	8.4	(3 )	25	(29 )	17	3	(5 )
K-C Professional & Other	1.1	3	14	(23 )	12	7	(12 )
Health Care	7.4	22	(3 )	(30 )	10	3	5

<sup>(a)</sup> Includes inflation in raw materials, energy and distribution costs.

Consolidated includes the impact of the 2011 pulp and tissue restructuring charges and a non-deductible business tax charge related to a law change in Colombia, and the charge in 2010 related to the adoption of highly inflationary accounting in Venezuela.

Consolidated operating profit decreased as sales growth and cost savings were more than offset by inflation in input costs and the negative effects of lower production volumes. Comparisons with the prior year were also impacted in 2011 by \$267 million of charges related to the pulp and tissue restructuring and a \$32 million business tax charge related to a law change in Colombia, and a \$98 million charge recorded in first quarter of 2010 related to the adoption of highly inflationary accounting in Venezuela.

Personal care segment operating profit decreased due to inflation in input costs, the negative impact of lower production volumes and unfavorable product mix, partially offset by higher net selling prices, cost savings, favorable currency effects, higher sales volumes and a lower level of marketing, research and general expenses.

Consumer tissue segment operating profit increased due to higher net selling prices, cost savings, a lower level of marketing,



Table of Contents

research and general expenses and favorable currency effects, partially offset by inflation in input costs and the negative impact of lower production volumes.

Operating profit for KCP products increased as higher net selling prices, cost savings, favorable currency effects and higher sales volumes offset inflation in input costs and higher marketing, research and general expenses.

Health care segment operating profit increased due to higher sales volumes and cost savings, partially offset by inflation in input costs and increased marketing, research and general expenses.

By Geography

(Millions of dollars)

Operating Profit	2011	2010
North America	\$1,445	\$1,560
Outside North America	788	775
Corporate & Other <sup>(a)(b)</sup>	(429)	(149)
Other (income) and expense, net <sup>(b)</sup>	(27)	112
Consolidated	\$1,831	\$2,074

<sup>(a)</sup> Corporate & Other in 2011 includes pulp and tissue restructuring charges of \$267 million and a non-deductible business tax charge of \$32 million related to a law change in Colombia.

<sup>(b)</sup> In 2010, Corporate & Other includes a \$19 million charge and Other (income) and expense, net includes a \$79 million charge related to the adoption of highly inflationary accounting in Venezuela.

Commentary:

Operating profit in North America decreased 7.4 percent as inflation in input costs and unfavorable product mix were partially offset by cost savings, lower marketing, research and general expenses, higher sales volumes and favorable currency effects.

Operating profit outside North America increased 1.7 percent as higher net selling prices, favorable currency effects, cost savings, higher sales volumes and favorable product mix were partially offset by inflation in input costs and the negative effects of lower production volumes.

Pulp and Tissue Restructuring:

On January 21, 2011, we initiated a pulp and tissue restructuring plan in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and KCP businesses. The restructuring involves the streamlining, sale or closure of 5 to 6 of our manufacturing facilities around the world. In conjunction with these actions, we have begun to exit certain non-strategic products, primarily non-branded offerings, and transfer some production to lower-cost facilities in order to improve overall profitability and returns. Facilities impacted by the restructuring include our pulp and tissue facility in Everett, Washington and the two facilities in Australia that manufacture pulp and tissue.

The restructuring plan commenced in the first quarter of 2011 and is expected to be completed by December 31, 2012. The restructuring is expected to result in cumulative charges of approximately \$400 million to \$600 million before tax (\$280 million to \$420 million after tax) over that period. Cash costs related to the streamlining of operations, sale or closure, relocation of equipment, severance and other expenses are expected to account for approximately 25 percent to 50 percent of the charges. Noncash charges will consist primarily of incremental depreciation.

As a result of the restructuring, we expect that by 2013 annual net sales will be reduced by \$250 million to \$300 million and operating profit will increase by at least \$75 million. Most of the restructuring will impact the consumer tissue business segment.

Third quarter 2011 charges of \$95 million were recorded in Cost of products sold and a related benefit of \$29 million was recorded in Provision for income taxes. On a segment basis, \$81 million and \$14 million of the charges related to the consumer





Table of Contents

tissue and KCP segments, respectively. On a geographic area basis, \$66 million of the charges were recorded in North America, \$24 million in Australia, and \$5 million elsewhere.

Of the \$267 million charges recorded in the first nine months of 2011, \$205 million were non-cash. Of the \$62 million in cash charges, \$34 million have been paid.

See additional information on the pulp and tissue restructuring in Note 3 to the Condensed Consolidated Financial Statements.

Additional Income Statement Commentary

- Interest expense for the first nine months of 2011 was \$25 million higher than the prior year because of higher debt levels, partially offset by lower interest rates.

Our effective tax rate for the first nine months of 2011 was 30.4 percent compared to 32.3 percent in the prior year.

The reduction in the tax rate was driven by nondeductible currency losses resulting from the adoption of highly inflationary accounting in Venezuela and changes in tax law related to U.S. health care reform legislation, both in 2010, partially offset by a nondeductible charge in 2011 related to a business tax law change in Colombia.

Liquidity and Capital Resources

Cash provided by operations for the first nine months of 2011 was \$1,771 million, compared to \$1,796 million in the prior year. Tax payments declined in 2011 compared to 2010, while contributions to our defined benefit pension plans totaled \$416 million in 2011 versus \$230 million in 2010.

During the third quarter of 2011, we repurchased approximately 600,000 shares of our common stock at a cost of approximately \$40 million. Year-to-date, we have repurchased approximately 19 million shares at a total cost of \$1.24 billion. We plan to accelerate additional pension contributions into 2011 and reduce our 2011 share repurchase target by a similar amount. As a result, we plan to contribute an aggregate of \$680 to \$760 million (increased from our prior estimate of \$420 to \$500 million), and share repurchases are expected to total approximately \$1.24 billion (previous target \$1.5 billion).

Capital spending for the first nine months was \$656 million compared with \$611 million last year. We anticipate that full year 2011 capital spending will be between \$950 million and \$1,050 million.

Total debt and redeemable securities was \$7.2 billion at September 30, 2011 compared with \$6.5 billion at December 31, 2010.

Our short-term debt as of September 30, 2011 was \$88 million (included in Debt payable within one year on the Condensed Consolidated Balance Sheet) and consisted of short-term bank financing by certain affiliates. The average month-end balance of short-term debt for the third quarter of 2011 was \$150 million. These short-term borrowings provide supplemental funding for supporting our operations. The level of short-term debt during a quarter generally fluctuates depending upon the business operating cash flows and the timing of customer receipts and payments for items such as dividends and income taxes.

At December 31, 2010, we had a \$1.33 billion unused revolving credit facility that was scheduled to expire in September 2012. In October 2011, we renegotiated this facility, resulting in (1) a 5 year facility of \$1.5 billion scheduled to expire in October 2016, (2) an additional \$500 million facility scheduled to expire in October 2012, and (3) an option to increase either (but not both) the \$1.5 billion facility or the \$500 million facility by an additional \$500 million. Each facility remained unused at October 31, 2011.

On July 7, 2011, we collected \$220 million in cash related to a note receivable on its maturity date. See Note 2 of the Condensed Consolidated Financial Statements.

We believe that our ability to generate cash from operations and our capacity to issue short-term and long-term debt are adequate to fund operations, capital spending, payment of dividends and other needs in the foreseeable future.

Further, we do not expect restrictions or taxes on repatriation of cash held outside of the United States to have a material effect on our overall liquidity, financial condition or results of operations in the foreseeable future.

During the second quarter of 2010, the Venezuelan government enacted reforms to its currency exchange regulations that limited U.S. dollar availability to pay for the historical levels of U.S. dollar-denominated imports to support K-C Venezuela's operations. In this environment, we are managing our U.S. dollar payables exposure in Venezuela, principally related to imports of finished products and raw materials. For the full year 2010 and first nine months of 2011, K-C Venezuela represented 1 percent of Consolidated Net Sales. At September 30, 2011, K-C Venezuela had a

bolivar-denominated net monetary asset position of \$130 million and our net investment in K-C Venezuela was \$220 million, both valued at 5.4 bolivars per U.S. dollar.

Table of Contents

See Note 4 to the Condensed Consolidated Financial Statements for more details about the accounting for K-C Venezuela's financial results and the previously discussed charge resulting from the January 1, 2010 adoption of highly inflationary accounting in Venezuela.

Legal Matters

We are subject to various lawsuits and claims pertaining to issues such as contract disputes, product liability, patents and trademarks, advertising, employee and other matters. Although the results of litigation and claims cannot be predicted with certainty, we believe that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, individually or in the aggregate, on our business, financial condition, results of operations or liquidity. We are subject to federal, state and local environmental protection laws and regulations with respect to our business operations and are operating in compliance with, or taking action aimed at ensuring compliance with, these laws and regulations. We have been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites. None of our compliance obligations with environmental protection laws and regulations, individually or in the aggregate, is expected to have a material adverse effect on our business, financial condition, results of operations or liquidity.

Business Outlook

We will continue to focus on revenue realization and our targeted growth initiatives, as well as delivering cost savings, controlling overhead spending and generating cash flow. As the commodity cost environment has improved over the last three months, and the U.S. dollar has recently strengthened, we are anticipating less commodity cost inflation and less benefit from foreign currency exchange rates in 2011 than previously expected. In addition, we plan to accelerate additional pension contributions into 2011 and reduce our 2011 share repurchase target by a similar amount. As a result, we plan to contribute an aggregate of \$680 to \$760 million (increased from our prior estimate of \$420 to \$500 million) to our pensions in 2011, and to repurchase an aggregate of approximately \$1.24 billion (a decrease from our prior plan of \$1.5 billion) of our shares in 2011.

Information Concerning Forward-Looking Statements

Certain matters contained in this report concerning the business outlook, including revenue realization, cost savings and reductions, cash flow and uses of cash, raw material, energy and other input costs, anticipated currency rates and exchange risk, sales volumes, market demand and economic conditions, changes in finished product selling prices, the anticipated costs, scope, timing and effects of the pulp and tissue restructuring, anticipated financial and operating results, contingencies and anticipated transactions of Kimberly-Clark, including pension contributions and share repurchases, constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting Kimberly-Clark. There can be no assurance that these future events will occur as anticipated or that our results will be as estimated. For a description of certain factors that could cause our future results to differ from those expressed in these forward-looking statements, see Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010 entitled "Risk Factors."

Table of Contents

Item 4. Controls and Procedures.

As of September 30, 2011, an evaluation was performed under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of September 30, 2011. There were no changes in our internal control over financial reporting during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

32

---

Table of Contents

## PART II. – OTHER INFORMATION

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

## Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. During 2011, we anticipate purchasing \$1.24 billion of our common stock. All our share repurchases during the third quarter of 2011 were made through a broker in the open market.

The following table contains information for shares repurchased during the third quarter of 2011. None of the shares in this table was repurchased directly from any of our officers or directors.

Period (2011)	Total Number of Shares Purchased <sup>(a)</sup>	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs <sup>(b)</sup>
July 1 to 31	598,000	\$66.91	49,814,411	50,185,589
August 1 to 31	—	—	49,814,411	50,185,589
September 1 to 30	—	\$—	49,814,411	50,185,589
Total	598,000			

Share repurchases were made pursuant to a share repurchase program authorized by our Board of Directors on July (a) 27, 2003 that allows for the repurchase of 50 million shares in an amount not to exceed \$5 billion (the “2007 Program”).

Includes shares available under the 2007 Program, as well as shares available under a share repurchase program (b) authorized by our Board of Directors on January 21, 2011 that allows for the repurchase of 50 million shares in an amount not to exceed \$5 billion (the “2011 Program”).

Table of Contents

Item 6. Exhibits.

(a) Exhibits.

Exhibit No. (3)a. Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K dated May 1, 2009.

Exhibit No. (3)b. By-Laws, as amended April 30, 2009, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated May 1, 2009.

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. (31)a. Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith.

Exhibit No. (31)b. Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, filed herewith.

Exhibit No. (32)a. Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.

Exhibit No. (32)b. Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.

Exhibit No. (101).INS XBRL Instance Document

Exhibit No. (101).SCH XBRL Taxonomy Extension Schema Document

Exhibit No. (101).CAL XBRL Taxonomy Extension Calculation Linkbase Document

Exhibit No. (101).DEF XBRL Taxonomy Extension Definition Linkbase Document

Exhibit No. (101).LAB XBRL Taxonomy Extension Label Linkbase Document

Exhibit No. (101).PRE XBRL Taxonomy Extension Presentation Linkbase Document

Table of Contents

SIGNATURES

Pursuant to the requirements 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  
(Registrant)

By: /s/ Mark A. Buthman  
Mark A. Buthman  
Senior Vice President and  
Chief Financial Officer  
(principal financial officer)

By: /s/ Michael T. Azbell  
Michael T. Azbell  
Vice President and Controller  
(principal accounting officer)

November 4, 2011

Table of Contents

EXHIBIT INDEX

Exhibit No.	Description
(3)a.	Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K dated May 1, 2009.
(3)b.	By-Laws, as amended April 30, 2009, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated May 1, 2009.
(4).	Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.
(31)a.	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith.
(31)b.	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, filed herewith.
(32)a.	Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
(32)b.	Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
(101).INS	XBRL Instance Document
(101).SCH	XBRL Taxonomy Extension Schema Document
(101).CAL	XBRL Taxonomy Extension Calculation Linkbase Document
(101).DEF	XBRL Taxonomy Extension Definition Linkbase Document
(101).LAB	XBRL Taxonomy Extension Label Linkbase Document
(101).PRE	XBRL Taxonomy Extension Presentation Linkbase Document