FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1995

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	39-0394230
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

P. O. BOX 619100, DALLAS, TEXAS	75261-9100
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (214) 281-1200

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

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

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

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

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

As of March 19, 1996, 283,009,657, shares of common stock were outstanding, and the aggregate market value of the registrant's common stock held by non-affiliates on such date (based on the closing stock price on the New York Stock Exchange) was approximately $22,180 million.

DOCUMENTS INCORPORATED BY REFERENCE

Kimberly-Clark Corporation's 1995 Annual Report to Stockholders and 1996 Proxy Statement contain much of the information required in this Form 10-K, and portions of those documents are incorporated by reference herein from the applicable sections thereof. The following table identifies the sections of this Form 10-K which incorporate by reference portions of the Corporation's 1995 Annual Report to Stockholders and 1996 Proxy Statement. The Items of this Form 10-K, where applicable, specify which portions of such documents are incorporated by reference. The portions of such documents that are not incorporated by reference shall not be deemed to be filed with the Commission as part of this Form 10-K.

DOCUMENT OF WHICH PORTIONS ARE INCORPORATED BY REFERENCE	ITEMS OF THIS FORM 10-K IN WHICH INCORPORATED
1995 Annual Report to Stockholders (Year ended December 31, 1995)	PART I
	ITEM 1. Business
	ITEM 3. Legal Proceedings
	PART II
	ITEM 5. Market for the Registrant's Common Stock and Related Stockholder Matters
	ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
	ITEM 8. Financial Statements and Supplementary Data
	PART IV
	ITEM 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K
1996 Proxy Statement	PART III
	ITEM 10. Directors and Executive Officers of the Registrant
	ITEM 11. Executive Compensation
	ITEM 12. Security Ownership of Certain Beneficial Owners and Management
	ITEM 13. Certain Relationships and Related Transactions

PART I

ITEM 1. BUSINESS

Kimberly-Clark Corporation was incorporated in Delaware in 1928. As used in Items 1, 2 and 7 of this Form 10-K, the term "Corporation" refers to Kimberly-Clark Corporation and its consolidated subsidiaries. In the remainder of this Form 10-K, the terms "Kimberly-Clark" or "Corporation" refer to Kimberly-Clark Corporation.

On December 12, 1995, Scott Paper Company, a Pennsylvania corporation (`Scott''), became a wholly-owned subsidiary of Kimberly-Clark upon consummation of the merger (the `Merger'') contemplated by the Agreement and Plan of Merger dated as of July 16, 1995 (the `Merger Agreement'') among Kimberly-Clark, Rifle Merger Co., a wholly-owned subsidiary of Kimberly-Clark, and Scott. Pursuant to the Merger Agreement, each Scott common share, without par value, outstanding immediately prior to the Effective Time (as defined in the Merger Agreement) of the Merger (other than shares owned directly or indirectly by Kimberly-Clark or Scott, which shares were canceled) was converted into .78 of a share of common stock, $1.25 par value, of Kimberly-Clark (`Kimberly-Clark Common Stock''), including the corresponding percentage of a right to purchase shares of Series A Junior Participating Preferred Stock, without par value, of Kimberly-Clark. On February 14, 1996, Scott changed its name to Kimberly-Clark Tissue Company.

On November 30, 1995, Kimberly-Clark distributed to its stockholders all of the outstanding shares of common stock of Schweitzer-Mauduit International, Inc. (`SMI''). SMI was formed in 1995 to facilitate the spin-off of Kimberly-Clark's tobacco-related paper and other specialty paper products businesses conducted in the United States, France and Canada.

On September 27, 1995, the Corporation sold 80 percent of the outstanding shares of Midwest Express Holdings, Inc., the parent company of Midwest Express Airlines, Inc. and Astral Aviation, Inc., in an initial public offering.

Financial information by business segment and geographic area, and information about principal products and markets of the Corporation, contained under the caption "Management's Discussion and Analysis" and in Note 17 to the Financial Statements contained in the 1995 Annual Report to Stockholders, are incorporated in this Item 1 by reference.

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

The Corporation's products and services are divided into three business segments: Personal Care Products, Tissue-Based Products and Newsprint, Paper and Other.

Personal Care Products include disposable diapers, training and youth pants; feminine and adult incontinence care products; wet wipes; health care products; and related products. Products in this class are sold under a variety of well-known brand names, including Huggies, Pull-Ups, GoodNites, Kotex, New Freedom, Lightdays, Depend and Poise.

Tissue-Based Products include facial and bathroom tissue, paper towels and wipers for household and away-from-home use; pulp; and related products. Products in this class are sold under the recognized brand names Kleenex, Scott, Cottonelle, Viva, Kimwipes and Wypall.

Products for home use are sold directly and through wholesalers to supermarkets, mass merchandisers, drugstores, warehouse clubs, home health care stores, variety stores, department stores and other retail outlets. Health care products are sold to distributors, converters and end-users. Products for away-from-home use are sold through distributors and directly to manufacturing, lodging, office building, food service and health care establishments and other high volume public facilities.

Newsprint, Paper and Other includes newsprint, printing papers, premium business and correspondence papers, specialty papers, technical papers, and related products; and other products and services.

Newsprint and groundwood printing papers are sold directly to newspaper publishers and commercial printers. Other papers and specialty products in this class are sold directly to users, converters, manufacturers, publishers and printers, and through paper merchants, brokers, sales agents and other resale agencies.

PATENTS AND TRADEMARKS. The Corporation owns various patents and trademarks registered domestically and in certain foreign countries. The Corporation considers the patents and trademarks which it owns and the trademarks under which it sells certain of its products, in each instance and in the aggregate, to be material to its business. Consequently, the Corporation seeks patent and trademark protection by all available means, including registration. A partial list of the Corporation's trademarks is included under the caption "Trademarks" contained in the 1995 Annual Report to Stockholders and is incorporated herein by reference.

EMPLOYEES. In its worldwide consolidated operations, the Corporation had

55,341 employees as of December 31, 1995.

RAW MATERIALS. Cellulose fibers in the form of wood pulp are the primary raw materials for the Corporation's paper and tissue products and are important components in disposable diapers, training pants, feminine pads and incontinence care products. Large amounts of secondary and recycled fibers are also consumed, primarily in tissue products. Superabsorbent materials are important components in disposable diapers, training pants and incontinence care products. Polypropylene and other synthetics are primary raw materials for manufacturing nonwoven fabrics which are used in disposable diapers, training pants, feminine pads, incontinence and health care products and away-from-home wipers. Most secondary fibers and all synthetics are purchased. Wood pulp and nonwood cellulose fibers are produced by the Corporation and purchased from others. The Corporation considers the supply of such raw materials to be adequate to meet the needs of its businesses.

For its worldwide consolidated operations, production at the Corporation's pulp mills at Coosa Pines and Mobile, Alabama; Everett, Washington; Terrace Bay, Ontario; Pictou, Nova Scotia; and Miranda, Spain totaled about 80 percent of the Corporation's 1995 virgin fiber requirements for products other than newsprint. The Corporation's newsprint mill at Coosa Pines produces all of its own fiber requirements, of which virgin fiber represented approximately 73 percent in 1995.

The Corporation owns or controls 6.9 million acres of forestland in North America, principally as a fiber source for pulp production which is consumed internally within the tissue and personal care businesses. In the United States, approximately .9 million acres are owned in Alabama and Mississippi. In Canada, 1.0 million acres in the province of Nova Scotia are owned by the Corporation, and 5.0 million acres, principally in the province of Ontario, are held under long-term Crown rights or leases.

Certain states have adopted laws and entered into agreements with publishers requiring newspapers sold in such states to contain specified amounts of recycled paper. The Corporation provides certain newspaper publishers with newsprint containing specified amounts of recycled paper.

COMPETITION. The Corporation competes in numerous domestic and foreign markets. The number of competitors and the Corporation's competitive positions in these markets vary. In general, in the sale of its products, the Corporation faces strong competition from other manufacturers, some of which are larger and more diversified than the Corporation. The Corporation has several major competitors in its disposable diaper and training pants, household and other tissue-based products, and feminine and incontinence care products businesses.

Depending on the characteristics of the market involved, the Corporation competes on the basis of product quality and performance, price, service, packaging, distribution, advertising and promotion.

RESEARCH AND DEVELOPMENT. A major portion of total research and development expenditures is directed toward new or improved personal care, health care and household products, and nonwoven materials. Consolidated research and development expenditures were $207.2 million in 1995, $208.8 million in 1994 and $208.7 million in 1993.

ENVIRONMENTAL MATTERS. Capital expenditures for environmental controls to meet legal requirements and otherwise relating to the protection of the environment at the Corporation's facilities in the United States are estimated to be $46.7 million in 1996 and $135.2 million in 1997. Such expenditures are not expected to have a material effect on the Corporation's total capital expenditures, consolidated earnings or competitive position; however, these estimates could be modified as a result of changes in the Corporation's plans, changes in legal requirements or other factors.

Capital expenditures at the Corporation's U.S. facilities for 1998, 1999 and 2000 are expected to be affected by finalization of the U.S. Environmental Protection Agency's (`EPA'') proposed Cluster Rules. If finalized as proposed, these rules would require significant additional expenditures for environmental controls at the Corporation's Coosa Pines and Mobile, Alabama, and Everett, Washington, pulp mills and at various other tissue and paper production facilities in the United States. Based on currently available information, total capital expenditures required to meet the Cluster Rule requirements over the three-year period following their planned finalization in late 1996 or early 1997 are estimated at between $275 million and $395 million. However, the nature, amount and timing of these expenditures could change significantly based on the provisions of EPA's final rules. Neither the Cluster Rule expenditures nor other anticipated environmental capital spending at the Corporation's U.S. facilities during this time period are expected to have a material adverse effect on the Corporation's business or results of operations.

RISKS FOR FOREIGN OPERATIONS. The Corporation and its equity companies have manufacturing facilities in 33 countries throughout the world. Consumer products made abroad or in the U.S. are marketed in approximately 150 countries. Because these countries are so numerous, it is not feasible to generally characterize the risks involved. Such risks vary from country to country and include such factors as tariffs, trade restrictions, changes in currency value, economic conditions and international relations. See "Management's Discussion and Analysis -- Foreign Currencies Risks, Hedging Activities and Inflation Risks" contained in the 1995 Annual Report to Stockholders, which is incorporated herein by reference.

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

ITEM 2. PROPERTIES

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

Principal facilities and products made at these facilities are listed on the following pages. In addition, the principal facilities of the Corporation's equity companies and the products or groups of products made at such facilities are included on the following pages.

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

ADMINISTRATIVE CENTER
- Knoxville, Tennessee

WORLDWIDE PRODUCTION AND SERVICE FACILITIES

UNITED STATES (1)

ALABAMA
- Coosa Pines - pulp and newsprint
- Mobile - tissue products and pulp (2)

ARIZONA
- Tucson - nonwovens
- Mohave - tissue products

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

CALIFORNIA
- Fullerton - tissue products

CONNECTICUT
- New Milford - diapers, feminine care, tissue products
- Shelton - aviation personnel services

DELAWARE
- Dover - wet wipes (3)

GEORGIA
- LaGrange - nonwovens

KENTUCKY
- Owensboro - tissue products

MAINE

Winslow - tissue products (4)

MASSACHUSETTS
- Lee - industrial wipers (5)
- Westfield - aircraft maintenance, finishing and refurbishing

MICHIGAN
- Munising - printing and base papers

MISSISSIPPI
- Corinth - nonwovens, away-from-home wipers and towels
- Hattiesburg - tissue products

NEW JERSEY
- Montvale - corporate aircraft management services
- South Hackensack - corporate aircraft management services

NEW YORK
- Fort Edward - tissue products
- Islip - corporate aircraft management services

NORTH CAROLINA
- Hendersonville - nonwovens
- Lexington - nonwovens

OKLAHOMA
- Jenks - tissue products

PENNSYLVANIA
- Chester - tissue products

SOUTH CAROLINA
- Beech Island - diapers, tissue products

TENNESSEE
- Loudon - tissue products

TEXAS
- Dallas - aircraft maintenance, finishing and refurbishing
- Paris - diapers, training and youth pants
- San Antonio - personal cleansing products and systems

UTAH
- Ogden - diapers

VERMONT
- East Ryegate - technical papers

WASHINGTON
- Everett - tissue products, pulp

WISCONSIN
- Appleton - aircraft maintenance, finishing and refurbishing
- Marinette - tissue products
- Neenah - diapers, feminine care, incontinence care, business and correspondence papers, industrial wipers, nonwovens, tissue products
- Oconto Falls - tissue products
- Whiting - business and correspondence papers

OUTSIDE THE UNITED STATES

ARGENTINA
- Cordoba - diapers
- Pilar - feminine care, incontinence care
- San Luis - diapers

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

* Equity company production facility

BAHRAIN
- *East Riffa - tissue products

BELGIUM
- Duffel - tissue products

CANADA
- Crabtree, Quebec - tissue products
- Hull, Quebec - tissue products
- Huntsville, Ontario - tissue products, away-from-home wipers
- Lennoxville, Quebec - tissue products
- New Glasgow, Nova Scotia - pulp

New Westminster, British Columbia - tissue products
Rexdale, Ontario - away from home products, feminine care
St. Catharines, Ontario - tissue products, away-from-home wipers
St. Hyacinthe, Quebec - feminine care, diapers
Terrace Bay, Ontario - pulp

CHINA (6)
Beijing - feminine care
Changchun - feminine care
Chengdu - feminine care
Guangzhou Province - tissue products
Guiyang - feminine care
Handan - feminine care
Harbin - feminine care
Kunming - feminine care
Nanjing - feminine care
Shanghai - tissue products
Shenyang - feminine care
Taiyuan - feminine care

COLOMBIA
*Barbosa - tissue products, specialty products, fine papers
*Guarne - tissue products
*Pereira - tissue products, feminine care, incontinence care, diapers
*Tocancipa - diapers

COSTA RICA
Cartago - diapers
San Jose - tissue products

CZECH REPUBLIC
Litovel - feminine care

EL SALVADOR
Sitio del Nino - tissue products, feminine care

FRANCE
Orleans - tissue products
Rouen - tissue products
Villey-Saint-Etienne - tissue products

GERMANY
Dusseldorf - Reisholz - tissue products
Flensburg - tissue products
Forchheim - feminine care
Koblenz - tissue products
Neunkirchen - wet wipes

* Equity company production facility

HONDURAS
Cortes - nonwovens
San Pedro Sula - tissue products, feminine care

HONG KONG
Hong Kong - tissue products (7)

INDIA
*Pune - feminine care, diapers
Pune - tissue products

INDONESIA
Jog-Jakarta - tissue products
*Medan - specialty products

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

KOREA
Anyang - feminine care, diapers, tissue products
*Jo-Chi-Weon - tissue products
Kimcheon - feminine care, tissue products, nonwovens
Taejon - feminine care, diapers

MALAYSIA
Kluang - tissue products
Petaling Jaya - feminine care, tissue products

MEXICO
*Bajio - tissue products
*Cepamisa - tissue products
*Cuautitlan - feminine care, diapers, nonwovens
*Ecatepec - tissue products
Empalme - nonwovens
Magdalena - nonwovens
*Naucalpan - tissue products, diapers, feminine care

Nogales - nonwovens
*Orizaba - tissue products
*Ramos Arizpe - tissue products, diapers
*San Juan - tissue products
*San Rafael - tissue products, fine papers
Santa Ana - nonwovens
*Tlaxcala - diapers

NETHERLANDS
Gennep - tissue products
Veenendaal - feminine care, incontinence care

PANAMA
Panama City - tissue products, feminine care

PERU
Lima - tissue products, feminine care

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

SAUDI ARABIA
*Al-Khobar - diapers, feminine care, tissue products

SINGAPORE
Singapore - feminine care, tissue products

* Equity company production facility.

SOUTH AFRICA
Cape Town - tissue products, feminine care
Springs - tissue products, feminine care, diapers, incontinence care
Wadeville - tissue products, nonwovens

SPAIN
Aranguren - tissue products
Arceniaga - tissue products, personal cleansing products and systems
Canarias, Canary Islands - tissue products
Miranda del Ebro - pulp
Salamanca - tissue products

TAIWAN
Hsin Ying - tissue products (8)
Tayaun - tissue products

THAILAND
Patumthanee - feminine care, diapers, tissue products
Samut Prakan - tissue products

UNITED KINGDOM
Barrow - tissue products
Barton-upon-Humber - diapers, training pants
Flint - tissue products, nonwovens
Larkfield - tissue products
Northfleet - tissue products
Prudhoe - tissue products, away-from-home wipers (3)
Sealand - feminine care

VENEZUELA
Guacara - diapers

(1) The Corporation has announced its intention to sell two of the following four tissue mills: Badger-Globe, Lakeview and Marinette, Wisconsin; and Fort Edward, New York. The Badger-Globe and Lakeview facilities are part of the Neenah, Wisconsin operations.

(2) Portions of the land under this facility are held under various long-term operating leases, the more significant of which contain options to purchase the land.

(3) The Corporation has announced its intention to sell this facility.

(4) The fiber recycling facility at this mill is held under an operating lease expiring in 2008 under which the Corporation has the option of renewing the lease for terms not exceeding nine additional years or purchasing the facility for its then fair market value.

(5) In connection with the SMI spin-off, the Corporation continues to own a paper machine incorporating hydroknit manufacturing technology which is located at one of the Corporation's former Lee, Massachusetts facilities. On or before November 30, 2000, the Corporation will remove such technology and sell the remaining components of the machine to SMI for a nominal purchase price.

(6) The land on which these facilities are located is held under long-term leases.

(7) This facility is held under a short-term renewable lease.

(8) The land and a portion of this facility are subject to a mortgage.

ITEM 3. LEGAL PROCEEDINGS

The following is a brief description of potentially material legal proceedings to which the Corporation or any of its subsidiaries is a party or of which any of their properties is subject:

Litigation

A. Since September 28, 1990, numerous lawsuits related to exposure to asbestos have been filed in state and federal courts by over 8,500 plaintiffs against multiple defendants, including the Corporation. During this period, the asbestos litigation against the Corporation has been consolidated into seven actions that include approximately 500 claims against the Corporation. The plaintiffs allege, with respect to the Corporation, that they sustained personal injuries and/or emotional distress from alleged exposure to asbestos-containing materials while working at the Corporation's Coosa Pines, Ala. mill as employees of independent contractors at various times since the mill's construction and that, in its capacity as a premises owner, the Corporation is responsible, in part, for these injuries.

   In 1995, the Corporation settled four of these actions and obtained releases and dismissals with prejudice from 374 plaintiffs with claims against the Corporation, and dismissals, without prejudice, from approximately 4,000 other plaintiffs. There are approximately 4,500 plaintiffs in the actions that remain pending. Of these plaintiffs, an unspecified number (not believed to exceed 250), have identified their claims as based, in whole or in part, on having worked at the Corporation's Coosa Pines, Ala. mill. The complaints do not specify the amount of damages demanded.

   The Corporation believes that its defenses to the remaining asbestos claims are meritorious and that the final results of such claims, while they cannot be predicted with certainty, will not have a material adverse effect on the Corporation's business or results of operations.

B. Scott is a defendant in numerous actions in state and federal courts seeking damages relating to breast implants. The actions allege that the plaintiffs' breast implants were covered by polyurethane foam manufactured by Scott's former Foam Division, which was sold in 1983, and that the foam caused physical and/or psychological harm to the plaintiffs. In each of these actions, Scott is one of several defendants, including the Foam Division's successor and the manufacturers of the implants. The Corporation believes that only a small percentage of breast implants were covered by polyurethane foam manufactured by the Foam Division prior to its sale.

   Pursuant to an order of the Mutidistrict Litigation Panel, all federal cases involving breast implants have been consolidated for pre-trial purposes in the Northern District of Alabama and one of these cases, Lindsey et al., vs. Dow Corning Corporation et al., has been provisionally certified by the court as a class action for settlement purposes. Scott elected not to participate in the proposed settlement of these actions; rather, in April 1995, Scott's motion for summary judgment was granted by the court, resulting in the dismissal of all federal actions against Scott and the purchaser of the Foam Division. In January 1996, the plaintiffs agreed to dismiss their appeal of such dismissal. A similar motion for summary judgment was granted in 1995 in the consolidated California state court breast implant suits, and that dismissal is now final because the plaintiffs failed to file an appeal.

The Corporation believes that it has meritorious defenses to the remaining breast implant claims and that the final results of such claims, while they cannot be predicted with certainty, will not have a material adverse effect on the Corporation's business or results of operations.

C. On July 18, 1995, a complaint was filed by Doris I. Fish and Debra Smilow (the ``Fish Complaint'') on behalf of a putative class of the public shareholders of Scott in the Circuit Court for the Fifteenth Judicial Circuit, Palm Beach County, Florida (Case No. CL 95-5691 AD) against Scott, certain former members of the Scott board of directors and certain former officers of Scott. The Fish Complaint alleged, among other things, that the former Scott directors acted in disregard of their fiduciary duties to Scott shareholders in agreeing to the Merger. On January 17, 1996, the proceedings under this action were dismissed without prejudice.

On July 21, 1995, a complaint was filed by Louis Agnes (the ``Agnes Complaint'') on behalf of a putative class of the public shareholders of Scott, and derivatively on behalf of Scott, in the Circuit Court for the Fifteenth Judicial Circuit, Palm Beach County, Florida (Case No. CL 95-5757 AH) against Scott, the former members of the Scott board of directors and Kimberly-Clark. The Agnes Complaint alleged, among other things, that the terms of the Merger were fundamentally unfair to Scott shareholders, that the former Scott directors acted in disregard of their fiduciary duties to Scott shareholders in agreeing to the Merger and that Kimberly-Clark aided and abetted such alleged breach. On January 18, 1996, the proceedings under this action were dismissed without prejudice.

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

Environmental Matters
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The information set forth under the "Environmental Matters" section of "Management's Discussion and Analysis" contained in the 1995 Annual Report to Stockholders is incorporated in this Item 3 by reference.

The Corporation has been named a potentially responsible party ("PRP") under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), or analogous state statute, at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business or results of operations. Notwithstanding its opinion, management believes it appropriate to discuss the following matters concerning two of these sites where the Corporation's estimated share of total site remediation costs, if any, cannot be established on the basis of currently available information:

A. In 1993, Scott received a request for information from the EPA regarding the Saco Landfill Superfund Site in Saco, Maine. Following an internal investigation, Scott responded that Scott had no knowledge of any arrangement for the disposal of waste materials at the site. However, Scott had provided sludge and fly ash to the City of Saco and its contractors for use in the construction of the landfill cap. The City of Saco and the Maine Department of Environmental Protection previously had approved the utilization of the sludge and ash in construction of the topsoil cap. In 1994, the EPA served Scott with a second request for information regarding Scott's nexus to the site. Scott again responded that it had never disposed of hazardous waste at the site.

B. In 1994, Scott received a notice of responsibility from the Massachusetts Department of Environmental Protection regarding the South Hadley Site in South Hadley, Massachusetts. The notice implicated Scott Graphics, Inc., a former Scott subsidiary, as having disposed of hazardous waste at the site.

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

A Special Meeting of Stockholders was convened at 11:00 a.m. on Tuesday, December 12, 1995, at the Corporation's World Headquarters, 351 Phelps Drive, Irving, Texas. Represented at the meeting in person or by proxy were 144.5 million shares of common stock, or 90% of all shares of common stock outstanding.

The stockholders approved the issuance of shares of Kimberly-Clark Common Stock pursuant to the Merger Agreement and certain ancillary agreements. Of the shares represented at the meeting, 92.4% voted for such issuance, .6% voted against and 7.0% abstained or did not vote.

The stockholders also approved an amendment to the Corporation's Restated Certificate of Incorporation to increase the number of authorized shares of Kimberly-Clark Common Stock from 300,000,000 to 600,000,000. Of the 160.5 million shares outstanding on the record date for the Special Meeting, 86.1% voted for such amendment, 3.6% voted against and 10.3% abstained or did not vote.

EXECUTIVE OFFICERS OF THE REGISTRANT

The names and ages of the executive officers of the Corporation as of March 1, 1996, together with certain biographical information, are as follows:

JOHN W. DONEHOWER, 49, was elected Senior Vice President and Chief Financial Officer in 1993. Mr. Donehower joined the Corporation in 1974. He was appointed Director of Finance - Europe in 1978, Vice President, Marketing and Sales - Nonwovens in 1981, Vice President, Specialty Papers in 1982, Managing Director, Kimberly-Clark Australia Pty. Limited in 1982, and Vice President, Professional Health Care, Medical and Nonwoven Fabrics in 1985. He was appointed President, Specialty Products - U.S. in 1987, and President - World Support Group in 1990.
O. GEORGE EVERBACH, 57, was elected Senior Vice President - Law and Government Affairs in 1988. Mr. Everbach joined the Corporation in 1984. His responsibilities have included direction of legal, human resources and administrative functions. He was elected Vice President and General Counsel in 1984; Vice President, Secretary and General Counsel in 1985; and Senior Vice President and General Counsel in 1986.

THOMAS J. FALK, 37, was elected Group President - North American Tissue, Pulp and Paper effective January 1, 1996. He is responsible for the Family Care and Wet Wipes, Away From Home, Neenah Paper and Pulp and Paper Sectors, as well as the Consumer Business Services and Environment and Energy organizations. Mr. Falk joined the Corporation in 1983. His responsibilities have included internal audit, financial and strategic analysis, and operations management. Mr. Falk was appointed Vice President - Operations Analysis and Control in 1990. He was elected Senior Vice President -Analysis and Administration in 1992, Group President - Infant and Child Care in 1993, Group President - North American Consumer Products effective January 1, 1995, and Group President - North American Tissue Products effective July 21, 1995. Mr. Falk is a director of Midwest Express Holdings, Inc., an equity company of the Corporation.

JAMES G. GROSKLAUS, 60, was elected Executive Vice President effective December 1, 1990. Employed by the Corporation since 1957, Mr. Grosklaus was appointed Vice President in 1972 and Divisional Vice President in 1975, and was elected Senior Vice President effective January 1, 1979. He was appointed President, K-C Health Care, Nonwoven and Industrial Group in 1981, Senior Staff Vice President in 1982, Senior Vice President in 1983 and President, Technical Paper and Specialty Products in 1985, and elected Executive Vice President in January 1986. In 1988, he was appointed President - North American Pulp and Paper Sector. He is a director of Midwest Express Holdings, Inc., an equity company of the Corporation, and is a member of the Emory University Dean's Advisory Council and the Woodruff Arts Center Board of Trustees. Mr. Grosklaus has been a director of the Corporation since 1987.

JAMES T. MCCAULEY, 57, was elected Executive Vice President in 1990. Mr. McCauley joined the Corporation in 1969. He was elected Vice President and Treasurer in 1980. Mr. McCauley was appointed Vice President - Nonwoven Operations in 1984, Senior Vice President, Kimberly-Clark Newsprint & Pulp and Forest Products in 1984, President, North American Pulp and Newsprint Sector in 1985, President, Health Care and Nonwovens Sector in 1987, and President - Nonwovens and Technical Products Sector in 1988. He was appointed President -

Nonwovens, Medical and Technical Products Sector in 1988 and President - Nonwovens and Professional Health Care Sector, Far East Operations and World Support Group in 1990.

WAYNE R. SANDERS, 48, has served as Chief Executive Officer of the Corporation since December 1991 and Chairman of the Board of the Corporation since March 1992. He previously had been elected President and Chief Operating Officer in 1990. Employed by the Corporation in 1975, Mr. Sanders was appointed Vice President of Kimberly-Clark Canada Inc., a wholly owned subsidiary of the Corporation, in 1981 and was appointed Director and President in 1984. Mr. Sanders was elected Senior Vice President of Kimberly-Clark Corporation in 1985 and was appointed President - Infant Care Sector in 1987, President - Personal Care Sector in 1988 and President - World Consumer, Nonwovens and Service and Industrial Operations in 1990. Mr. Sanders is a director of Adolph Coors Company, Coors Brewing Company and Texas Commerce Bank, National Association. He also is a member of the Marquette University Board of Trustees and is a national trustee of the Boys and Girls Clubs of America. He has been a director of the Corporation since 1989.

KATHI P. SEIFERT, 46, was elected Group President - North American Personal Care Products effective July 21, 1995. She is responsible for the Infant and Child Care and Feminine and Adult Care Sectors, as well as the U.S. and Canadian Consumer Sales and Safety and Quality Assurance organizations. Ms. Seifert joined Kimberly-Clark in 1978. Her responsibilities in the Corporation have included various marketing positions within the Away From Home, Consumer Tissue and Feminine Products business sectors. She was appointed President - Feminine Care Sector in 1991 and was elected Group President - Feminine and Adult Care in 1994 and Group President - North American Consumer Products effective January 1, 1995. Ms. Seifert is a member of the Board of Directors of Eli Lilly and Company and the Aid Association for Lutherans.

JOHN A. VAN STEENBERG, 48, was elected President - European Consumer and Service & Industrial Operations effective January 1, 1994. He is responsible for the Household Products, Infant and Child Care, Feminine and Adult Care and Away From Home Sectors in Europe, as well as the European Consumer Sales and Distribution organizations. Mr. Van Steenberg joined the Corporation in 1978. His responsibilities have included operations and major project management in North America. He was appointed Managing Director of Kimberly-Clark Australia Pty. Limited in 1990.

PART II

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

The dividend and market price data included in Note 16 to the Financial Statements, and the information set forth under the captions "Dividends and Dividend Reinvestment Plan" and "Stock Exchanges" contained in the 1995 Annual Report to Stockholders are incorporated in this Item 5 by reference.

As of March 19, 1996, the Corporation had 57,032 stockholders of record.

ITEM 6. SELECTED FINANCIAL DATA (1)

(Millions of dollars except per share amounts)	Year Ended December 31 1995	1994	1993	1992	1991
Net Sales	$13,788.6	$11,979.2	$11,646.8	$12,024.2	$11,627.9
Restructuring and Other					

Unusual Charges (2)	1,440.0	--	378.9	250.0	267.6
Operating Profit (2)	213.0	1,277.1	734.5	883.8	803.8
Share of Net Income of Equity Companies (3)	113.3	110.5	76.1	90.0	97.6
Income from Continuing Operations Before Extraordinary Loss and Cumulative Effects of Accounting Changes (2)	33.2	766.5	287.2	492.0	475.4
Net Income (2)(3)(4)(5)(6) .	33.2	753.8	231.0	150.1	435.2
Per Share Basis:					
Income from Continuing Operations Before Extraordinary Loss and Cumulative Effects of Accounting Changes (2)	$ .12	$ 2.76	$1.03	$1.77	$ 1.72
Net Income (2)(3)(4)(5)(6)	.12	2.71	.83	.54	1.58
Cash Dividends Declared ..	1.80	1.76	1.29	2.07	1.52
Cash Dividends Paid	1.79	1.75	1.70	1.64	1.45
Total Assets	$11,439.2	$12,555.7	$13,210.4	$12,559.4	$12,467.0
Long-Term Debt	1,984.7	2,085.4	3,403.0	3,140.1	3,329.8
Stockholders' Equity	3,650.4	4,134.9	3,810.7	3,996.7	4,444.0

(1) All financial information, except cash dividends declared/paid per share, has been restated to include the results of Scott Paper Company for all periods presented prior to the merger on December 12, 1995. Cash dividends declared/paid per share represent the historical dividends declared/paid by Kimberly-Clark. The merger has been accounted for as a pooling of interests.

(2) Results for 1995 include a pretax charge of $1,440.0 million or $1,070.9 million after income taxes and minority interests ($3.83 per share) for the estimated costs of the merger with Scott, for restructuring the combined operations, and for other unusual charges. Results for 1993 include a pretax charge of $378.9 million or $283.2 million after-tax ($1.02 per share) for Scott's planned restructuring and productivity improvement programs. Results for 1992 include a pretax charge of $250.0 million or $172.0 million after-tax ($.62 per share) related to the restructuring of the consumer and away-from-home products operations in Europe and certain operations in North America. Results for 1991 include a pretax charge of $267.6 million or $160.6 million after-tax ($.58 per share) related to Scott's business improvement program.

(3) Share of net income of equity companies and net income for 1995 include a nonoperating charge of $38.5 million ($.14 per share) for foreign currency losses incurred by the Corporation's Mexican affiliates on the translation of the net exposure of U.S. dollar-denominated liabilities into pesos. In 1994, this charge to net income of equity companies and net income was $39.2 million ($.14 per share). The translation losses are related to the devaluation of the Mexican peso in December 1994 and subsequent periods.

(4) Results for 1994 include income from a discontinued operation of $48.4 million ($.17 per share) related to S.D. Warren Company, a former printing and publishing papers subsidiary, which was sold on December 20, 1994. Results for 1993, 1992 and 1991 include a loss from the discontinued operation of $46.6 million ($.17 per share), $30.9 million ($.11 per share) and $40.2 million ($.14 per share), respectively.

(5) Results for 1994 and 1993 include an extraordinary loss related to the early extinguishment of debt of $61.1 million ($.22 per share) and $9.6 million ($.03 per share), respectively.

(6) Net income for 1992 includes net after-tax charges of $311.0 million ($1.12 per share) for the cumulative effects of adopting the required accounting rules for postretirement health care and life insurance benefits and for income taxes.

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

The information set forth under the caption "Management's Discussion and Analysis" contained in the 1995 Annual Report to Stockholders is incorporated in this Item 7 by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements of the Corporation and its consolidated subsidiaries and the independent auditors' report thereon contained in the 1995 Annual Report to Stockholders are incorporated in this Item 8 by reference.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The section of the 1996 Proxy Statement captioned "Certain Information Regarding Directors and Nominees" under "Proposal 1. Election of Directors" identifies members of the board of directors of the Corporation and nominees, and is incorporated in this Item 10 by reference.

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

ITEM 11. EXECUTIVE COMPENSATION

The information in the section of the 1996 Proxy Statement captioned "Executive Compensation" under "Proposal 1. Election of Directors" is incorporated in this Item 11 by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information in the sections of the 1996 Proxy Statement captioned "Security Ownership of Management" under "Proposal 1. Election of Directors" is incorporated in this Item 12 by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information in the section captioned "Certain Transactions and Business Relationships" under "Proposal 1. Election of Directors" of the 1996 Proxy Statement is incorporated in this Item 13 by reference.

PART IV

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

(A) DOCUMENTS FILED AS PART OF THIS REPORT.

1. Financial statements:

The Consolidated Balance Sheet as of December 31, 1995 and 1994, and the related Consolidated Income Statement and Consolidated Cash Flow Statement for the years ended December 31, 1995, 1994 and 1993, and the related Notes thereto, and the Independent Auditors' Report of Deloitte & Touche LLP thereon are incorporated in Part II, Item 8 of this Form 10-K by reference to the financial statements contained in the 1995 Annual Report to Stockholders. In addition, related reports of Deloitte & Touche LLP and other auditors are included herein.

2. Financial statement schedule:

The following information is filed as part of this Form 10-K and should be read in conjunction with the financial statements contained in the 1995 Annual Report to Stockholders.

Independent Auditors' Reports

Schedule for Kimberly-Clark Corporation and Subsidiaries:

II Valuation and Qualifying Accounts

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

3. Exhibits:

Exhibit No. (3)a. Restated Certificate of Incorporation of Kimberly-Clark Corporation, dated April 16, 1987, incorporated by reference to Exhibit No. (4)e of the Kimberly-Clark Corporation Form S-8 filed on February 16, 1993 (File No. 33-58402).

Exhibit No. (3)b. Certificate of Amendment of the Restated Certificate of Incorporation of Kimberly-Clark Corporation, dated December 12, 1995.

Exhibit No. (3)c. By-Laws of Kimberly-Clark Corporation, as amended June 8, 1995, incorporated by reference to Exhibit No. (3) of the Kimberly-Clark Corporation Form 10-Q for the quarterly period ended June 30, 1995.

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

Exhibit No. (10)a. Kimberly-Clark Corporation Management Achievement Award Program, as amended as of January 1, 1993, incorporated by reference to Exhibit No. (10)b of the Kimberly-Clark Corporation Form 10-K for the year ended December 31, 1994.

Exhibit No. (10)b. Kimberly-Clark Corporation Executive Severance Plan, incorporated by reference to Exhibit No. (10)c of the Kimberly-Clark Corporation Form 10-K for the year ended December 31, 1992.

Exhibit No. (10)c. Second Amended and Restated Deferred Compensation Plan for Directors of Kimberly-Clark Corporation, incorporated by reference to Exhibit No. (10)d of the Kimberly-Clark Corporation Form 10-K for the year ended December 31, 1992.

Exhibit No. (10)d. Kimberly-Clark Corporation 1986 Equity Participation Plan, as amended effective February 11, 1993, incorporated by reference to Exhibit No. (10)e of the Kimberly-Clark Corporation Form 10-K for the year ended December 31, 1994.

Exhibit No. (10)e. Kimberly-Clark Corporation 1992 Equity Participation Plan, as amended effective February 16, 1995, incorporated by reference to Exhibit No. (10) of the Kimberly-Clark Corporation Form 10-Q for the quarter ended March 31, 1995.

Exhibit No. (10)f. Kimberly-Clark Corporation Deferred Compensation Plan, effective as of October 1, 1994, incorporated by reference to Exhibit No. (10)g. of the Kimberly-Clark Corporation Form 10-K for the year ended December 31, 1994.

Exhibit No. (11). The net income per share of common stock computations for each of the periods included in Part II, Item 6 of this Form 10-K are based on average common shares outstanding during each of the respective periods. The only "common stock equivalents" or other potentially dilutive securities or agreements (as defined in Accounting Principles Board Opinion No. 15) in Kimberly-Clark Corporation's capital structure during the periods presented were options outstanding under its Equity Participation Plans and under Scott's stock option plans.

Computations of "primary" and "fully diluted" net income per share assume the exercise of outstanding stock options under the "treasury stock method." The table below presents the amounts by which the earnings per share amounts presented in Part II, Item 6 would be reduced if the "treasury stock method" had been used.

	Primary	Fully Diluted
1995	$ -	$ -
1994	.02	.02

1993	-	-
1992	-	-
1991	.01	.01

Exhibit No. (12). Computation of ratio of earnings to fixed charges for the five years ended December 31, 1995.

Exhibit No. (13). Portions of the Kimberly-Clark Corporation 1995 Annual Report to Stockholders incorporated by reference in this Form 10-K.

Exhibit No. (21). Consolidated Subsidiaries and Equity Companies of Kimberly-Clark Corporation are identified in the Kimberly-Clark Corporation 1995 Annual Report to Stockholders, and such information is incorporated in this Form 10-K by reference.

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

Exhibit No. (23)b. Independent Auditors' Consent of Coopers & Lybrand L.L.P.

Exhibit No. (23)c. Independent Auditors' Consent of Price Waterhouse LLP

Exhibit No. (24). Powers of Attorney.

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

(B) REPORTS ON FORM 8-K

The Corporation filed a Current Report on Form 8-K dated December 12, 1995, which reported the consummation of the Merger. Such report was amended by a Current Report on Form 8-K /A dated December 12, 1995, which reported certain pro forma financial information related to the Merger.

SIGNATURES

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

Kimberly-Clark Corporation

March 25, 1996

By: /s/ John W. Donehower

John W. Donehower
Senior Vice President and
Chief Financial Officer

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

/s/ Wayne R. Sanders	Chairman of the Board	March 25, 1996
Wayne R. Sanders	and Chief Executive Officer and Director (principal executive officer)	
/s/ John W. Donehower	Senior Vice President and	March 25, 1996
John W. Donehower	Chief Financial Officer	

(principal financial officer)

/s/ Randy J. Vest	Vice President and	March 25, 1996
Randy J. Vest	Controller (principal accounting officer)	

Directors

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

By: /s/ O. George Everbach March 25, 1996

O. George Everbach, Attorney-in-Fact

INDEPENDENT AUDITORS' REPORT

KIMBERLY-CLARK CORPORATION:

We have audited the consolidated financial statements of Kimberly-Clark Corporation as of December 31, 1995 and 1994, and for each of the three years in the period ended December 31, 1995, and have issued our report thereon dated January 30, 1996; such consolidated financial statements and report are included in your 1995 Annual Report and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of Kimberly-Clark Corporation, listed in Item 14. This consolidated financial statement schedule is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits. The financial statements and financial statement schedule of Scott Paper Company, a wholly-owned subsidiary of Kimberly-Clark Corporation, were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for Scott Paper Company, are based on the reports of such other auditors.

In our opinion, based on our audits and the reports of other auditors referred to above, the consolidated financial statement schedule listed in Item 14, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/S/ DELOITTE & TOUCHE LLP

DELOITTE & TOUCHE LLP

Dallas, Texas
January 30, 1996

INDEPENDENT AUDITORS' REPORT

KIMBERLY-CLARK CORPORATION:

We have audited the consolidated balance sheets of Scott Paper Company and its subsidiaries as of December 30, 1995 and December 31, 1994, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended. We have also audited the schedule of valuation and qualifying accounts of Scott Paper Company and its subsidiaries as of and for the years ended December 30, 1995 and December 31, 1994. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We did not audit the provision for restructuring and other unusual charges of $827.0 million, the related tax benefit of $218.0 million and related effect on minority owners' share of subsidiaries' net income of $0.8 million for the year ended December 30, 1995 nor the related effects of $39.5 million on cash and cash equivalents, $26.8 million on receivables, $597.8 million on plant assets, $79.9 million on accumulated depreciation, $57.6 million on goodwill and other assets, $250.1 million on assets held for sale, $83.3 million on deferred income tax asset, $134.7 million on deferred income taxes, $257.6 million on accruals for restructuring programs, $0.8 million on minority owners' interests in subsidiaries and $17.9 million on additional paid in capital at December 30, 1995. Such provision and related accounts were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the aforementioned amounts, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, (1) the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Scott Paper Company as of December 30, 1995 and December 31, 1994, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles, and (2) the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

As discussed in Note 1 of the Financial Review Notes, the Company adopted the provisions of Statement of Financial Accounting Standards No. 121, `Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of''in 1995.

/S/ COOPERS & LYBRAND L.L.P.
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COOPERS & LYBRAND L.L.P.

2400 Eleven Penn Center
Philadelphia, PA
January 30, 1996

INDEPENDENT AUDITORS' REPORT

KIMBERLY-CLARK CORPORATION:

We have audited, in accordance with generally accepted auditing standards, the consolidated financial statements of Kimberly-Clark Corporation and its subsidiaries for the year ended December 31, 1995, and have issued our report thereon dated January 30, 1996. The financial statements of Scott Paper Company, a wholly-owned subsidiary of Kimberly-Clark Corporation, were audited by other auditors whose report has been furnished to us, and our opinion on the consolidated financial statements referred to above, insofar as it relates to the amounts included for Scott Paper Company (except for the provision for restructuring and other unusual charges described below), is based on the report of such other auditors. We have also audited the accompanying schedule of the Scott Paper Company provision for restructuring and other unusual charges of $827.0 million, the related tax benefit of $218.0 million and the related effect on minority owners' share of subsidiaries' net income of $.8 million for the year ended December 30, 1995 and the accompanying schedule of related effects on asset and liability accounts as of December 30, 1995 including effects of $39.5 million on cash, $26.8 million on accounts receivable, $597.8 million on property, plant and equipment, $79.9 million on accumulated depreciation, $57.6 million on other assets, $250.1 million on assets held for sale, $83.3 million on deferred tax assets, $134.7 million on deferred tax liabilities, $257.6 on accrued liabilities, $.8 million on minority owners' interests in subsidiaries and $17.9 million on additional paid in capital, which amounts are included in the 1995 consolidated financial statements of Scott Paper Company. These schedules are the responsibility of the company's management. Our responsibility is to express an opinion on these schedules based on our audit.

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

In our opinion, the schedules referred to above present fairly, in all material respects, the Scott Paper Company provision for restructuring and other unusual charges and the related tax benefits for the year ended December 30, 1995 and the related effects on assets and liabilities as of December 30, 1995, in conformity with generally accepted accounting principles.

/S/ DELOITTE & TOUCHE LLP
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DELOITTE & TOUCHE LLP

Dallas, Texas
January 30, 1996

REPORT OF INDEPENDENT ACCOUNTANTS

In our opinion, the consolidated statements of operations, of cash flows and of changes in stockholders' equity of Scott Paper Company and its subsidiaries (not presented separately herein) present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 25, 1993, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards which required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for the opinion expressed above.

/S/ PRICE WATERHOUSE LLP
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PRICE WATERHOUSE LLP
Philadelphia, PA
January 25, 1994, except as to the classification of S.D. Warren as discontinued operation, which is as of December 20, 1994.

REPORT OF PREDECESSOR INDEPENDENT ACCOUNTANTS ON
1993 FINANCIAL STATEMENT SCHEDULE

To the Board of Directors
Scott Paper Company

Our audit of the consolidated financial statements referred to in our report dated January 25, 1994 appearing on page 25 of this Form 10-K also included an audit of the Financial Statement Schedule listed in Item 14(a)(2) of this Form 10-K for the year 1993. In our opinion, this Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/S/ PRICE WATERHOUSE LLP
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PRICE WATERHOUSE LLP

Philadelphia, PA
January 25, 1996

SCHEDULE II Kimberly-Clark Corporation and Subsidiaries{PRIVATE }

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993
(Millions of dollars)

		ADDITIONS		DEDUCTIONS	
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS(A)	WRITE-OFFS AND DISCOUNTS ALLOWED	BALANCE AT END OF PERIOD

DECEMBER 31, 1995					
Allowances deducted from assets to which they apply					
Allowances for doubtful accounts	$ 23.5	$ 41.7	$ .8	$ 12.0(b)	$ 54.0
Allowances for sales discounts	22.1	201.7	.1	193.2(c)	30.7
Total	$ 45.6	$ 243.4	$ .9	$205.2	$ 84.7
DECEMBER 31, 1994					
Allowances deducted from assets to which they apply					
Allowances for doubtful accounts.............	$ 21.0	$ 8.2	$ .1	$ 5.8(b)	$ 23.5
Allowances for sales discounts	20.1	108.3	-	106.3(c)	22.1
Total	$ 41.1	$ 116.5	$ .1	$112.1	$ 45.6
DECEMBER 31, 1993					
Allowances deducted from assets to which they apply					
Allowances for doubtful accounts.............	$ 23.2	$ 10.1	$ .2	$ 12.5(b)	$ 21.0
Allowances for sales discounts	26.0	99.6	-	105.5(c)	20.1
Total	$ 49.2	$ 109.7	$ .2	$118.0	$ 41.1

(a) Primarily bad debt recoveries
(b) Primarily uncollectible receivables written off
(c) Sales discounts allowed

INDEX TO DOCUMENTS FILED AS A PART OF THIS REPORT

DESCRIPTION

Consolidated financial statements, incorporated by reference

Independent Auditors' Reports, incorporated by reference

Independent Auditors' Reports

Schedules for Kimberly-Clark Corporation and Subsidiaries:

II Valuation and Qualifying Accounts

Exhibit No. (3)a. Restated Certificate of Incorporation of Kimberly-Clark Corporation, dated April 16, 1987, incorporated by reference to Exhibit

No. (4)e of the Kimberly-Clark Corporation Form S-8 filed on February 16, 1993 (File No. 33-58402)

Exhibit No. (3)b. Certificate of Amendment of the Restated Certificate of Incorporation of Kimberly-Clark Corporation, dated December 12, 1995.

Exhibit No. (3)c. By-Laws of Kimberly-Clark Corporation, as amended June 8, 1995, incorporated by reference to Exhibit No. (3) of the Kimberly-Clark Corporation Form 10-Q for the quarterly period ended June 30, 1995

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

Exhibit No. (10)a. Kimberly-Clark Corporation Management Achievement Award Program, as amended as of January 1, 1993, incorporated by reference to Exhibit No. (10)b of the Kimberly-Clark Corporation Form 10-K for the year ended December 31, 1994

Exhibit No. (10)b. Kimberly-Clark Corporation Executive Severance Plan, incorporated by reference to Exhibit No. (10)c of the Kimberly-Clark Corporation Form 10-K for the year ended December 31, 1992

Exhibit No. (10)c. Second Amended and Restated Deferred Compensation Plan for Directors of Kimberly-Clark Corporation, incorporated by reference to Exhibit No. (10)d of the Kimberly-Clark Corporation Form 10-K for the year ended December 31, 1992

Exhibit No. (10)d. Kimberly-Clark Corporation 1986 Equity Participation Plan, as amended effective February 11, 1993, incorporated by reference to Exhibit No. (10)e of the Kimberly-Clark Corporation Form 10-K for the year ended December 31, 1994

Exhibit No. (10)e. Kimberly-Clark Corporation 1992 Equity Participation Plan, as amended effective February 16, 1995, incorporated by reference to Exhibit No. (10) of the Kimberly-Clark Corporation Form 10-Q for the quarter ended March 31, 1995.

Exhibit No. (10)f. Kimberly-Clark Corporation Deferred Compensation Plan, effective as of October 1, 1994, incorporated by reference to Exhibit No. (10)g of the Kimberly-Clark Corporation Form 10-K for the year ended December 31, 1994

Exhibit No. (11). Statement re: computation of earnings per share

Exhibit No. (12). Computation of ratio of earnings to fixed charges for the five years ended December 31, 1995

Exhibit No. (13). Portions of the Kimberly-Clark Corporation 1995 Annual Report to Stockholders incorporated by reference in this Form 10-K

Exhibit No. (21). Consolidated Subsidiaries and Equity Companies of Kimberly-Clark Corporation are identified in the Kimberly-Clark Corporation 1995 Annual Report to Stockholders, and such information is incorporated in this Form 10-K by reference

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

Exhibit No. (23)b. Independent Auditors' Consent of Coopers & Lybrand LLP

Exhibit No. (23)c. Independent Auditors' Consent of Price Waterhouse LLP

Exhibit No. (24). Powers of Attorney

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

Exhibit No. (3)b.

CERTIFICATE OF AMENDMENT

OF THE

RESTATED CERTIFICATE OF INCORPORATION

OF

KIMBERLY-CLARK CORPORATION

Adopted in Accordance with
the Provisions of Section 242 of the
General Corporation Law of the State of Delaware

The undersigned, being a Vice President and the Secretary of Kimberly-Clark Corporation (the `Corporation''), a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

FIRST: That this amendment to the Restated Certificate of Incorporation of the Corporation (the `Amendment'') has been duly adopted by the Board of Directors of the Corporation and has been duly adopted by the stockholders of the Corporation in accordance with Section 242 of the General Corporation Law of the State of Delaware.

SECOND: That the Restated Certificate of Incorporation of the Corporation is hereby amended so the Article IV thereof shall read in its entirety as follows:

ARTICLE IV

The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is six hundred and twenty million (620,000,000) shares which shall be divided into two classes as follows:

(a) Twenty million (20,000,000) shares of Preferred Stock without par value; and

(b) Six hundred million (600,000,000) shares of Common Stock of the par value of One Dollar and Twenty-Five Cents ($1.25) per share.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed by Donald M. Crook, its Vice President and Secretary, this 12th day of December, 1995.

KIMBERLY-CLARK CORPORORATION

By: /s/ Donald M. Crook

Donald M. Crook
Vice President and Secretary

Exhibit No. (12).

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

	Year Ended December 30				
	1995	1994	1993	1992	1991
Consolidated Companies					
Income before taxes (a)	$104.4	$1,147.9	$492.4	$671.4	$645.4
Interest expense	245.5	270.5	249.5	255.8	285.6
Interest factor in rent expense.	36.1	41.9	42.7	46.2	41.4
Amortization of capitalized interest	9.7	9.2	8.1	8.2	8.0
Equity Affiliates					
Share of 50%-owned:					
Income before income taxes ...	40.6	48.0	35.0	38.0	29.6
Interest expense.............	18.5	15.3	13.7	10.6	16.2
Interest factor in rent expense	.8	.7	.8	.6	.7
Amortization of capitalized interest..................	.7	.6	.6	.3	.2
Distributed income of less than 50%-owned	25.1	41.4	41.4	56.2	43.4
Earnings	$481.4	$1,575.5	$884.2	$1,087.3	$1,070.5
Consolidated Companies					
Interest expense	$245.5	$270.5	$249.5	$255.8	$285.6
Capitalized interest	8.8	20.6	28.4	20.9	19.7
Interest factor in rent expense	36.1	41.9	42.7	46.2	41.4
Equity Affiliates					
Share of 50%-owned:					
Interest and capitalized interest..................	18.9	15.4	13.8	15.5	18.2
Interest factor in rent expense	.8	.7	.8	.6	.7
Fixed charges	$310.1	$349.1	$335.2	$339.0	$365.6
Ratio of earnings to fixed charges(a)	1.55	4.51	2.64	3.21	2.93

Note: The Corporation has guaranteed certain aircraft lease obligations totaling $72.9 million for two of its equity affiliates. In addition, the Corporation has provided Midwest Express Airlines, Inc. with a five-year $20 million secondary revolving credit facility. No drawings have been made on these facilities. The Corporation is also contingently liable as guarantor, or directly liable as the original obligor for certain debt and lease obligations of S.D. Warren Company. No losses are expected from these arrangements and they have not been included in the computation of earnings to fixed charges.

S.D. Warren was sold on December 20, 1994, and is reflected as a discontinued operation in the consolidated income statement. Accordingly, these computations exclude earnings (losses) and net fixed charges of this discontinued operation for all years presented.

(a) The ratio of earnings to fixed charges includes a pretax restructuring charge of $1,440.0 million in 1995, $378.9 million in 1993, $250.0 million in 1992 and $267.6 million in 1991. Excluding this charge the ratio of earnings to fixed charges was 6.20 in 1995, 3.77 in 1993, 3.94 in 1992 and 3.66 in 1991.

EXHIBIT 13

FINANCIAL HIGHLIGHTS

(Millions of dollars except per share amounts)	1995	% Change vs. 1994	% of Sales 1995	% of Sales 1994
Net Sales	$13,788.6	15.1%		
Gross Profit	4,960.5	18.5%	36.0	34.9
Operating Profit	213.0	-83.3%	1.5	10.7
Income Before Income Taxes	104.4	-90.9%	.8	9.6
Net Income	33.2	-95.6%	.2	6.3
Net Income Per Share	.12	-95.6%		

	1995	1994
Capital Spending	$ 817.6	$857.3
Net Income Return on Average Stockholders' Equity	.9%(a)	19.0%
Operating Profit Return on Average Assets	1.8%(a)	10.4%
Ratio of Total Debt to Capital	41.9%	45.9%
Closing Price: KMB Common Stock Per Share	$82-3/4	$50-3/8

Certain events occurred in 1995 which affect earnings comparisons. A 1995 restructuring and other unusual charge, a nonoperating charge for foreign currency losses resulting from the devaluation of the Mexican peso, the sale of 80 percent of Midwest Express Holdings, Inc., and asset disposals affected 1995 income from continuing operations, net income and net income per share as follows:

(Millions of dollars)	Operating Profit	Net Income	Net Income Per Share
Restructuring and Other Unusual Charge	$(1,440.0)	$(1,070.9)	$(3.83)
Mexican Peso Devaluation	-	(38.5)	(.14)
Gain on Sale of Midwest Express	-	40.0	.14
Asset Disposals	-	24.1	.09
Total	$(1,440.0)	$(1,045.3)	$ 3.74)

(a) Includes the effect of deducting a 1995 restructuring and other unusual charge from net income ($1,070.9 million after taxes and minority interests) and from operating profit ($1,440.0 million pretax). Excluding these effects from net income and operating profit, net income return on average stockholders' equity and operating profit return on average assets for 1995 were 28.4 percent and 14.2 percent, respectively.

Certain events occurred in 1994 which affect earnings comparisons. Income from a discontinued operation and the sales of the Mobile, Alabama energy and recovery complex and Scott Health Care assets increased net income and net income per share, while a loss on early extinguishment of debt and a nonoperating charge for foreign currency losses resulting from the devaluation of the Mexican peso reduced earnings. The effect of these events on 1994 net income and net income per share is
as follows:

(Millions of dollars)	Net Income	Net Income Per Share
Income From Discontinued Operation	$ 48.4	$ .17
Sales of Mobile Energy Complex and Scott Health Care Assets	62.5	.22
Extraordinary Loss on Early Extinguishment of Debt	(61.1)	(.22)
Mexican Peso Devaluation	(39.2)	(.14)
Asset Disposals	27.4	.09
Total	$ 38.0	$ .12

NOTE:

Financial information has been restated to include the results of Scott Paper Company for all periods presented prior to the merger on December 12, 1995. The merger has been accounted for as a pooling of interests.

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

Management believes that the following commentary and tables appropriately discuss and analyze the comparative results of operations and the financial condition of the Corporation for the periods covered.

Certain matters which occurred in the last three years represent major unusual items. These matters and their effect on the comparability of financial data presented in this Management's Discussion and Analysis are discussed below.

1995 Business Combination, Worldwide Integration Plan, and Restructuring and Other Unusual Charges

- On December 12, 1995, Kimberly-Clark merged with Scott Paper Company (``Scott''), a worldwide producer of sanitary tissue products, and issued .78 of a share of its common stock for each share of Scott common stock. The $9.4 billion transaction qualified as a tax-free reorganization for income tax purposes and has been accounted for as a pooling of interests for financial reporting purposes. Accordingly, the Corporation's consolidated financial statements have been restated for all years presented to include the results of operations, cash flows and financial positions of Scott. Likewise, the financial data presented in this Management's Discussion and Analysis include Scott data for all periods presented.

  Net sales and earnings data for Kimberly-Clark and its subsidiaries and for Scott and its subsidiaries through December 31, 1995, and for the prior two years, are presented in Note 2 to the Financial Statements.

- Kimberly-Clark is implementing a worldwide plan to integrate its operations with those of Scott. The plan is expected to yield annual pretax benefits of approximately $250 million in 1996, $400 million in 1997 and $500 million in 1998. In order to achieve the anticipated benefits and to meet regulatory requirements, the plan includes the sale of up to 12 mills throughout the world that employ about 3,300 people and the elimination of about 2,700 duplicate staff and sales positions. This reduction of about 6,000 jobs represents about 10 percent of the combined workforce of the merged companies.

. In conjunction with the worldwide integration plan, the Corporation recorded a one-time pretax charge of $1,440.0 million for the estimated costs of the merger with Scott, for restructuring the combined operations and for other unusual charges (the ``1995 one-time charge''). The 1995 one-time charge includes:

- The write-down to estimated net realizable value of nine mills in Europe and Canada and a research facility in the U.S. that will be disposed of, resulting in a loss of $211.8 million. Sale or closure of these facilities is required to eliminate excess capacity and inefficient operations in the combined company.
- Losses of $81.8 million related to compliance with consent decrees of the U.S. Justice Department and the European Commission. These agreements require the sale of the Scott Baby Fresh baby wipes and Scotties facial tissue operations in the U.S. and the Kleenex Velvet bathroom tissue business in the United Kingdom and Ireland. Under the agreements, Scott's baby wipes mill in Dover, Delaware and Kimberly-Clark' s bathroom tissue mill in Prudhoe, England must be sold, as well as up to two of four other tissue mills located in the U.S. The terms of sale of the latter group of mills will permit the buyer(s) to select the mills they wish to buy. Depending on the choices made by the buyer(s), other changes to the size and manner of operation of the retained tissue mills may be required. The estimated loss represents management's current estimate of the most likely choices to be made by the buyer, the estimated sales values of the mills, and the related implications on the retained tissue mills. Management expects to sell both the Dover and Prudhoe mills at gains, and such gains will not be recognized until realized.
- Employee severance and other employee-related costs of $220.2 million.
- The costs of terminating leases, contracts and other long-term agreements and for providing for losses on other contracts of $142.5 million.
- Impaired asset charges arising from adoption of SFAS 121, `Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.'' The impaired asset charges are for mills or operations whose future cash flows are estimated to be insufficient to cover their carrying amounts. The two most significant items included in the impairment write-down are a Scott tissue mill in the U.S. and the Scott pulp mill in Spain. One of these facilities has been written down to its estimated fair value, based on the Corporation's assessment of expected pretax future cash flows discounted at a rate commensurate with the risk involved. The other mill has estimated negative future cash flows (undiscounted), and consequently the entire cost of the mill was written off. The total impairment loss aggregated $158.3 million.
- Other asset write-downs of $449.1 million, representing principally losses associated with elimination of inefficient and excess tissue-making capacity at a Scott facility in Canada, the write-down of certain assets at Scott facilities which do not meet Kimberly-Clark's environmental standards, losses on disposal of less efficient and duplicate machinery and equipment not needed in the combined restructured manufacturing operations, assets that became obsolete as a result of the merger, or which will no longer be used, and additional allowances related to Scott accounts receivable to facilitate an orderly and satisfactory transfer of customer relationships to Kimberly-Clark.
- Fees for investment bankers, outside legal counsel and independent auditors totaling $80.7 million.
- Other costs of the merger of $95.6 million.

The $1,440.0 million pretax cost of the 1995 one-time charge has been recorded in operating profit. Of this charge, $626.3 million relates to restructuring and $813.7 million relates to other unusual items.

The effect of the 1995 one-time charge on cash flow is discussed under Liquidity and Capital Resources elsewhere in this Management's Discussion and Analysis. Additional information concerning the nature and amounts of the items comprising the 1995 one-time charge, the uncertainty of amounts that were estimated and the classification of the related assets and liabilities associated with the 1995 one-time charge is contained in Note 3 to the Financial Statements.

The 1995 one-time charge decreased 1995 business segment and geographic operating profit as follows:

($ Millions)

	North America	Outside North America	Total
1995 ONE-TIME CHARGE			
Personal Care Products	$ (92.3)	$(138.0)	$ (230.3)
Tissue-Based Products	(609.8)	(371.4)	(981.2)
Newsprint, Paper and Other	(35.0)	-	(35.0)
	$(737.1)	$ 509.4)	(1,246.5)
Unallocated			(193.5)
Total			$(1,440.0)

The income tax benefit of the 1995 one-time charge is estimated at $360.0 million, or 25 percent of the pretax charge. The income tax benefit is lower than the statutory income tax rate because certain costs and fees are nondeductible and other costs relate to operations in countries in which the Corporation has income tax loss carryforwards. The 1995 one-time charge, net of applicable income taxes and minority interests, reduced 1995 net income by $1,070.9 million, or $3.83 per share.

In conjunction with the merger, an additional $73.3 million of state, federal and foreign income tax liabilities were accrued to conform Scott's income tax accrual practices to Kimberly-Clark's. These liabilities were recorded as conforming accounting adjustments and were charged to the income tax provisions of 1994 and prior years, as discussed more fully in Note 2 to the Financial Statements. The portion of income tax conforming accounting adjustments allocated to 1994 reduced 1994 net income by $42.4 million, or $.15 per share.

1994 Scott Discontinued Operation and Modification and Acceleration of the 1993 Scott Restructuring

. In December 1994, Scott completed the sale of S.D. Warren Company (``S.D. Warren''), its former printing and publishing papers subsidiary, for approximately $1.6 billion, including the assumption by the buyer of approximately $120.0 million in debt. The operating results of S.D. Warren prior to the sale have been segregated and reported as a discontinued operation in all income statements presented. Additional information concerning the results of S.D. Warren is contained in Note 13 to the Financial Statements.

In August 1994, Scott modified its 1993 restructuring plan to accelerate the timing and to increase total workforce reductions. This modified plan was completed by year-end 1994 and no additional charges were needed to achieve the restructuring. In 1994, Scott management estimated annual, full-year pretax benefits of approximately $340 million related to the successful implementation of the program. The 1994 partial-year, pretax benefit of the program is currently estimated at approximately $165 million.

1993 Scott Restructuring and Accounting Changes

. In 1993, Scott recorded a charge for its planned restructuring and productivity improvement programs (the ``1993 restructuring charge''). The plan included the estimated costs to reduce Scott's workforce as well as the costs to realign and shut down some older and inefficient assets. The total pretax cost of the 1993 restructuring charge was $467.4 million; $378.9 million of the cost was charged to operating profit, and $88.5 million applicable to S.D. Warren was included in the results of operations of that company presented as a discontinued operation.

The 1993 restructuring charge decreased 1993 business segment and geographic operating profit as follows:

($ Millions)

	North America	Outside North America	Total
1993 RESTRUCTURING CHARGE			
Tissue-Based Products	$(259.9)	$ (93.0)	$(352.9)
Unallocated			(26.0)
Total			$ (378.9)

The 1993 restructuring charge reduced income from continuing operations by $283.2 million, or $1.02 per share.

- In 1992, Scott adopted SFAS 106 ``Employers' Accounting for Postretirement Benefits Other Than Pensions'' (``SFAS 106'' using the delayed recognition option under which the transition obligation was being amortized over 16 years. Kimberly-Clark adopted SFAS 106 in 1992 utilizing the immediate recognition option under which the transition obligation for Kimberly-Clark's plans was charged to 1992 income. An adjustment was made to conform Scott's accounting to Kimberly-Clark's, and Scott's amortization of the transition obligation in subsequent years was reversed as part of the conforming accounting adjustment. This conforming accounting adjustment increased 1993 net income $25.6 million, or $.09 per share.
- A conforming accounting adjustment was made to reflect the adoption of SFAS 109 ``Accounting for Income Taxes'' (`SFAS 109''), with respect to Scott. Scott had adopted SFAS 109 in 1993, whereas Kimberly-Clark adopted SFAS 109 in 1992. This conforming accounting adjustment decreased 1993 net income $21.7 million, or $.08 per share.
- The net effect of the conforming accounting adjustments discussed in the previous two paragraphs, plus the 1993 portion of the previously discussed $73.3 million income tax conforming accounting adjustment, reduced 1993 net income by $2.9 million, or $.01 per share.

For purposes of this Management's Discussion and Analysis, the 1995 one-time charge has been segregated in the following business segment and geographic presentations to facilitate a meaningful discussion of ongoing operations. For a summary of the business segment and geographic data that include the 1995 one-time charge, see Note 17 to the Financial Statements.

ANALYSIS OF CONSOLIDATED OPERATING RESULTS

BY BUSINESS SEGMENT

	Net Sales				Operating Profit				
			% Change	% of 1995			% Change	% Return on Sales	
($ Millions)	1995	1994	vs. 1994	Consolidated	1995	1994	vs. 1994	1995	1994
Personal Care Products .	$ 4,342.1	$ 3,783.6	+14.8%	31.5%	$ 568.2	$ 582.7	- 2.5%	13.1%	15.4%
Tissue-Based Products ..	7,982.0	6,771.4	+17.9	57.9	944.7	576.3	+63.9	11.8	8.5
Newsprint, Paper and Other	1,584.3	1,514.6	+ 4.6	11.5	259.6	213.0	+21.9	16.4	14.1
1995 one-time charge ...	-	-		-	(1,440.0)	-			
Adjustments	(119.8)	(90.4)		(.9)	(119.5)	(94.9)			
Consolidated.......	$ 13,788.6	$ 11,979.2	+15.1%	100.0%	$ 213.0	$1,277.1	- 83.3%	1.5%	10.7%

BY GEOGRAPHY

($ Millions)	Net Sales 1995	Net Sales 1994	% Change vs. 1994	% of 1995 Consolidated	Operating Profit 1995	Operating Profit 1994	% Change vs. 1994	% Return on Sales 1995	% Return on Sales 1994
North America ...	$ 9,805.4	$ 9,012.6	+ 8.8%	71.1%	$ 1,420.9	$1,187.4	+19.7%	14.5%	13.2%
Outside North America	4,255.0	3,176.6	+ 33.9	30.9	351.6	184.6	+90.5	8.3	5.8
1995 one-time charge	-	-		-	(1,440.0)	-			
Adjustments	(271.8)	(210.0)		(2.0)	(119.5)	(94.9)			
Consolidated	$13,788.6	$11,979.2	+ 15.1%	100.0%	$ 213.0	$1,277.1	-83.3%	1.5%	10.7%

In conjunction with the Scott merger and the application of pooling of interests accounting, management has redefined its consolidated operations into the following segments to appropriately reflect the businesses in which the Corporation now operates.

- Personal Care Products include infant, child, feminine and incontinence care products; wet wipes; health care products; and related products.
- Tissue-Based Products include tissue and wipers for household and away-from-home use; pulp; and related products.
- Newsprint, Paper and Other includes newsprint, printing papers, premium business and correspondence papers, specialty papers, technical papers, and related products; and other products and services.

Business segment data for all years presented have been restated to this revised presentation.

Commentary:

Net sales increased from 1994 as a result of higher selling prices, increased sales volumes and improved product mix in many of the Corporation's worldwide businesses. About one-third of the net sales increase was due to higher sales volumes and improved product mix.

- Sales volumes were higher in North America for Kleenex, Scott and Cottonelle bathroom tissue, Huggies disposable diapers, branded and private-label training and youth pants, Huggies baby wipes, Depend and Poise incontinence care products, away-from-home products, professional health care products and technical papers.
- Sales volumes increased for nearly all of the Corporation's premium consumer products in Europe and Asia, especially for diapers and feminine care products in Europe.
- Selling prices improved for tissue products, newsprint, pulp and premium business and correspondence papers. Selling prices declined slightly for diapers and training pants in North America due to competitive pressures.
- Changes in currency exchange rates are estimated to have increased consolidated net sales by $185 million.

Gross profit improved 18.5 percent in absolute terms, and as a percentage of net sales, primarily because of the higher selling prices and improved product mix which more than offset increased fiber costs.

- Cost reductions and manufacturing efficiencies were achieved in the North American disposable diaper and premium bathroom tissue businesses and in the European diaper business.
- Manufacturing cost improvements were achieved in consumer and away-from-home businesses in the U.S. and Europe.

Excluding the 1995 one-time charge, operating profit improved 29.4 percent in absolute terms, and as a percentage of net sales, due to the higher gross margin coupled with the savings from acceleration of the 1993 restructuring plan.

Management estimates that the accelerated plan improved consolidated operating profit by more than $175 million in 1995 compared to 1994.

- Marketing costs increased in North America primarily for disposable diapers, feminine care products and consumer tissue products in response to competition.
- Operating losses in the infant and child care business in Europe exceeded those of 1994 due primarily to higher marketing costs associated with the 1995 expansion of disposable diapers into France and Belgium and in response to competition.
- Operating profit for the Scott consumer and away-from-home tissue products businesses improved from 1994 levels due to selling price increases and the benefits of the 1993 restructuring, which more than offset the substantial increase in fiber costs and the higher marketing costs for the support of Viva Ultra towels and Cottonelle bathroom tissue in the U.S.
- Changes in currency exchange rates had no significant effect on consolidated operating profit in 1995.

Additional Income Statement Commentary:

- Interest expense declined due to lower average debt levels.
- Other income (expense) included the following unusual transactions in 1995:
  - A pretax gain of $61.4 million from the September 1995 initial public offering (`IPO'') of 80 percent of the Corporation's investment in Midwest Express Airlines, Inc. (`Midwest Express'') and Astral Aviation, Inc. (`Astral''). In 1994, these operations had combined net sales of $203.6 million and operating profit of $11.3 million. In 1995 to the date of the IPO, these operations had combined net sales of $192.8 million and operating profit of $26.0 million. The IPO resulted in the Corporation's retained ownership in Midwest Express and Astral being shown with equity company investments.
  - A pretax gain of $57.5 million on asset sales. Included were gains on the sale of an interest in a pulp-making joint venture in Chile, a timberland joint venture in Georgia and Scott's Philadelphia headquarters.
  - A pretax charge of $7.6 million for fees and expenses related to the November 1995 spin-off of the Corporation's tobacco-related business operations in the U.S., France and Canada. In 1994, these operations had net sales of $404.2 million and operating profit of $58.7 million. In 1995 to the date of the spin-off, these operations had net sales of $426.2 million and operating profit of $63.3 million.
  - A pretax charge of $6.0 million related to the disposition of the Corporation's trucking business.
  - These 1995 transactions resulted in an after-tax gain of $64.1 million, or $.23 per share.
- Other income (expense) for 1994 included unusual transactions aggregating $128.8 million from sales of assets and timberlands. These unusual transactions improved 1994 net income by $89.9 million, or $.31 per share.
- The Corporation's effective income tax rate for the full year was 147.0 percent in 1995 compared with 40.5 percent in 1994. Excluding the 1995 one-time charge, the Corporation's effective tax rate for 1995 was 33.2 percent. The drop in the effective rate was primarily attributable to higher earnings in countries where net operating loss carryforwards were realized, to tax law changes in the Netherlands that caused deferred tax assets to be recognized and to tax credits. The 1994 effective rate was abnormally high due to recording the 1994 effect of the previously described conforming accounting adjustment for Scott's income tax liabilities.
- The Corporation's share of equity company net income improved $2.8 million.
  - Earnings from Kimberly-Clark de Mexico, S.A. de C.V. (`K-C de Mexico'') were unchanged from the prior year, as the effects of substantially higher fiber and other raw material costs and exchange losses were offset by selling price increases and higher interest income. The translation of the net exposure of U.S. dollar-denominated liabilities into pesos at K-C de Mexico reduced equity company net income $38.5 million in 1995 and $39.2 million in 1994; in each year these translation losses reduced earnings by $.14 per share.
  - Operating profit at the Mexican affiliate, Compania Industrial de San Cristobal, S.A. de C.V. (`Cristobal''), improved nearly 50 percent and net income improved 75 percent. These results were achieved from higher selling prices which more than offset fiber cost increases, and from the benefits of a 1993 restructuring of its operations.
  - During 1995, the Corporation increased its ownership in its South African affiliate, Carlton Paper Corporation Limited (`Carlton''), and its Argentine affiliate, Kimberly-Clark Argentina S.A., which resulted in these former equity affiliates becoming consolidated subsidiaries. Because the operations are now consolidated, their results are no longer reported in net income from equity affiliates.

Adjustments:

. Adjustments to sales shown in the preceding tables consist of intercompany sales of products between business segments or geographical areas. Adjustments to operating profit consist of expenses not associated with business segments or geographical areas.

LIQUIDITY AND CAPITAL RESOURCES

($ Millions)	Year Ended December 31, 1995	1994
Cash provided by operations	$ 931.6	$ 913.7
Capital spending	817.6	857.3
Proceeds from disposition of property and businesses	336.1	1,936.4
Ratio of total debt to capital	41.9%	45.9%
Pretax interest coverage - times	1.6	5.0

Commentary:

. Despite higher working capital needs, and excluding the effects of the 1995 one-time charge, cash provided by operations in 1995 increased. Major factors affecting the change in operating working capital, excluding businesses bought and sold and the effects of the 1995 one-time charge, were:
  . an increase in accounts receivable, net of allowances and discounts, of $264.5 million, which is primarily due to the growth in net sales, and
  . an increase in inventories of $191.3 million due in part to a decline in December shipments of Scott tissue products as retailers sold existing stock to reduce inventories.

. The 1995 one-time charge is estimated to require total cash payments of $512 million. On an after-tax basis, the charge is estimated to require the net expenditure of $152 million in cash.

. The decline in proceeds from dispositions of property and businesses is attributable to Scott's 1994 sale of S.D. Warren for approximately $1.6 billion. Part of these proceeds were used to retire debt in 1994 and 1995.

. The ratio of total debt to capital is outside the Corporation's target range of 28 to 32 percent due primarily to the effect of the 1995 one-time charge. Excluding the effect of such charge, the ratio of total debt to capital would be 36.1 percent at December 31, 1995, reflecting the previously mentioned reduction in debt.

. The decline in the Corporation's pretax interest coverage is due to the 1995 one-time charge. Excluding the effect of such charge, the 1995 pretax interest coverage would be 5.8 times.

. A shelf registration for $200 million of debt securities is on file with the Securities and Exchange Commission. The filing allows flexibility to issue debt promptly if the Corporation's needs and market conditions warrant.

. Revolving credit facilities of $1,575 million are in place for general corporate purposes and to back up commercial paper borrowings.

. The Corporation's long-term debt securities have a Double-A rating, and its commercial paper is rated in the top category.

. Management believes that the Corporation's ability to generate cash from operations and its capacity to issue short-term and long-term debt are adequate to fund working capital, capital spending and other needs in the foreseeable future.

TRENDS IN THE LAST THREE YEARS

NET SALES

($ Billions)	1995	1994	1993
Principal products:			
Diapers	$ 2.1	$ 1.7	$ 1.5
Tissue	7.4	6.3	6.4
All other	4.3	4.0	3.7
Consolidated	$ 13.8	$ 12.0	$ 11.6

Consolidated net sales have grown $1.8 billion, or 15 percent, since 1992. The increase from 1994 to 1995 is primarily attributable to improved selling prices for tissue products, pulp and newsprint, and to better product mix and the effects of currency translation. The increase from 1993 to 1994 is primarily due to higher sales volumes, largely for disposable diapers in North America, Europe and Asia. This increase was offset, in part, by lower selling prices for premium tissue products.

ANALYSIS OF OPERATING PROFIT AS A PERCENTAGE OF NET SALES

	1995	1994	1993
Net sales	100.0%	100.0%	100.0%
Less:			
Cost of products sold	64.0	65.1	64.7
Marketing expense	18.1	17.9	19.0
Research expense	1.5	1.7	1.8
General expense	4.4	4.6	4.9
1995 and 1993 charges	10.5	-	3.3
Operating profit	1.5%	10.7%	6.3%

. Excluding the 1995 one-time charge and the 1993 restructuring charge, operating profit margins have improved during each of the last two years.

- As discussed previously, the 1995 improvement in operating profit margin was principally attributable to the higher selling prices, which more than offset the industry-wide increase in fiber costs, and to the savings from the acceleration of the 1993 restructuring plan. Offsetting some of the 1995 improvements were higher marketing expenses for the support of Viva Ultra towels and Cottonelle bathroom tissue in the U.S. and Huggies disposable diapers in Europe.

- The improvement in operating profit margin in 1994 was primarily the result of the benefits of cost reductions associated with the 1993 restructuring, partial offset by a decline in operating margin in the Kimberly-Clark businesses. The decline in operating profit margin in the Kimberly-Clark businesses was attributable to lower selling prices, higher labor and fiber costs, and lower sales volumes for training pants in North America, which more than offset higher sales volumes for most other products, improved manufacturing efficiencies and lower marketing costs. Other factors affecting operating profit margins for the last three years were:
  - weak markets in Europe for tissue products,
  - higher product improvement and start-up costs in 1994 and 1993,
  - lower net price realizations for newsprint in 1994 and 1993,
  - poor results for Kimberly-Clark's bathroom tissue businesses in North America and Europe in 1994 and 1993, and
  - marketing expenses to support the introduction of diapers and training pants in Europe.

CHANGES IN NET SALES AND EARNINGS VERSUS THE PRECEDING YEAR

	1995		1994	
	Reported	Excluding 1995 One-Time Charge	Reported	Excluding 1993 Restructuring Charge

Net sales	+ 15.1%	+15.1%	+ 2.9%	+ 2.9%
Gross profit	+ 18.5	+18.5	+ 1.9	+ 1.9
Operating profit	- 83.3	+29.4	+ 73.9	+14.7
Income from continuing operations	- 95.7	+44.0	+ 166.9	+34.4
Income per share from continuing operations	- 95.7	+43.1	+ 168.0	+34.6

The comparison of 1995's results to those of 1994 has previously been discussed. Highlights of 1994's results compared to those of 1993 are as follows:

- The net sales increase in 1994 was due to the Kimberly-Clark portion of consolidated operations. Kimberly-Clark's 1994 sales increase resulted from an overall improvement in sales volumes of 6.9 percent, which more than offset the effect of lower selling prices.
- Gross profit grew marginally in 1994 as a result of (i) the lower selling prices, (ii) higher labor and fiber costs as well as lower sales volumes for training pants in North America (all of which tempered the benefits of higher sales volumes for most other Kimberly-Clark products), (iii) improved manufacturing efficiencies and (iv) a portion of the benefits of the cost savings from the 1993 restructuring.
- Excluding the 1993 restructuring charge, operating profit grew 14.7 percent, principally as a result of lower marketing expenses and the benefits of the balance of the cost savings from the 1993 restructuring.
- Other income (expense) improved dramatically in 1994 primarily because of $99.2 million in gains on the sales of Scott's Mobile, Alabama energy complex and the Scott Health Care assets. Also contributing to the improvement were net gains on the sale of woodlands.
- The Corporation's share of net income of equity companies improved from 1993, and was affected by the following:
  - Cristobal recorded a restructuring charge in 1993 which resulted in a net loss, of which the Corporation's share was $36.2 million.
  - K-C de Mexico recorded a loss from the 1994 devaluation of the Mexican peso due to the remeasurement of such affiliate's net exposure of U.S. dollar-denominated liabilities, of which the Corporation's share was $39.2 million. Excluding the peso loss, the Corporation's share of the affiliate's net income improved nearly 18 percent.
  - Equity accounting was readopted for Carlton which improved the Corporation's share of net income of equity companies.
- Income from continuing operations was affected by an abnormally high income tax rate in 1993 as a result of the income tax benefits attributable to the 1993 restructuring charge. The effective income tax rate on such charge was 25.3 percent.

CONTINGENCIES

As more fully described in Note 14 to the Financial Statements, Scott is a defendant in numerous actions in state and federal courts seeking damages relating to breast implants allegedly covered by polyurethane foam manufactured by the subsidiary's former Foam Division, which was sold in 1983. The Corporation believes that only a small percentage of breast implants were covered by polyurethane foam manufactured by Scott's Foam Division prior to its sale. The Corporation believes that it has meritorious defenses against these claims and that the final results of such claims, while they cannot be predicted with certainty, will not have a material adverse effect on the Corporation's business or results of operations.

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

ENVIRONMENTAL MATTERS

The Corporation is subject to federal, state and local environmental protection laws and regulations with respect to its business operations and is operating in compliance with, or taking action aimed at ensuring compliance with, such laws and regulations. Compliance with these laws and regulations is not expected to materially affect the Corporation's business or results of operations. The Corporation has been named as a potentially responsible party at a number of waste disposal sites, none of which individually, or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business or results of operations. Additional information concerning environmental matters is disclosed in the Corporation's annual report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 1995 under the `Business'' and ``Legal Proceedings'' sections. See page 65 of this report on how to obtain a copy of the Form 10-K.

FOREIGN CURRENCY RISKS, HEDGING ACTIVITIES AND INFLATION RISKS

The Corporation's foreign currency risks and hedging activities are discussed in Notes 7 and 8 to the Financial Statements. As previously discussed, the fluctuations in the value of the Mexican peso have resulted in foreign currency losses at K-C de Mexico in both 1995 and 1994. Historically, K-C de Mexico has been able to increase both selling prices and sales volumes to recover, over time, the effect of changes in currency exchange rates, as well as cost increases. In 1995, K-C de Mexico's earnings were unchanged from 1994, but were down from 1993, due to the continued erosion in the value of the peso, which reduced earnings. Management believes that this peso foreign currency risk will remain in the foreseeable future.

The Corporation's inflation risks are managed on an entity-by-entity basis through selective price increases, productivity increases and cost-containment measures. The net assets of subsidiaries and affiliates operating in hyperinflationary countries are not significant.

OUTLOOK - 1996

The Corporation expects 1996 to be an excellent year, although one that is difficult to forecast. At this point, management can state that the merger will be additive to earnings per share in 1996 and that securities analysts' consensus estimate of $4.94 per share as of December 1995, is a realistic number given what the Corporation currently knows.

For 1996, the Corporation forecasts an effective tax rate of approximately 36 percent.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Certain sections of this report contain forward-looking statements. Such sections include, without limitation, discussions concerning the outlook of the Corporation, the 1995 one-time charge, the 1993 restructuring charge and the contingencies of the Corporation. Forward-looking statements are made based upon management's expectations and beliefs concerning future events impacting the Corporation. There can be no assurances that such events will occur or that the results of the Corporation will be as estimated.

The assumptions used as a basis for the forward-looking statements contained in this report include many estimates, which, among other things, depend on the integration of the operations of Scott with those of the Corporation. Events affecting such integration that could adversely affect future results of the Corporation include, but are not limited to, the terms on which the Corporation disposes of certain mills and facilities and the cost savings achieved from the consolidation of operational and administrative functions. Many factors outside the control of the Corporation also could impact the realization of such estimates.

SELECTED FINANCIAL DATA
Kimberly-Clark Corporation and Subsidiaries

(Millions of dollars except per share amounts)	Year Ended December 31 1995	1994	1993	1992	1991
INCOME STATEMENT DATA					
Net sales	$13,788.6	$11,979.2	$11,646.8	$12,024.2	$11,627.9
Gross profit	4,960.5	4,185.5	4,106.7	4,344.9	4,130.1

Restructuring and other unusual charges	1,440.0	-	378.9	250.0	267.6
Operating profit	213.0	1,277.1	734.5	883.8	803.8
Share of net income of equity companies	113.3	110.5	76.1	90.0	97.6
Income from continuing operations before extraordinary loss and cumulative effects of accounting changes	33.2	766.5	287.2	492.0	475.4
Net income	33.2	753.8	231.0	150.1	435.2
PER SHARE BASIS					
Income from continuing operations before extraordinary loss and effects of accounting changes	$ .12	$ 2.76	$ 1.03	$ 1.77	$ 1.72
Net income	.12	2.71	.83	.54	1.58
Cash dividends paid	1.79	1.75	1.70	1.64	1.45
Book value	13.00	14.87	13.79	14.48	16.15
Market value	82.75	50.38	51.88	59.00	50.69
CASH FLOW AND BALANCE SHEET DATA					
Capital spending	$ 817.6	$ 857.3	$ 1,107.5	$ 1,040.4	$ 871.2
Depreciation	581.7	635.9	596.1	578.8	619.3
Cash provided by operations	931.6	913.7	1,090.3	1,195.6	1,314.1
Long-term debt	1,984.7	2,085.4	3,403.0	3,140.1	3,329.8
Stockholders' equity	3,650.4	4,134.9	3,810.7	3,996.7	4,444.0
Total assets	11,439.2	12,555.7	13,210.4	12,559.4	12,467.0

NOTES:

All financial information, except cash dividends paid per share, has been restated to include the results of Scott Paper Company for all periods presented prior to the merger on December 12, 1995. Cash dividends paid per share represent the historical dividends paid by Kimberly-Clark. The merger has been accounted for as a pooling of interests as described in Note 2 to the Financial Statements.

Restructuring and other unusual charges for 1995 and 1993 are described in Note 3 to the Financial Statements. The 1992 restructuring charge related to a plan to strengthen the Corporation's competitive position in consumer and service products operations in Europe and certain operations in North America. The 1991 charge relates to Scott's business improvement program. Excluding the restructuring and other unusual charges, income from continuing operations per share was $3.95 in 1995, $2.05 in 1993, $2.39 in 1992 and $2.30 in 1991.

The 1992 consolidated income statement includes net charges for the cumulative effects of accounting changes related to the Corporation's adoption of SFAS 106, `Employers' Accounting for Postretirement Benefits Other Than Pensions'' and SFAS 109, `Accounting for Income Taxes''.

In 1994, the sale of S.D. Warren Company, a former printing and publishing papers subsidiary, was completed as described in Note 13 to the Financial Statements. S. D. Warren Company's results have been segregated and reported as discontinued operations for all periods presented.

The 1994 and 1993 consolidated income statements include extraordinary losses for early extinguishment of debt as described in Note 6 to the Financial Statements.

CONSOLIDATED INCOME STATEMENT
Kimberly-Clark Corporation and Subsidiaries

(Millions of dollars except per share amounts)	Year Ended December 31 1995	1994 Note 2	1993
NET SALES	$13,788.6	$ 11,979.2	$11,646.8
Cost of products sold	8,828.1	7,793.7	7,540.1

GROSS PROFIT	4,960.5	4,185.5	4,106.7
Advertising, promotion and selling expenses	2,496.5	2,144.0	2,211.3
Research expense	207.2	208.8	208.7
General expense	603.8	555.6	573.3
Restructuring and other unusual charges	1,440.0	-	378.9
OPERATING PROFIT	213.0	1,277.1	734.5
Interest expense	(245.5)	(270.5)	(249.5)
Other income (expense), net	136.9	141.3	7.4
INCOME BEFORE INCOME TAXES	104.4	1,147.9	492.4
Provision for income taxes	153.5	464.9	255.0
INCOME (LOSS) BEFORE EQUITY INTERESTS	(49.1)	683.0	237.4
Share of net income of equity companies	113.3	110.5	76.1
Minority owners' share of subsidiaries' net income	(31.0)	(27.0)	(26.3)
INCOME FROM CONTINUING OPERATIONS BEFORE EXTRAORDINARY LOSS	33.2	766.5	287.2
Income (loss) of discontinued operation, net of income taxes	-	48.4	(46.6)
INCOME BEFORE EXTRAORDINARY LOSS	33.2	814.9	240.6
Extraordinary loss, net of income taxes	-	(61.1)	(9.6)
NET INCOME	$ 33.2	$ 753.8	$ 231.0
PER SHARE BASIS			
Income from continuing operations before extraordinary loss	$ .12	$ 2.76	$ 1.03
Income (loss) from discontinued operation	-	.17	(.17)
Extraordinary loss	-	(.22)	(.03)
NET INCOME	$ .12	$ 2.71	$ .83

CONSOLIDATED BALANCE SHEET
Kimberly-Clark Corporation and Subsidiaries

(Millions of Dollars) ASSETS	December 31 1995	1994 Note 2
CURRENT ASSETS		
Cash and cash equivalents	$ 221.6	$ 1,137.8
Accounts receivable	1,678.0	1,468.1
Inventories	1,426.1	1,258.4
Deferred income tax benefits	335.3	254.4
Prepaid expenses and other	152.8	99.0
TOTAL CURRENT ASSETS	3,813.8	4,217.7

PROPERTY		
Land and timberlands	289.1	283.8
Buildings	1,728.6	1,743.5
Machinery and equipment	8,601.1	9,130.1
Construction in progress	301.1	441.8
	10,919.9	11,599.2
Less accumulated depreciation	4,866.6	4,724.4
NET PROPERTY	6,053.3	6,874.8
INVESTMENTS IN EQUITY COMPANIES	413.4	555.3
ASSETS HELD FOR SALE	330.2	-
GOODWILL, DEFERRED CHARGES AND OTHER ASSETS	828.5	907.9
	$ 11,439.2	$ 12,555.7

See Notes to Financial Statements.

	December 31	
	1995	1994
LIABILITIES AND STOCKHOLDERS' EQUITY		Note 2
CURRENT LIABILITIES		
Debt payable within one year	$ 817.8	$ 1,567.5
Trade accounts payable	888.3	785.8
Other payables	215.3	201.5
Accrued expenses	1,555.3	1,147.8
Accrued income taxes	320.7	417.0
Dividends payable	72.2	70.5
TOTAL CURRENT LIABILITIES	3,869.6	4,190.1
LONG-TERM DEBT	1,984.7	2,085.4
NONCURRENT EMPLOYEE BENEFIT AND OTHER OBLIGATIONS	974.9	1,044.7
DEFERRED INCOME TAXES	723.1	932.1
MINORITY OWNERS' INTERESTS IN SUBSIDIARIES	236.5	168.5
STOCKHOLDERS' EQUITY		
Preferred stock - no par value - authorized 20.0 million shares, none issued	-	-
Preferred stock of a subsidiary, redeemed in 1995	-	7.1

Common stock - $1.25 par value - authorized 600.0 million shares, issued 282.3 million at December 31, 1995; authorized 300.0 million shares, issued 280.5 million at December 31, 1994	352.9	350.7
Additional paid-in capital	419.0	384.8
Common stock held in treasury, at cost - 1.5 million and 2.4 million shares at December 31, 1995 and 1994, respectively	(74.9)	(88.0)
Unrealized currency translation adjustments	(640.5)	(565.0)
Retained earnings	3,593.9	4,045.3
TOTAL STOCKHOLDERS' EQUITY	3,650.4	4,134.9
	$ 11,439.2	$ 12,555.7

CONSOLIDATED CASH FLOW STATEMENT
Kimberly-Clark Corporation and Subsidiaries

	Year Ended December 31		
	1995	1994	1993
(Millions of dollars)		Note 2	
OPERATIONS			
Net income	$ 33.2	$ 753.8	$ 231.0
Restructuring and other unusual charges, net of cash expended	1,353.8	-	378.9
Depreciation	581.7	635.9	596.1
Extraordinary loss on early extinguishment of debt (net of income taxes)	-	61.1	9.6
Deferred income tax benefit	(330.0)	(78.6)	(57.8)
Gains on asset sales	(118.5)	(107.9)	-
Equity companies' earnings in excess of dividends paid	(57.6)	(60.5)	(20.5)
Minority owners' share of subsidiaries' net income	31.0	27.0	26.3
Changes in operating working capital	(527.9)	(215.9)	(61.2)
Pension funding in excess of expense	(89.0)	(101.0)	(43.9)
Other	54.9	(.2)	31.8
CASH PROVIDED BY OPERATIONS	931.6	913.7	1,090.3
INVESTING			
Capital spending	(817.6)	(857.3)	(1,107.5)
Acquisitions of businesses	(76.1)	(118.0)	-
Proceeds from disposition of property and businesses	336.1	1,936.4	33.8
Other	3.8	(2.4)	(125.5)
CASH PROVIDED BY (USED FOR) INVESTING	(553.8)	958.7	(1,199.2)
FINANCING			
Cash dividends paid	(348.2)	(341.8)	(332.9)
Changes in debt payable within one year	(25.2)	(111.9)	250.2
Increases in long-term debt	80.7	226.6	439.2
Decreases in long-term debt	(944.0)	(586.7)	(244.7)
Premiums paid on early extinguishment of debt and interest rate swaps	-	(59.3)	-
Proceeds from exercise of stock options	121.4	53.4	7.1
Acquisition of common stock for the treasury	(137.8)	(52.2)	(.8)
Other	(40.9)	(31.1)	(23.6)
CASH PROVIDED BY (USED FOR) FINANCING	(1,294.0)	(903.0)	94.5

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (916.2)	$ 969.4	$ (14.4)

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

All financial information includes the results of Scott Paper Company (`Scott'') for all periods presented prior to the merger on December 12, 1995 (see Note 2). The merger has been accounted for as a pooling of interests. Scott's fiscal year is a 52- or 53-week year ending on the last Saturday in December. Certain of Scott's international subsidiaries have a fiscal year based on the twelve months ending November 30.

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

ADVERTISING AND PROMOTION EXPENSES

Advertising and promotion expenses are charged to income during the year in which they are incurred.

PER SHARE DATA

Per share data are based on the average number of common shares outstanding, which was
279.5 million, 278.2 million and 277.1 million for the years ended December 31, 1995, 1994 and 1993, respectively.

INVENTORIES

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

PROPERTY AND DEPRECIATION

Property, plant and equipment are stated at cost. Depreciable property is depreciated on the straight-line or units-of-production method for financial reporting purposes and generally on an accelerated method for income tax purposes. When property is sold or retired, the cost of the property and the related accumulated depreciation are removed from the balance sheet and any gain or loss on the transaction is included in income.

GOODWILL, DEFERRED CHARGES AND OTHER ASSETS

Goodwill is amortized over various periods not exceeding 40 years. The realizability of goodwill is evaluated periodically to assess recoverability and, if warranted, impairment would be recognized.

Costs of bringing certain significant new or expanded facilities into operation are recorded as deferred charges and amortized to income over periods of not more than five years.

ENVIRONMENTAL EXPENDITURES

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

ACCOUNTING STANDARDS CHANGE

In 1995, the Corporation adopted Statement of Financial Accounting Standards (`SFAS'') 121, ``Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of''(``SFAS 121''). This standard specifies when assets should be reviewed for impairment, how to determine if an asset is impaired, how to measure an impairment loss, and what disclosures are necessary in the financial statements. See Note 3 for the effect of adoption.

The Corporation intends to adopt SFAS 123, `Accounting for Stock-Based Compensation''effective January 1, 1996, and to continue to measure compensation cost for stock options and awards based on intrinsic value under Accounting Principles Board Opinion 25, `Accounting for Stock Issued to Employees.''

NOTE 2. BUSINESS COMBINATION

Effective December 12, 1995, the Corporation issued 119.7 million shares of its common stock for all of the outstanding common stock of Scott, a worldwide producer of sanitary tissue products. Scott shareholders received .78 of a share of the Corporation's common stock for each share of Scott's common stock, for a total value of $9.4 billion. All Scott outstanding preferred shares were redeemed for cash prior to the merger. The merger qualified as a tax-free reorganization and has been accounted for as a pooling of interests. Accordingly, the Corporation's consolidated financial statements have been restated for all periods prior to the business combination to include the results of operations, financial positions, and cash flows of Scott. Net sales and earnings data for Kimberly-Clark and subsidiaries and Scott and subsidiaries prior to the merger are displayed in the following table. Since the merger was effective on December 12, 1995, the table reflects the net sales and earnings data for the entire year of 1995. Operations from December 12, 1995 to year-end would not have a material impact on the data presented.

(Millions of dollars, except per share amounts)	1995	1994	1993
Net sales:			
Kimberly-Clark	$ 8,494.6	$ 7,399.6	$ 7,005.5
Scott	4,131.6	3,581.1	3,584.9
Reclassifications/adjustments	1,162.4	998.5	1,056.4
Total	$ 13,788.6	$ 11,979.2	$ 11,646.8
Income before extraordinary items:			
Kimberly-Clark	$ 627.2	$ 535.1	$ 510.9
Scott	472.2	270.9	(289.1)
Reclassifications/adjustments	4.7	8.9	18.8
Restructuring and other unusual charge, net of income taxes and minority interests	(1,070.9)	-	-
Total	$ 33.2	$ 814.9	$ 240.6

Net income:

	1995	1994	1993
Kimberly-Clark	$ 627.2	$ 535.1	$ 510.9
Scott	472.2	209.8	(277.0)
Reclassifications/adjustments	4.7	8.9	(2.9)
Restructuring and other unusual charge, net of income taxes and minority interests	(1,070.9)	-	-
Total	$ 33.2	$ 753.8	$ 231.0
Per share basis:			
Income before extraordinary items	$ .12	$ 2.93	$ .86
Net income	.12	2.71	.83

The consolidated financial information presented above reflects accounting adjustments and reclassifications to conform the accounting practices of Scott to those of Kimberly-Clark. Adjustments are (1) to conform the date of adoption of SFAS 109, `Accounting for Income Taxes;'' (2) to conform the method of adoption of SFAS 106, `Employers' Accounting for Postretirement Benefits Other than Pensions;''(3) to conform Scott's treatment of disposals of property, plant and equipment to Kimberly-Clark's accounting practices; and (4) to conform Scott's accounting treatment for (i) amortization of start-up costs, (ii) the cost of dispensers issued to customers, (iii) the timing of cost recognition for certain promotional expenses, and (iv) certain income tax practices.

In addition, certain reclassifications have been made to conform prior year data for Scott to Kimberly-Clark's presentation. The reclassification to net sales includes certain trade promotion costs Scott included as a reduction in net sales which Kimberly-Clark classifies as advertising, promotion and selling expenses. Gains or losses on dispositions of Scott property were reclassified to other income (expense).

The following table indicates the effect of the conforming accounting adjustments on consolidated net income and stockholders' equity:

(Millions of dollars)	1995	1994	1993	1992 and Prior Equity Impact
Increase (decrease) in net income or equity:				
SFAS 106	$ 4.7	$51.3	$ 25.6	$ (166.7)
SFAS 109	-	-	(21.7)	21.7
Income tax accounting	-	(42.4)	(6.8)	(24.1)
Other conforming adjustments	-	-	-	(50.2)
Total	$ 4.7	$ 8.9	$ (2.9)	$ (219.3)

A cumulative effect of conforming accounting practices of $223.5 million has been charged to retained earnings and $4.2 million has been credited to unrealized currency translation adjustments as of or prior to December 31, 1992.

NOTE 3. RESTRUCTURING AND OTHER UNUSUAL CHARGES

In the fourth quarter of 1995, the Corporation recorded a one time-pretax charge of $1,440.0 million ($1,070.9 million after income taxes and minority interests, or $3.83 per share) for the estimated costs of the merger with Scott, for restructuring the combined operations, and for other unusual charges. The charge includes: (i) the costs of plant rationalizations and employee terminations to eliminate duplicate facilities and excess capacity; (ii) losses in connection with compliance with consent decrees of the U.S. Justice Department and the European Commission; (iii) costs of terminating leases, contracts, and other long-term agreements; (iv) the direct costs of the merger, including the fees of investment bankers, outside legal counsel and independent auditors; (v) impaired asset charges; and (vi) other unusual charges.

In 1993, Scott recorded a charge for its planned restructuring and productivity improvement programs. The plan included the estimated costs to reduce its workforce as well as the costs to realign and shut down some older and inefficient assets. The total pretax cost of the charge was $467.4 million; $378.9 million of the cost was charged to operating profit, and $88.5 million applicable to S.D. Warren Company (`S.D. Warren'') was included in the results of operations of S.D. Warren presented as a discontinued operation.

The restructuring and other unusual charges consisted of the following:

	Year Ended December 31	
(Millions of dollars)	1995	1993
Restructuring charges:		
Cost of workforce reduction	$ 127.8	$ 285.9
Losses on mills and facilities to be disposed of	211.8	-
Write-down of property, plant and equipment	169.7	49.0
Costs of contract and lease terminations	76.4	-
Other	40.6	44.0
Total restructuring charges	626.3	378.9
Other unusual charges:		
Fees and expenses of the Scott merger	80.7	-
Write-down of property, plant and equipment and other assets	279.4	-
Asset impairments	158.3	-
Costs of contract and lease terminations	66.1	-
Employee severance and related costs	92.4	-
Losses on disposals required by regulatory bodies	81.8	-
Other	55.0	-
Total other unusual charges	813.7	-
Total restructuring and other unusual charges	$ 1,440.0	$ 378.9

The principal costs included in the 1995 restructuring charge are as follows:

The costs for workforce reduction are primarily comprised of severance payments for 2,700 duplicate staff and sales positions. Communication of these planned workforce reductions took place no later than December 31, 1995, and severance payments are expected to be substantially completed by the end of 1996.

Losses on mills and facilities to be disposed of include the write-down to estimated net realizable value of nine mills in Europe and Canada and a research facility in the U.S. Sale or closure of these facilities is required to eliminate excess capacity and inefficient operations in the combined company.

The write-down of property, plant and equipment represents the net book value of less efficient and duplicate machinery and equipment not needed in the combined restructured manufacturing operations. About 60 percent of these assets relate to the Tissue-Based Products business segment.

The costs of contract and lease terminations are comprised primarily of the estimated costs of terminating long-term leases for Scott's Wilmington, Delaware and Boca Raton, Florida office facilities and terminating sales distributor contracts.

The principal costs comprising the 1995 other unusual charges are as follows:

Fees and expenses represent the costs of investment bankers that advised Scott and Kimberly-Clark on the merger, independent legal counsel engaged in the merger and independent auditors for work on the joint proxy statement/prospectus and due diligence work concerning the merger.

The write-down of property, plant and equipment and other assets represents principally losses associated with elimination of inefficient and excess tissue-making capacity at a Scott facility in Canada, the write-down of certain assets at Scott facilities which do not meet Kimberly-Clark's environmental standards, assets that become obsolete as a result of the merger, or which will no longer be used, and additional allowances related to Scott accounts receivable to facilitate an orderly and satisfactory transfer of customer relationships to Kimberly-Clark. About 70 percent of the assets relate to the Tissue-Based Products business segment.

Asset impairments represent charges arising from adoption of SFAS 121. The impaired asset charges are for mills or operations whose future cash flows are estimated to be insufficient to cover their carrying amounts. The two most significant items included in the impairment write-down are a Scott tissue mill in the U.S. and the Scott pulp mill in Spain. One of these facilities has been written down to its estimated fair value, based on the Corporation's assessment of expected pretax future cash flows discounted at a rate commensurate with the risk involved. The other mill has negative estimated future cash flows (undiscounted), and consequently the entire cost of the mill was written off.

Contract and lease terminations primarily represent the cost of terminating an operating lease for a deinking facility related to the Scott tissue mill referred to above and a provision for estimated losses on disputed items on the 1994 sale of a Scott business.

Employee severance and related costs are comprised primarily of the estimated costs of downsizing operations. Commitments regarding the downsizing had been made by the Corporation no later than December 31, 1995.

Losses on disposals required by regulatory bodies represent the estimated costs associated with compliance with consent decrees of the U.S. Justice Department and the European Commission. These agreements require the sale of the Scott Baby Fresh baby wipes and Scotties facial tissue operations in the U.S. and the Kleenex Velvet bathroom tissue business in the United Kingdom and Ireland. Under the agreements, Scott's baby wipes mill in Dover, Delaware and Kimberly-Clark' s bathroom tissue mill in Prudhoe, England must be sold, as well as up to two of four other tissue mills located in the U.S. The terms of the sale of the latter group of mills will permit the buyer(s) to select the mills they wish to buy. Depending on the choices made by the buyer(s), other changes to the size and manner of operation of the retained tissue mills may be required. The estimated loss represents management's current estimate of the most likely choices to be made by the buyer(s), the estimated sales values of the mills, and the related implications on the retained tissue mills. Management expects to sell both the Dover and Prudhoe mills at gains, and such gains will not be recognized until realized.

The calculation of estimated net realizable value of (i) mills to be disposed of in accordance with consent decrees of the U.S. Justice Department and the European Commission, (ii) mills to be disposed of to eliminate inefficient operations or duplicate facilities, and (iii) other property, plant and equipment required management to make estimates of proceeds from the sale of such assets. Selling price estimates in excess of the book value of a particular facility or group of facilities, as appropriate, were not assumed in the calculation of net realizable values. Selling price estimates were based on reviews of selling prices of comparable mills or facilities and on consideration of the time horizon required to complete the transaction. In situations involving proprietary technology or custom machinery and equipment or where only a portion of an ongoing facility is to be disposed of, no sales proceeds were assumed. If realized sales proceeds fall short or exceed management's estimates, the losses accrued with respect to these asset disposals will require adjustment in the period of the change.

The restructuring and other unusual charge accruals were $610.7 million and $108.6 million at December 31, 1995 and 1994, respectively. The 1995 accrual relates primarily to severance cost of $220.2 million, contract termination costs of $142.5 million and other costs of $248.0 million. These costs are expected to be paid by the end of 1996.

The balance of the 1995 restructuring and other unusual charge is contained in assets held for sale, property, plant and equipment and goodwill, deferred charges and other assets on the consolidated balance sheet.

More than 75 percent of the 1994 accrual related to costs of workforce reductions. During 1995, all but $13.4 million of the remaining severance was paid. The balance of the 1994 accrual was used in 1995 as property and other assets were disposed of.

NOTE 4. INCOME TAXES

An analysis of the provision (benefit) for income taxes follows:

(Millions of dollars)	Year Ended December 31 1995	1994	1993
Current income taxes:			
United States	$280.3	$429.0	$184.0
State	43.7	44.6	44.3
Other countries	159.5	62.6	68.0
Total	483.5	536.2	296.3
Deferred income taxes:			
United States	(133.2)	(74.2)	(39.3)
State	(48.2)	(6.6)	2.8
Other countries	(148.6)	2.2	(21.3)
Total	(330.0)	(78.6)	(57.8)
Total provision for income taxes	153.5	457.6	238.5
Less income taxes related to:			
Discontinued operation	-	28.5	(11.3)
Extraordinary loss	-	(35.8)	(5.2)
Total provision for income taxes - continuing operations	$153.5	$464.9	$255.0

Income (loss) before income taxes is included in the financial statements as follows:

(Millions of dollars)	1995	1994	1993
Continuing Operations:			
United States	$ 42.5	$ 976.0	$ 477.2
Other countries	61.9	171.9	15.2
	$ 104.4	$ 1,147.9	$ 492.4
Discontinued Operation:			
United States	$ -	$ 71.6	$ (53.7)
Other countries	-	5.3	(4.2)
	$ -	$ 76.9	$ (57.9)

Extraordinary Loss - United States	$ -	$ (96.9)	$ (14.8)

Deferred income tax assets (liabilities) as of December 31, 1995 and 1994 are comprised of the following:

(Millions of dollars)	1995	1994
Current deferred income tax assets attributable to:		
Advertising and promotion accruals	$ 32.8	$ 31.1
Pension, postretirement and other employee benefits	64.9	92.2
Other accrued liabilities, including restructuring and other unusual charges	250.0	105.0
Other	39.3	48.0
Valuation allowances	(51.7)	(21.9)
Net current deferred income tax asset	$ 335.3	$ 254.4
Noncurrent deferred income tax assets (liabilities) attributable to:		
Accumulated depreciation	$ (950.2)	$ (1,181.3)
Operating loss carryforwards	289.6	337.6
Other postretirement benefits	298.0	285.7
Installment sales	(137.9)	(137.9)
Other	(13.6)	(31.5)
Valuation allowances	(209.0)	(204.7)
Net noncurrent deferred income tax liability	$ (723.1)	$ (932.1)

The valuation allowances for deferred income tax assets increased by $34.1 million in 1995 and by $18.3 million in 1994. Valuation allowances relate to the potentially unusable portion of tax loss carryforwards of $824.1 million which are in jurisdictions outside the United States. If not utilized against taxable income, $353.6 million of this amount will expire from 1996 through 2000. The remaining $470.5 million has no expiration date.

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

A reconciliation of income tax computed at the U.S. federal statutory tax rate to the provision for income taxes applicable to continuing operations is as follows:

	1995		1994		1993	
(Millions of dollars)	Amount	Percent	Amount	Percent	Amount	Percent
Income before income taxes:						
As reported	$ 104.4		$ 1,147.9		$ 492.4	
Add back restructuring and other unusual charges	1,440.0		-		378.9	
Income before income taxes excluding restructuring and other unusual charges	$ 1,544.4		$ 1,147.9		$ 871.3	
Tax at U.S. statutory rate(a)	$ 540.5	35.0%	$ 401.8	35.0%	$ 305.0	35.0%

State income taxes, net of federal tax benefit	34.2	2.2	28.2	2.5	26.8	3.1
Operating losses for which no tax benefit was recognized	10.9	.7	53.6	4.7	44.7	5.1
Net operating losses realized	(70.6)	(4.6)	(21.7)	(1.9)	(4.0)	(.5)
U.S. federal income tax rate increase	-	-	-	-	19.3	2.2
Increase in income tax liabilities for Scott	-	-	42.4	3.7	6.8	.8
Other - net	(1.5)	(.1)	(39.4)	(3.5)	(47.9)	(5.4)
	513.5	33.2%	464.9	40.5%	350.7	40.3%
Tax benefit of restructuring and other unusual charges(b)	(360.0)	25.0%	-		(95.7)	25.3%
Provision for income taxes	$ 153.5	147.0%	$ 464.9	40.5%	$ 255.0	51.8%

(a) Tax at U.S. statutory rate is based on income before income taxes excluding the restructuring and other unusual charges of $1,440 million in 1995 and $378.9 million in 1993. The tax benefit of such items is shown elsewhere in the table.

(b) The effective rate for the tax benefit attributable to the restructuring and other unusual charges in 1995 and 1993 is lower than the statutory rate of 35.0 percent because certain costs and fees are not deductible and others relate to operations in countries in which the Corporation has income tax loss carryforwards for which there are related valuation allowances.

At December 31, 1995, income taxes have not been provided on $1,630 million of permanently invested unremitted net income of subsidiaries operating outside the U.S. These earnings could become subject to additional tax if they were remitted as dividends, were lent to the Corporation or a U.S. affiliate, or if the Corporation were to sell its stock in the subsidiaries. Any resulting U.S. or foreign tax liability would be largely offset by U.S. foreign tax credits.

NOTE 5. POSTRETIREMENT AND OTHER BENEFITS

DEFINED-BENEFIT RETIREMENT PLANS

The Corporation and its subsidiaries in North America and the United Kingdom have defined-benefit retirement plans covering substantially all full-time employees. Plans covering U.S. salaried employees provide pension benefits based on years of service (only through December 31, 1994 for certain employees participating in the defined contribution retirement plan discussed later in this note) and compensation during the final years of employment. Plans covering U.S. hourly employees provide benefits of stated amounts for each year of service or benefits based on years of service and compensation during the final years of employment. For plans in North America and the United Kingdom, the funding policy is to contribute assets that, at a minimum, fully fund the accumulated benefit obligation, subject to regulatory and tax deductibility limits. The policy for the remaining plans is to fund them based on legal requirements, tax considerations, local practices and investment opportunities. Assets held in the pension trusts are comprised principally of common stocks, high-grade corporate and government bonds, real estate funds and various short-term investments.

Most other subsidiaries outside the U.S. have pension plans or, in certain countries, termination pay plans covering substantially all full-time employees. Obligations under such plans are provided for by contributing to trusts, purchasing insurance policies, or recording liabilities.

The components of net pension cost were as follows:

Year Ended December 31

(Millions of dollars)	1995	1994	1993
....			
Benefits earned	$ 78.0	$ 103.7	$ 92.3
Interest on projected benefit obligation	249.8	225.8	223.5
Amortizations and other	4.0	12.7	7.6
	331.8	342.2	323.4
Less expected return on plan assets (actual return on plan assets was a $521.7 million gain in 1995, a $3.4 million loss in 1994, and a $400.9 million gain in 1993)	276.1	258.7	243.4
Net pension cost	$ 55.7	$ 83.5	$ 80.0

The weighted average assumptions used to determine net pension costs were as follows:

	1995	1994	1993
Expected long-term rate of return on plan assets	10.2%	9.8%	10.3%
Discount rate	8.7%	7.4%	8.5%
Assumed rate of increase in compensation levels	5.4%	4.3%	5.2%

Transition adjustments are being amortized on the straight-line method over 14 to 21 years. Prior service cost is being amortized on a straight-line basis over the participant's average remaining service period for plans with compensation-related benefit formulas and over seven years for certain other plans.

The funded status of the plans is presented below as of December 31:

	1995 Plans Where		1994 Plans Where	
(Millions of dollars)	Assets Exceed ABO	ABO Exceeds Assets	Assets Exceed ABO	ABO Exceeds Assets
Actuarial present value of plan benefits:				
Accumulated benefit obligation (ABO):				
Vested	$1,638.5	$1,289.8	$1,412.0	$1,152.5
Nonvested	36.9	40.1	28.2	46.4
Total	$1,675.4	$1,329.9	$1,440.2	$1,198.9
Projected benefit obligation	$1,974.0	$1,398.9	$1,755.2	$1,281.5
Plan assets at fair value	1,832.6	1,193.5	1,601.3	1,000.7
Projected benefit obligation in excess of plan assets	$ (141.4)	$ (205.4)	$ (153.9)	$ (280.8)
Consisting of:				
Unfavorable actuarial experience	$ (261.5)	$ (94.2)	$ (260.7)	$ (90.3)
Unamortized transition adjustments	4.0	21.9	5.2	28.1
Unamortized prior service costs	(20.7)	(19.3)	(21.5)	(22.5)
Net prepaid (accrued) pension costs	136.8	(175.1)	123.1	(240.2)
Adjustment for minimum liability	-	61.3	-	44.1
Total	$ (141.4)	$ (205.4)	$ (153.9)	$ (280.8)

The weighted average assumptions used to determine the projected benefit obligation were as follows:

	December 31	
	1995	1994
Discount rate(a)	7.5%	8.7%
Assumed rate of increase in compensation	4.4%	5.4%

(a) Weighted average discount rates for U.S. plans were 7.25% and 8.64% at December 31, 1995 and 1994, respectively.

The Corporation's 1995 and 1993 restructuring and other unusual charges described in Note 3 included $18.1 million and $109.7 million, respectively, of costs for enhanced termination pension benefits and curtailment losses. The above pension cost associated with the 1995 and 1993 charges increased the Corporation's accrued pension cost.

DEFINED CONTRIBUTION RETIREMENT PLANS

Effective January 1, 1995, certain U.S. salaried employees were covered by a defined contribution retirement plan. The Corporation's contributions to the plan are based on age and compensation. The total 1995 contribution charged to expense was $9.7 million.

POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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

The Scott accounting for health care and life insurance benefits plans has been restated to conform to Kimberly-Clark's accounting practice by adopting SFAS 106 in 1992 and recognizing the transition obligation as a cumulative effect of adopting SFAS 106. Previously, Scott was amortizing the transition obligation over 16 years.

The components of postretirement health care and life insurance benefit costs were as follows:

	Year Ended December 31		
(Millions of dollars)	1995	1994	1993
Benefits earned	$ 10.3	$ 17.5	$ 15.7
Interest on accumulated postretirement benefit obligation	54.6	47.3	52.2
Amortization	(.8)	(.4)	(1.1)
Net postretirement benefit costs (of which $49.9 million, $48.5 million and $42.0 million were paid in 1995, 1994 and 1993, respectively) ...	$ 64.1	$ 64.4	$ 66.8

The components of the postretirement health care and life insurance benefit obligation are presented below:

(Millions of dollars)	December 31 1995	1994
Accumulated postretirement benefit obligation:		
Retirees	$503.1	$448.7
Fully eligible active plan participants	76.1	66.4
Other active plan participants	144.3	128.8
Total	723.5	643.9
Favorable actuarial experience	23.2	91.9
Unrecognized prior service gain	26.9	31.8
Total accrued postretirement benefit liability	773.6	767.6
Less current portion	59.7	49.4
Noncurrent portion	$713.9	$718.2

Weighted average discount rates used to determine the accumulated postretirement benefit obligation for all plans were 7.31% and 8.67% at December 31, 1995 and 1994, respectively. The rates used for the U.S. plans were 7.25% and 8.64% at December 31, 1995 and 1994, respectively.

The December 31, 1995 accumulated postretirement benefit obligation for the historical Kimberly-Clark U.S. plans was determined using an assumed health care cost trend rate of 9.8% in 1996, declining to zero in 2002 and thereafter, which reflects the previously described limit on the Corporation's cost of annual per capita retiree medical benefits. The December 31, 1994 accumulated postretirement benefit obligations were determined using a trend rate of 10.4% in 1995, declining to zero in 2002 and thereafter.

The December 31, 1995 accumulated postretirement benefit obligation for the Scott U.S. plans was determined using an assumed health care cost trend rate of 9.0% for 1996, declining gradually to an ultimate rate of 6.0% for certain plans and to zero for others. The December 31, 1994 accumulated postretirement benefit obligation was determined using an assumed health care cost trend rate of 8.7% in 1995, declining gradually to an ultimate rate of 5.0% for certain plans and to zero for others.

A one-percentage point increase in the health care cost trend rates would increase the accumulated postretirement benefit obligation by $17.7 million at December 31, 1995 and expense by $1.7 million for the year then ended.

In connection with the business dispositions referred to in Note 12, the Corporation transferred postretirement benefit liabilities to the respective buyers. The net postretirement curtailment and settlement loss recognized related to these sales was $14.9 million and $34.3 million in 1995 and 1994, respectively. As a result of the 1994 sale of S.D. Warren, referred to in Note 13, the Corporation realized a curtailment gain of $61.1 million ($38.5 million after-tax).

The Corporation's 1993 restructuring charge described in Note 3 included $67.2 million of cost for enhanced termination postretirement benefits and curtailment losses.

INVESTMENT PLANS

Voluntary contribution investment plans are provided to substantially all U.S. employees. Under the plans, the Corporation matches a portion of employee contributions. Costs under the plans were

$26.0 million, $33.4 million and $33.0 million in 1995, 1994 and 1993, respectively.

NOTE 6. DEBT

The major issues of long-term debt outstanding were:

(Millions of dollars)	December 31 1995	December 31 1994
Kimberly-Clark Corporation		
7 7/8% Debentures due 2023	$ 199.7	$ 199.7
8 5/8% Notes due 2001	199.6	199.6
9 3/4% Notes due 1995	-	100.1
9 1/8% Notes due 1997	100.0	100.0
9% Notes due 2000	99.8	99.8
6 7/8% Debentures due 2014	99.7	99.7
9 1/2% Sinking Fund Debentures due 2018	49.9	49.9
6 1/8% to 9.67% Industrial Development Revenue Bonds maturing to 2023	97.9	98.0
Other	3.4	3.4
	850.0	950.2
Subsidiaries		
7% Debentures due 2023	200.0	200.0
5.375% Swiss Franc Bonds (swapped into U.S. dollars - effective interest rate of 11.1%) due 2000	100.0	100.0
7.2% to 7.4% British Pound Notes due 1998 and 2007	186.3	187.2
8.3% to 13% Debentures maturing to 2022	165.3	168.5
Industrial Development Revenue Bonds at variable rates (average rate for December 1995 - 4.5%) due 2018, 2023 and 2024	250.0	250.0
5.7% to 6 3/8% Industrial Development Revenue Bonds maturing to 2007	76.8	82.2
Bank loans and other financings in various currencies at fixed rates (average rate at December 31, 1995 - 8.7%) maturing to 2008	93.8	75.2
Bank loans and other financings in various currencies at variable rates (average rate at December 31, 1995 - 7.3%) maturing to 2007	162.4	240.3
Bank loans, notes, debentures retired in January 1995	-	686.2
	2,084.6	2,939.8
Less current portion	99.9	854.4
Total	$ 1,984.7	$ 2,085.4

Scheduled maturities of long-term debt are $228.0 million in 1997, $134.6 million in 1998, $25.4 million in 1999 and $234.4 million in 2000.

At December 31, 1995, the Corporation and its domestic subsidiaries had $1,575 million of revolving credit facilities with a group of banks. These facilities, which were unused at December 31, 1995, permit borrowing at competitive interest rates and are available for general corporate purposes, including backup for commercial paper borrowings. The Corporation pays commitment fees on the unused portion but may cancel the facilities without penalty at any time prior to their expiration. Of these facilities, $400 million expires in June 1996; $775 million expires in December 1997; and $400 million expires in December 1999.

Debt payable within one year:

December 31

(Millions of dollars)	1995	1994
Commercial paper	$ 496.5	$ 542.7
Current portion of long-term debt	99.9	854.4
Other short-term debt	221.4	170.4
Total	$ 817.8	$ 1,567.5

At December 31, 1995 and 1994, the weighted average interest rate for commercial paper was 5.8 percent and 6.0 percent, respectively.

In 1994 and 1993, the Corporation recorded extraordinary losses on the retirement of debt of $61.1 million, net of income tax benefits of $35.8 million, and $9.6 million, net of income tax benefits of $5.2 million, respectively. The 1994 extraordinary loss related to net premiums paid to retire $934.2 million of debentures and notes and to terminate interest rate swaps prior to their scheduled maturities. The funding source for these retirements was principally from the net proceeds received on the sale of S.D. Warren. Included in the amounts retired are debentures and notes that were defeased by placing $221.3 million of U.S. government obligations in an irrevocable trust to service the defeased debt. The 1993 extraordinary loss related to the net premium paid and the write-off of unamortized debt discount and issuance costs on $72.1 million of 11.5% Debentures. The funding source for this retirement was the issuance of commercial paper.

NOTE 7. FOREIGN CURRENCY

FOREIGN EXCHANGE RISK

The Corporation and its subsidiaries and affiliates have manufacturing facilities in more than 30 countries throughout the world. Consequently, Kimberly-Clark is subject to foreign exchange translation risk as a result of strengthening or weakening of various currencies against each other and local currencies versus the U.S. dollar.

Foreign currency losses included in consolidated net income were $46.4 million, $51.1 million and $12.3 million in 1995, 1994 and 1993, respectively. The 1995 and 1994 losses include the Corporation's share of foreign currency losses attributable to the effect of the devaluation of the Mexican peso, as explained below, and losses from other currency transactions and from the translation of balance sheet accounts of operations in hyperinflationary economies.

Certain equity affiliates and subsidiaries, located in Mexico and Latin America, have financed a portion of their operations with U.S. dollar-denominated liabilities, thereby creating foreign currency transaction risks. The net exposure of the U.S. dollar-denominated liabilities of these entities at December 31, 1995 was approximately $430 million of which approximately $390 million was attributable to the Corporation's Mexican affiliates. The Corporation's share of the foreign currency transaction risk attributable to these liabilities was approximately $190 million. Since December 1994 and throughout 1995, the value of the Mexican peso has declined. The Corporation's share of the nonoperating, after-tax foreign currency losses attributable to the effect of the original devaluation and subsequent fluctuations on the net exposure of the U.S. dollar-denominated liabilities of its Mexican affiliates was $38.5 million, or $.14 per share, and $39.2 million, or $.14 per share, in 1995 and 1994, respectively.

TRANSLATION RISK

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

The income statements and balance sheets of operations in hyperinflationary economies, i.e., Brazil (through July 1994 when the operation was sold) and Venezuela, are translated into U.S. dollars using both current and historical rates of exchange. For balance sheet accounts translated at current exchange rates, such as cash and accounts receivable, the differences from historical exchange rates are reflected in income.

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

NOTE 8. FINANCIAL INSTRUMENTS

The Corporation and its subsidiaries and affiliates throughout the world have transactions denominated in numerous currencies. Foreign currency risks arise from transactions and commitments denominated in non-local currencies. These transactions and commitments include the purchase of raw materials, finished goods or items of property, plant and equipment, receipt of dividends or royalties and fees, the sale of products and the repayment of loans.

Management selectively hedges the Corporation's foreign currency risks when it is practicable and economical to do so. The instruments used to hedge foreign currency risks are forward contracts, currency swaps and, to a lesser extent, option contracts. These instruments are purchased from well-known money center banks (counterparties) throughout the world. Usually the contracts extend for no more than 12 months, although their contractual term has been as long as 25 months. Currency swaps extend for longer periods through the year 2000. Credit risks with respect to the counterparties, and the foreign currency risks that would not be hedged if the counterparties fail to fulfill their obligations under the contracts, are minimal in view of the financial strength of the counterparties.

Gains and losses on instruments that hedge firm commitments are deferred and included in the basis of the underlying hedged items. Premiums paid for options are amortized ratably over the life of the option. All other gains and losses are included in current period income based on the period-end market price of the instrument.

The Corporation uses foreign currency forward contracts to hedge certain transactions denominated in currencies other than the domestic currency. As of December 31, 1995 there were outstanding forward contracts, maturing at various dates in 1996, to purchase $451.3 million and to sell $726.8 million of various foreign currencies. These contracts have not given rise to any significant net deferred gains or losses as of December 31, 1995.

FAIR VALUES OF FINANCIAL INSTRUMENTS

	December 31, 1995		December 31, 1994	
(Millions of dollars)	Principal Amount	Fair Value	Principal Amount	Fair Value
Cash and cash equivalents	$ 221.6	$ 221.6	$ 1,137.8	$ 1,137.8
Short-term debt	(717.9)	(717.9)	(713.1)	(713.1)
Long-term notes receivable	220.0	220.0	220.0	220.0
Current maturities and long-term debt	(2,084.6)	(2,249.0)	(2,939.8)	(2,914.9)

The estimated fair values of the Corporation's financial instruments are generally based on quoted market prices or on current rates available to the Corporation for financial instruments of similar remaining maturities and do not include potential tax effects or possible expenses incurred in settling the transactions.

NOTE 9. STOCK OPTIONS AND EQUITY PARTICIPATION PLANS

Kimberly-Clark Equity Participation Plans adopted in 1976, 1986 and 1992 provide for awards of participation shares and stock options to key employees of the Corporation and its subsidiaries. Upon maturity, participation share awards are paid in cash based on the increase in the book value of the Corporation's common stock during the award period. Participants do not receive dividends on the participation shares, but their accounts are credited with dividend shares payable in cash at the maturity of the award. Neither participation nor dividend shares are shares of common stock.

Data concerning participation and dividend shares follow:

	1995	1994	1993
Outstanding - Beginning of year..............................	3,795,678	3,584,354	2,986,154
Awarded	1,052,650	-	1,351,100
Dividend shares credited - net	432,195	358,499	432,788
Matured	(2,199,273)	(84,775)	(1,142,988)
Forfeited	(84,400)	(62,400)	(42,700)
Outstanding - End of year	2,996,850	3,795,678	3,584,354

The Scott stock options outstanding and exercisable at the date of the merger were converted to Kimberly-Clark stock options. The Scott option activity and share prices have been restated, for all years presented, to Kimberly-Clark equivalents using the exchange ratio of .78 Kimberly-Clark shares to one share of Scott.

All stock options are granted at not less than market value and expire 10 years after the date of grant. The Kimberly-Clark options become exercisable over three years. All of the converted Scott options are exercisable at December 31, 1995, and no additional shares will be granted under the Scott plans.

Data concerning stock options follow:

	1995	Number of Options		
	Price Range	1995	1994	1993
Outstanding - Beginning of year	$15.22 - $58.63	13,850,716	10,386,335	8,317,261
Granted	$43.92 - $63.31	2,127,390	6,291,480	2,407,844
Exercised*	$15.22 - $63.31	(4,192,162)	(2,076,079)	(257,954)
Rescinded options	$24.36 - $31.98	(1,216,488)	-	-
Cancelled, expired or adjusted	$15.22 - $56.68	(225,874)	(751,020)	(80,816)
Outstanding - End of year	$20.21 - $63.31	10,343,582	13,850,716	10,386,335
Exercisable	$20.21 - $63.31	8,038,861	5,149,832	5,180,415

*Price ranges for options exercised were $11.88 to $46.25 per share in both 1994 and 1993.

At December 31, 1995, the number of additional shares of common stock of the Corporation available for option and sale under the 1992 Plan or for award as participation shares at such date under the 1992 Plan was 4,733,128 shares. The 1976 and 1986 Plans have expired and no additional grants will be made under these Plans. Amounts expensed for shares under the Plans were $15.2 million, $12.3 million and $10.6 million in 1995, 1994 and 1993, respectively.

NOTE 10. COMMITMENTS

LEASES

The future minimum obligations under leases having an initial or remaining noncancellable term in excess of one year as of December 31, 1995 are as follows:

(Millions of dollars)	Operating Leases
Year Ending December 31:	
1996	$ 45.9
1997	28.4
1998	22.2
1999	17.2
2000	11.9
Thereafter	64.5
Future minimum obligations	$ 190.1

Operating lease obligations have been reduced by approximately $18.5 million for rental income from noncancellable subleases of tractors and trailers associated with the disposal of the Corporation's trucking business. Although the Corporation is primarily liable for rental payments to January 2003 under the primary leases, no loss is expected from the sublease arrangements.

Consolidated rental expense under operating leases was $157.0 million, $163.7 million and $155.2 million in 1995, 1994 and 1993, respectively.

OTHER

The Corporation has entered into long-term contracts for the purchase of certain raw materials. Minimum purchase commitments, at current prices, are approximately $230 million and $40 million in 1996 and 1997, respectively. These purchase commitments are not expected to result in losses.

The Corporation has an agreement obligating it to purchase a minimum of 40% of the pulp production at market-related prices from one of its former Chilean affiliates until 2001. At current prices, the minimum purchase commitment under this agreement is approximately $100 million per year. This purchase commitment is not expected to result in a loss.

The Corporation has guaranteed certain aircraft lease obligations totaling $72.9 million for its equity affiliates, Midwest Express Airlines, Inc. (``Midwest Express'') and Astral Aviation, Inc. (``Astral''), in return for a guarantee fee. In addition, the Corporation has provided Midwest Express with a five-year $20 million secondary revolving credit facility for use in the event Midwest Express does not have amounts available for borrowing under its revolving bank credit facility. The facility expires September 27, 2000 and no drawings have been made under the facility. No losses are expected from these arrangements.

NOTE 11. STOCKHOLDERS' EQUITY

Changes in common stock issued, treasury stock, additional paid-in capital, retained earnings and unrealized currency translation adjustments (``UTA'') are shown below:

(Millions of dollars, except per share amounts)	Common Stock Issued Shares	Common Stock Issued Amount	Treasury Stock Shares	Treasury Stock Amount	Additional Paid-In Capital	Retained Earnings	UTA
Balance at December 31, 1992	278,104,264	$347.6	2,046,371	$ (52.9)	$327.5	$3,682.7	$(315.3)
Shares issued for the exercise of stock options, stock awards, and restricted stock	87,463	.2	(309,128)	8.4	4.6	-	-
Purchased for treasury	-	-	16,526	(.8)	-	-	-
Translation adjustment......	-	-	-	-	-	-	(148.6)
Minimum pension liability adjustment	-	-	-	-	-	(13.7)	-
Net income	-	-	-	-	-	231.0	-
Dividends declared on:							
Common shares	-	-	-	-	-	(266.8)	-
Preferred shares	-	-	-	-	-	(.3)	-
Balance at December 31, 1993	278,191,727	347.8	1,753,769	(45.3)	332.1	3,632.9	(463.9)
Shares issued for the exercise of stock options, stock awards, and restricted stock	2,355,110	2.9	(341,793)	9.5	52.7	-	-
Purchased for treasury	-	-	1,013,848	(52.2)	-	-	-
Translation adjustment	-	-	-	-	-	-	(101.1)
Minimum pension liability adjustment	-	-	-	-	-	1.7	-
Net income	-	-	-	-	-	753.8	-
Dividends declared on:							
Common shares	-	-	-	-	-	(342.8)	-
Preferred shares	-	-	-	-	-	(.3)	-
Balance at December 31, 1994	280,546,837	350.7	2,425,824	(88.0)	384.8	4,045.3	(565.0)
Shares issued for the exercise of stock options, stock awards, and restricted stock	3,895,587	4.8	(436,291)	12.7	150.4	-	-
Conversion of Scott options and restricted shares payable upon change of control ...	832,469	1.1	-	-	18.3	-	-
Cancellation of Scott treasury shares	(2,994,775)	(3.7)	(2,994,775)	138.2	(134.5)	-	-
Distribution of net assets of Schweitzer-Mauduit International, Inc.	-	-	-	-	-	(119.0)	(13.3)
Purchased for treasury	-	-	2,484,966	(137.8)	-	-	-
Translation adjustment	-	-	-	-	-	-	(62.2)
Minimum pension liability adjustment	-	-	-	-	-	(15.8)	-
Net income	-	-	-	-	-	33.2	-
Dividends declared on:							
Common shares	-	-	-	-	-	(349.5)	-
Preferred shares	-	-	-	-	-	(.3)	-
Balance at December 31, 1995	282,280,118	$352.9	1,479,724	$ (74.9)	$ 419.0	$ 3,593.9	$ (640.5)

At December 31, 1995, unremitted net income of equity companies included in consolidated retained earnings was $502.6 million.

Scott had preferred shares outstanding in each of the years ended December 31, 1992, 1993 and 1994 (46,205 shares of $3.40 series and 24,435 shares of $4.00 series) which were redeemed for cash prior to the merger in 1995. Such preferred stock was carried at $7.1 million and was redeemed for $7.3 million. All other preferred stock issues of Scott which were authorized but unissued were cancelled effective with the merger.

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

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

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

The rights may be redeemed at $.01 per right prior to the acquisition by a person or group of 20 percent or more of the common stock. Unless redeemed earlier, the rights expire on June 8, 2005.

The Corporation has 20 million shares of authorized preferred stock with no par value, none of which has been issued.

NOTE 12. OTHER ACQUISITIONS AND DISPOSITIONS OF BUSINESSES

MIDWEST EXPRESS AIRLINES

In 1995, the Corporation sold 80 percent of its investment in Midwest Express and Astral. An initial public offering of approximately 5.1 million shares of the common stock of Midwest Express Holdings, Inc., the parent company of these businesses, was made in the third quarter of 1995. The Corporation recognized a gain of $61.4 million ($40.0 million after-tax, or $.14 per share) on the sale.

SPECIALTY PRODUCTS BUSINESSES

On November 30, 1995, the Corporation spun off its tobacco-related business operations in the United States, Canada and France in a tax-free transaction. Kimberly-Clark shareholders received all outstanding shares of common stock of Schweitzer-Mauduit International, Inc. (`SMI''), which holds such operations. Kimberly-Clark shareholders received one share of SMI common stock for every 10 shares of Kimberly-Clark stock held. The distribution was paid on November 30, 1995 to stockholders of record on November 13, 1995. The Corporation recognized expenses of $7.6 million ($.03 per share) related to the spin-off.

OTHER 1995 ACQUISITIONS

In the first quarter of 1995, the Corporation increased its ownership of Carlton Paper Corporation Limited in South Africa to more than 50 percent and Kimberly-Clark Argentina S.A. to 51 percent. As a result, these entities are now consolidated in the financial statements. The aggregate cost of these investments was approximately $43.0 million.

THE ENERGY COMPLEX AND SCOTT HEALTH CARE

On December 16, 1994, Scott completed the sale of the energy and recovery complex assets (the `Energy Complex'') located at its Mobile, Alabama mill site to Mobile Energy Service Company, Inc. (MESC), which is a wholly-owned subsidiary of The Southern Company. Total proceeds were approximately $350 million, consisting of approximately $265 million in cash and the buyer's assumption, guaranteed by The Southern Company, of $85 million of debt under a tax-exempt financing relating to the Energy Complex. Under terms of an agreement, MESC will provide power, steam and pulping liquor to the mills located at this site.

On December 23, 1994, Scott sold substantially all of its interest in a 50-percent-owned joint venture for $65.7 million. This venture manufactures and markets adult incontinence and wound care products under the name Scott Health Care.

The above asset dispositions resulted in an aggregate pretax gain of $99.2 million ($62.5 million after-tax, or $.22 per share).

OTHER 1994 ACQUISITIONS AND DISPOSITIONS

In 1994, the Corporation purchased the feminine care products businesses of VP-Schickedanz AG, a German company, and a 90 percent interest in the Handan

Comfort and Beauty Group, a Chinese company, for approximately $144 million. During the year, the Corporation sold its tissue mill in Memphis, Tennessee, adhesive-coated label stock business in Troy, Ohio, tissue subsidiary in Brazil and Spenco Medical Corporation and received total proceeds of $118.2 million. These transactions, individually and in the aggregate, are not significant to ongoing operations or to the consolidated financial statements.

NOTE 13. DISCONTINUED OPERATION

On December 20, 1994, Scott completed the sale of S.D. Warren, its former printing and publishing papers subsidiary, to an investor group led by Sappi Limited. Scott received $1.6 billion, which included the buyer's assumption of approximately $120 million of debt. In connection with the transaction, Scott remained either contingently liable as guarantor, or directly liable as the original obligor for certain debt and lease obligations of S.D. Warren. The buyer provided Scott with a letter of credit from a major financial institution guaranteeing repayment of these obligations. At December 31, 1995, this contingent liability was approximately $170 million, and the Corporation believes it will incur no liability under these arrangements.

S.D. Warren's operations have been segregated and reported as a discontinued operation in the consolidated income statement for periods prior to the disposition. For all periods presented, cash flow activities for S.D. Warren have not been segregated in the consolidated cash flow statement.

The income statement related to the discontinued operation for the years ended December 1994 and 1993 is presented below:

(Millions of dollars)	1994	1993
Net Sales	$ 1,145.3	$ 1,143.9
Costs and expenses	1,129.5	1,201.8
Income (loss) before income taxes	15.8	(57.9)
Income tax provision (benefit)	5.9	(11.3)
Income (loss) before gain on sale	9.9	(46.6)
Gain on sale, net of income taxes	38.5	-
Net Income (Loss)	$ 48.4	$ (46.6)

The effective tax rates for the discontinued operation varied from the federal tax rates primarily due to the tax on foreign operations in 1994 and the tax rate increase on deferred taxes in 1993.

NOTE 14. CONTINGENCIES

Scott is a defendant in numerous actions in state and federal courts seeking damages relating to breast implants. The actions allege that the plaintiffs' breast implants were covered by polyurethane foam manufactured by the subsidiary's former Foam Division, which was sold in 1983, and that the foam caused physical and/or psychological harm to the plaintiffs. In each of these actions, the subsidiary is one of several defendants, including the Foam Division's successor and the manufacturers of the implants. The Corporation believes that only a small percentage of breast implants were covered by polyurethane foam manufactured by the Foam Division prior to its sale.

Pursuant to an order of the Multidistrict Litigation Panel, all federal cases involving breast implants have been consolidated for pre-trial purposes in the Northern District of Alabama and one of these cases, Lindsey et al., vs. Dow

Corning Corporation et al., has been provisionally certified by the court as a class action for settlement purposes. Scott elected not to participate in the proposed settlement of these actions; rather, in April 1995, Scott's motion for summary judgment was granted by the court, resulting in the dismissal of all federal actions against Scott and the purchaser of the Foam Division. In January 1996, the plaintiffs agreed to dismiss their appeal of such dismissal. A similar motion for summary judgment was granted in 1995 in the consolidated California state court breast implant suits, and that dismissal is now final because the plaintiffs failed to file an appeal.

The Corporation believes it has meritorious defenses to the remaining breast implant claims and that the final results of such claims, while they cannot be predicted with certainty, will not have a material adverse effect on the Corporation's business or results of operations.

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

NOTE 15. SUPPLEMENTAL DATA (Millions of dollars)

SUPPLEMENTAL BALANCE SHEET DATA

Summary of Accounts Receivable and Inventories	December 31 1995	December 31 1994
Accounts Receivable:		
From customers	$ 1,579.5	$ 1,349.0
Other	183.2	164.7
Less allowance for doubtful accounts and sales discounts	(84.7)	(45.6)
Total	$ 1,678.0	$ 1,468.1
Inventories by Major Class:		
At the lower of cost on the First-In, First-Out (FIFO) method or market:		
Raw materials	$ 373.7	$ 298.0
Work in process	281.0	223.9
Finished goods	785.2	703.4
Supplies and other	251.1	256.2
	1,691.0	1,481.5
Excess of FIFO cost over Last-In, First-Out (LIFO) cost	(264.9)	(223.1)
Total	$ 1,426.1	$ 1,258.4

Total inventories include $519.4 million and $464.9 million of inventories valued on the LIFO method at December 31, 1995 and 1994, respectively.

Summary of Accrued Expenses	December 31 1995	December 31 1994

Accruals for restructuring and other unusual charges:		
Employee severance and related costs	$ 220.2	$ 83.8
Costs of contract and lease terminations	142.5	-
Other	248.0	24.8
Total accruals for restructuring and other unusual charges	610.7	108.6
Accrued advertising and promotion expense	250.6	219.0
Accrued salaries and wages	339.6	307.3
Other accrued expenses	354.4	512.9
Total accrued expenses	$ 1,555.3	$ 1,147.8

SUPPLEMENTAL CASH FLOW STATEMENT DATA

Summary of Cash Flow Effects of Changes in Operating Working Capital*	Year Ended December 31 1995	1994	1993
Accounts receivable	$ (264.5)	$ (287.4)	$ 83.9
Inventories	(191.3)	(74.1)	(41.5)
Prepaid expenses	(56.7)	3.5	24.2
Trade accounts payable	148.8	116.0	(181.9)
Other payables	10.8	35.8	13.4
Accrued expenses	(111.8)	(222.6)	30.3
Accrued income taxes	(63.0)	228.8	41.0
Currency rate changes	(.2)	(15.9)	(30.6)
Changes in operating working capital	$ (527.9)	$ (215.9)	$ (61.2)

*Excludes the effects of acquisitions, dispositions and the 1995 and 1993 restructuring and other unusual charges.

Other Cash Flow Data	Year Ended December 31 1995	1994	1993
Interest paid	$ 259.9	$ 333.5	$ 308.0
Income taxes paid	570.1	321.2	243.9
Increase (decrease) in cash and cash equivalents due to exchange rate changes	(.7)	7.3	(9.0)
Reconciliation of changes in cash and cash equivalents:			
Balance, January 1	$ 1,137.8	$ 168.4	$ 182.8
Increase (decrease)	(916.2)	969.4	(14.4)
Balance, December 31	$ 221.6	$ 1,137.8	$ 168.4

Interest Expense	Year Ended December 31 1995	1994	1993
Gross interest cost	$ 254.3	$ 351.5	$ 337.3
Capitalized interest	(8.8)	(20.6)	(28.4)
Interest expense allocated to discontinued operation	-	(60.4)	(59.4)
Interest expense	$ 245.5	$ 270.5	$ 249.5

Interest expense is capitalized on major construction projects. Interest expense has been allocated to S. D. Warren, the discontinued operation, based on the ratio of net assets sold to the sum of consolidated common stockholders' equity and consolidated debt less debt specifically related to the discontinued operation.

NOTE 16. UNAUDITED QUARTERLY DATA

(Millions of dollars except per share amounts)	1995 Fourth(a,b)	Third(b,c)	Second(b)	First(b)	1994 Fourth(b,d)	Third	Second	First
Net sales	$3,442.9	$3,606.8	$3,483.6	$3,255.3	$3,158.6	$2,982.3	$2,995.3	$2,843.0
Gross profit	1,235.1	1,327.2	1,263.1	1,135.1	1,087.1	1,040.2	1,071.1	987.1
Operating profit (loss)	(1,087.9)	496.3	435.7	368.9	342.7	307.7	334.1	292.6
Income (loss) from continuing operations	(841.7)	367.9	307.4	199.6	223.7	175.2	203.5	164.1
Income (loss) before extraordinary loss .	(841.7)	367.9	307.4	199.6	277.1	183.6	193.4	160.8
Net income (loss) ...	(841.7)	367.9	307.4	199.6	216.0	183.6	193.4	160.8
Per share basis:								
Income (loss) from continuing operations	(3.01)	1.32	1.10	.71	.80	.63	.74	.59
Income (loss) before extraordinary loss	(3.01)	1.32	1.10	.71	.99	.66	.70	.58
Net income (loss) .	(3.01)	1.32	1.10	.71	.77	.66	.70	.58
Kimberly-Clark cash dividends declared	.45	.45	.45	.45	.44	.44	.44	.44
Market price:								
High	83	68-3/4	62-5/8	53-3/8	59	60	57-5/8	58-1/4
Low	66-5/8	57-1/2	50-1/8	47-1/4	47	52-1/2	51-3/4	51-3/8
Close	82-3/4	67-1/8	59-7/8	52	50-3/8	58-3/4	52-7/8	52-7/8

All financial information, except cash dividends declared per share, has been restated to include the results of Scott for all periods presented. Cash dividends declared per share represent the historical dividends declared by Kimberly-Clark. The merger, which was effective on December 12, 1995, has been accounted for as a pooling of interests and includes appropriate reclassification entries and accounting adjustments to conform the accounting practices of Scott to those of Kimberly-Clark.

(a) Results for the fourth quarter 1995 include a restructuring and other unusual charge of $1,440.0 million ($1,070.9 million after taxes and minority interests, or $3.83 per share).

(b) Results for all quarters in 1995 and the fourth quarter 1994 include nonoperating effects for the Corporation's share of foreign currency losses incurred by its Mexican affiliates on the translation of the net exposure of U.S. dollar-denominated liabilities into pesos. The translation losses are related to the devaluation of the Mexican peso in December 1994 and subsequent fluctuations. Effects for the quarters are as follows:

(Millions of dollars except per share amounts)	Nonoperating gain (loss) due to the peso	Per share gain (loss) due to the peso
1995:		
Fourth	$(18.1)	$(.06)
Third	(2.0)	(.01)
Second	8.4	.03
First	(26.8)	(.10)
Total	$(38.5)	$(.14)
1994:		
Fourth	$(39.2)	$(.14)

(c) Results for the third quarter 1995 include a nonoperating pretax gain of $61.4 million ($40.0 million after-tax, or $.14 per share) related to the sale of 80 percent of Midwest Express Holdings, Inc.

(d) Fourth quarter 1994 results were affected by the following:

- A pretax gain of $99.2 million ($62.5 million after-tax, or $.22 per share) related to the sales of the Mobile, Alabama energy and recovery complex and Scott Health Care assets.
- An extraordinary loss on early extinguishment of debt of $61.1 million, net of income taxes, or $.22 per share.
- Completion of the sale of S.D. Warren, whose operations have been segregated and reported as a discontinued operation. The gain on the sale was $61.1 million ($38.5 million after-tax, or $.14 per share).

NOTE 17. BUSINESS SEGMENT AND GEOGRAPHIC DATA

For reporting purposes, the Corporation's businesses are separated into three segments.

. Personal Care Products include infant, child, feminine and incontinence care products; wet wipes; health care products; and related products.

. Tissue-Based Products include tissue and wipers for household and away-from-home use; pulp; and related products.

. Newsprint, Paper and Other includes newsprint, printing papers, premium business and correspondence papers, specialty papers, technical papers, and related products; and other products and services.

In conjunction with the merger with Scott and the application of pooling of interests accounting, management has redefined its consolidated operations into the above three segments to appropriately reflect the businesses in which the Corporation now operates. Business segment data for all years presented have been restated to this revised presentation.

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

CONSOLIDATED OPERATIONS BY BUSINESS SEGMENT

(Millions of dollars)	Net Sales 1995	1994	1993	Operating Profit 1995(a)	1994	1993(b)
Personal Care Products	$ 4,342.1	$ 3,783.6	$ 3,423.9	$337.9	$ 582.7	$555.3
Tissue-Based Products .	7,982.0	6,771.4	6,831.7	(36.5)	576.3	81.6
Newsprint, Paper and Other	1,584.3	1,514.6	1,459.6	224.6	213.0	202.3
Combined	13,908.4	12,069.6	11,715.2	526.0	1,372.0	839.2
Interclass sales	(119.8)	(90.4)	(68.4)	-	-	-
Unallocated items - net	-	-	-	(313.0)	(94.9)	(104.7)
Consolidated	$ 13,788.6	$11,979.2	$ 11,646.8	$213.0	$ 1,277.1	$ 734.5

(Millions of dollars)	Assets 1995	1994	1993	Depreciation 1995	1994	1993	Capital Spending 1995	1994	1993
Personal Care Products ...	$ 3,388.9	$ 3,170.5	$ 2,868.6	$193.1	$162.2	$135.3	$237.4	$313.6	$ 425.5
Tissue-Based Products ...	6,104.0	5,957.1	5,890.8	323.6	322.4	300.6	485.5	393.3	486.0
Newsprint, Paper and Other ..	710.3	1,078.4	2,928.8	51.0	135.6	148.3	76.4	119.4	169.1
Combined	10,203.2	10,206.0	11,688.2	567.7	620.2	584.2	799.3	826.3	1,080.6
Unallocated(c)	1,415.8	2,553.7	1,691.9	14.0	15.7	11.9	18.3	31.0	26.9
Interclass assets	(179.8)	(204.0)	(169.7)	-	-	-	-	-	-
Consolidated .	$ 11,439.2	$ 12,555.7	$ 13,210.4	$581.7	$635.9	$596.1	$817.6	$857.3	$ 1,107.5

(a) Operating profit in 1995 for Personal Care Products; Tissue-Based Products; Newsprint, Paper and Other; and Unallocated includes $230.3 million, $981.2 million, $35.0 million and $193.5 million, respectively, of the restructuring and other unusual charges described in Note 3.
(b) Operating profit in 1993 for Tissue-Based Products and Unallocated includes $352.9 million and $26.0 million, respectively, of the $378.9 million restructuring charge described in Note 3.
(c) Assets include investments in equity companies of $413.4 million, $555.3 million and $656.5 million in 1995, 1994 and 1993, respectively.

CONSOLIDATED OPERATIONS BY GEOGRAPHIC AREA

(Millions of dollars)	Net Sales 1995	1994	1993	Operating Profit 1995(a)	1994	1993(d)

United States	$ 9,007.9	$ 8,414.0	$ 8,037.6	$661.9	$1,152.5	$784.4
Canada	1,250.1	955.1	916.5	21.9	34.9	(16.9)
Intergeographic items(b)	(452.6)	(356.5)	(259.9)	-	-	-
North America	9,805.4	9,012.6	8,694.2	683.8	1,187.4	767.5
Europe	2,912.5	2,340.5	2,296.3	(277.5)	62.2	(16.1)
Asia, Latin America and Africa	1,342.5	836.1	767.2	119.7	122.4	87.8
Combined	14,060.4	12,189.2	11,757.7	526.0	1,372.0	839.2
Intergeographic items	(271.8)	(210.0)	(110.9)	-	-	-
Unallocated items - net(c)	-	-	-	(313.0)	(94.9)	(104.7)
Consolidated	$13,788.6	$11,979.2	$11,646.8	$213.0	$ 1,277.1	$ 734.5

(Millions of dollars)	Assets 1995	1994	1993
United States	$ 6,182.1	$ 5,896.2	$ 7,612.0(e)
Canada	703.2	759.5	791.3
Intergeographic items	(198.9)	(106.0)	(87.8)
North America	6,686.4	6,549.7	8,315.5
Europe	2,592.7	2,687.6	2,450.6
Asia, Latin America and Africa	1,380.5	947.5	876.8
Combined	10,659.6	10,184.8	11,642.9
Intergeographic items	(636.2)	(182.8)	(124.4)
Unallocated items - net (c)	1,415.8	2,553.7	1,691.9
Consolidated	$ 11,439.2	$ 12,555.7	$13,210.4

(a) Operating profit in 1995 for the U.S.; Canada; Europe; Asia, Latin America and Africa; and Unallocated includes $575.6 million, $161.5 million, $464.1 million, $45.3 million and $193.5 million, respectively, of the restructuring and other unusual charges described in Note 3.

(b) Net sales include $310.3 million, $236.8 million and $171.7 million by operations in Canada to the U.S. in 1995, 1994 and 1993, respectively.

(c) Assets include investments in equity companies of $413.4 million, $555.3 million and $656.5 million in 1995, 1994 and 1993, respectively.

(d) Operating profit in 1993 for the U.S.; Europe; Asia, Latin America and Africa; and Unallocated includes $259.9 million, $79.0 million, $14.0 million and $26.0 million, respectively, of the restructuring charge described in Note 3.

(e) U.S. assets in 1993 include discontinued printing and publishing papers segment assets of $1,851.8 million.

EQUITY COMPANIES' DATA BY GEOGRAPHIC AREA

(Millions of dollars)	Net Sales	Gross Profit	Operating Profit	Net Income	Kimberly-Clark's Share of Net Income
For the year ended:					
December 31, 1995					
Latin America(a)	$1,465.2	$ 551.0	$ 399.8	$ 222.1(b)	$ 104.8(b)
North America, Asia, Australia, Africa(c) and Middle East	567.6	196.0	56.5	19.5	8.5(c)
Total	$2,032.8	$ 747.0	$ 456.3	$ 241.6	$ 113.3
December 31, 1994					
Latin America(a)	$1,843.6	$ 675.4	$ 429.0	$ 194.6(b)	$ 88.9(b)
Asia, Australia, Africa and Middle East	577.9	202.5	58.7	37.4	21.6(c)
Total	$2,421.5	$ 877.9	$ 487.7	$ 232.0	$ 110.5
December 31, 1993					
Latin America	$1,589.0	$ 586.6	$ 265.2	$ 154.4(d)	$ 64.5(d)
Asia, Australia and Middle East	385.9	127.4	38.2	24.7(e)	11.6
Total	$1,974.9	$ 714.0	$ 303.4	$ 179.1	$ 76.1

(a) Results for Latin America in 1994 include operations of a newly formed joint venture in Argentina. In June 1994, the Corporation combined its wholly owned subsidiary in Argentina with the operations of another company to create the joint venture. In the first quarter of 1995, the Corporation purchased additional shares of this subsidiary resulting in its consolidation.

(b) Net income and Kimberly-Clark's share of net income in Latin America in 1995 include a nonoperating charge of $89.4 million and $38.5 million, respectively, for foreign currency losses incurred by the Corporation's Mexican affiliates on the translation of the net exposure of U.S. dollar-denominated liabilities into pesos. In 1994, this charge to net income and Kimberly-Clark's share of net income was $91.2 million and $39.2 million, respectively. The translation losses are related to the devaluation of the Mexican peso in December 1994 and subsequent periods.

(c) The Corporation's share of net income for 1994 includes a gain of $10.0 million due to the readoption of equity accounting for the Corporation's South African affiliate. Income taxes of $3.7 million related to this item are reflected in the provision for income taxes in the consolidated income statement. In the first quarter of 1995, the Corporation purchased additional shares of this subsidiary resulting in its consolidation.

(d) Compania Industrial de San Cristobal, S.A., one of the Corporation's Mexican affiliates, recorded an after-tax charge of $44.9 million, of which Kimberly-Clark's share was $36.2 million, for the 1993 Scott restructuring which included workforce reductions and mill closings related to its printing and writing papers business.

(e) Net income in Australia in 1993 includes a $7.8 million credit from a decrease in the statutory income tax rate to 33 percent from 39 percent.

Non- Non- Stock

(Millions of dollars)	Current Assets	Current Assets	Current Liabilities	Current Liabilities	holders' Equity
December 31, 1995					
Latin America(f)	$ 722.6	$ 599.2	$ 404.7	$ 339.1	$ 578.0
North America, Asia, Australia, Africa and Middle East	168.3	465.5	153.0	229.5	251.3
Total	$ 890.9	$ 1,064.7	$ 557.7	$ 568.6	$ 829.3
December 31, 1994					
Latin America(f)	$ 697.1	$ 721.6	$ 354.3	$ 322.2	$ 743.2
Asia, Australia, Africa and Middle East	164.8	454.9	159.6	151.7	308.4
Total	$ 861.9	$ 1,176.5	$ 513.9	$ 473.9	$1,051.6
December 31, 1993					
Latin America	$ 773.4	$ 931.3	$ 336.4	$ 378.5	$ 989.7
Asia, Australia and Middle East	98.8	342.3	85.0	148.4	207.7
Total	$ 872.2	$ 1,273.6	$ 421.4	$ 526.9	$1,197.4

(a) Includes effect of December 1994 devaluation of the Mexican peso and subsequent fluctuations on the translated balance sheet of the Corporation's Mexican affiliates.

Equity companies are principally engaged in Personal Care Products and Tissue-Based Products operations. A listing of the Corporation's percentage ownership of the common stock of each significant subsidiary and equity company is contained elsewhere in this annual report.

Estimated fair values of publicly traded equity companies at December 31, 1995:

(Millions of dollars)	Kimberly-Clark's Investment: Carrying Value	Kimberly-Clark's Investment: Estimated Fair Value
Kimberly-Clark de Mexico, S.A. de C.V. (Mexico)	$133.9	$1,230.2
Compania Industrial de San Cristobal, S.A. (Mexico)	118.9	605.0
Midwest Express Holdings, Inc. (U.S.)	5.8	35.4

INDEPENDENT AUDITORS' REPORT
Kimberly-Clark Corporation and Subsidiaries

Kimberly-Clark Corporation, Its Directors and Stockholders:

We have audited the accompanying consolidated balance sheets of Kimberly-Clark Corporation and Subsidiaries as of December 31, 1995 and 1994, and the related consolidated income and cash flow statements for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits. The consolidated financial statements give retroactive effect to the merger of Kimberly-Clark

Corporation and Scott Paper Company, which has been accounted for as a pooling of interests as described in Note 2 to the consolidated financial statements. We did not audit the financial statements of Scott Paper Company for the years ended December 31, 1995, 1994 and 1993 (before the effects of the conforming adjustments described in Note 2 that were applied to restate such statements) which statements reflect total assets (in millions) of $4,525.8, $5,626.1 and $6,625.1 as of December 31, 1995, 1994 and 1993, respectively, and total net sales (in millions) of $4,131.6, $3,581.1 and $3,584.9 for the respective years then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Scott Paper Company, is based on the reports of such other auditors. We audited the conforming adjustments described in Note 2 that were applied to restate the 1995, 1994 and 1993 financial statements of Scott Paper Company.

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

In our opinion, based on our audits and the reports of other auditors referred to above, such consolidated financial statements present fairly, in all material respects, the financial position of Kimberly-Clark Corporation and Subsidiaries at December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP
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Deloitte & Touche LLP
Dallas, Texas
January 30, 1996

AUDIT COMMITTEE CHAIRMAN'S LETTER

The members of the Audit Committee are selected by the board of directors. During 1995, the committee consisted of four outside directors and met three times.

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

/s/ Paul J. Collins
- --------------------------
Paul J. Collins
Chairman, Audit Committee
January 30, 1996

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

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

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

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

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

The financial statements have been audited by the independent accounting firm, Deloitte & Touche LLP. During their audits, the independent auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of stockholders and the board of directors and all committees of the board. Management believes that all representations made to the independent auditors during their audits were valid and appropriate. The financial statements of Scott Paper Company for 1995, 1994 and 1993 were audited by other auditors. Their reports were furnished to Deloitte & Touche LLP, whose auditors' opinion as it relates to amounts included for Scott Paper Company, is based solely on the reports of such other auditors.

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

The Corporation has assessed its internal control system as of December 31, 1995 in relation to criteria for effective internal control over financial reporting described in `Internal Control - Integrated Framework'' issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that, as of December 31, 1995, its system of internal control over the preparation of its published interim and annual financial statements and over safeguarding of assets against unauthorized acquisition, use or disposition met those criteria.

/s/ Wayne R. Sanders	/s/ John W. Donehower
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Wayne R. Sanders	John W. Donehower

Chairman of the Board and Chief Executive Officer

Senior Vice President and Chief Financial Officer

January 30, 1996

The following list includes certain companies which were owned directly or indirectly by Kimberly-Clark Corporation, a Delaware corporation, Dallas, Texas, as of December 31, 1995. Kimberly-Clark's percentage ownership of each company is 100 percent unless otherwise indicated.

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

Consolidated Subsidiaries

Avent, Inc. and subsidiaries (Delaware) Tucson, Arizona
Carlton Paper Corporation Limited, Johannesburg, South Africa (50% plus one share)
Chengdu Comfort & Beauty Sanitary Articles Co., Ltd., Chengdu, China (98.1%)
CPM Inc. (New Hampshire) East Ryegate, Vermont
Handan Comfort & Beauty (Group) Co., Ltd., Handan, China (90%)
Housing Horizons, LLC, Dallas, Texas
Kimberly-Clark Inova a.s., Czech Republic
K-C Aviation Inc. and subsidiaries (Delaware) Dallas, Texas
Kimberly-Clark Argentina S.A. and subsidiaries, Cordoba, Argentina (51%)
Kimberly-Clark Benelux Operations B.V., Veenendaal, Netherlands
Kimberly-Clark Canada Inc. and subsidiaries, Mississauga, Ontario, Canada
Kimberly-Clark de Centro America, S.A., Sitio del Nino, El Salvador (75%)
Kimberly-Clark Costa Rica, S.A., Cartago, Costa Rica (75%)
Kimberly-Clark Far East Pte. Limited, Singapore
Kimberly-Clark GmbH, Koblenz, Germany
Kimberly-Clark International, S.A., Panama City, Panama
Kimberly-Clark Limited, Larkfield, Kent, United Kingdom
Kimberly-Clark Malaysia Sendirian Berhad, Petaling Jaya, Malaysia (51.0%)
Kimberly-Clark Peru, S.A., Lima, Peru (68%)
Kimberly-Clark Philippines Inc., Makati, Philippines (87%)
Kimberly-Clark Puerto Rico, Inc. (Delaware) San Juan, Puerto Rico
Kimberly-Clark Sopalin, S.A., St. Cloud, France
Kimberly-Clark Thailand Limited, Bangkok, Thailand
Kunming Comfort & Beauty Hygienic Products Co., Ltd., Kunming, China (97.9%)
Nanjing Comfort & Beauty Sanitary Products Co., Ltd., Nanjing, China (97.9%)
Scott Continental N.V., Duffel, Belgium
Scott GmbH, Neunkirchen, Germany
Scott Iberica, S.A., Madrid, Spain (99.7%)
Scott India, Pune, India
Scott Japan Limited, Tokyo, Japan
Scott Limited, Northfleet, Kent, United Kingdom
Scott Paper Indonesia, Jakarta Utara, Indonesia
Scott Page B.V., Gennep, The Netherlands
Scott Paper Limited, Mississauga, Ontario, Canada (50.1%)
Scott Paper Company (Pennsylvania) Neenah, Wisconsin
Scott Paper Company de Costa Rica, S.A., San Jose, Costa Rica (51%)
Scott Paper Company - Honduras, S.A. de C.V., San Pedro, Honduras
Scott Paper GmbH, Dusseldorf, Germany
Scott Paper (Guangzhou) Limited, Guangzhou Province, China (75%)
Scott Paper (Hong Kong) Limited, Kowloon, Hong Kong
Scott Paper (Malaysia) Sdn. Bhd., Kluang, Malaysia
Scott Paper Portugal Lda., Lisboa, Portugal
Scott Paper (Shanghai) Co., Ltd., Shanghai, China (56%)
Scott Paper (Singapore) Pte. Ltd., Singapore
Scott S.N.C., Le Pecq, France

Scott S.p.A., Torino, Italy
Taiwan Scott Paper Corporation, Taipei, Taiwan (66.7%)
Thai-Scott Paper Company Limited, Bangkok, Thailand (99.6%)
Venekim, C.A., Caracas, Venezuela (60%)
YuHan-Kimberly, Limited, Seoul, Korea (60%)

Equity Companies
Colombiana Kimberly S.A., Medellin, Colombia (50%)
Colombiana Universal de Papeles S.A., Pereira, Colombia (50%)
Compania Industrial de San Cristobal, S.A., Mexico City, Mexico (48.8%*)
Kimberly-Clark Australia Pty. Limited, Milsons Point, New South Wales, Australia (50%)
Kimberly-Clark Dominicana, S.A., Santo Domingo, Dominican Republic (33%)
Kimberly-Clark Lever, Ltd., Pune, India (50%)
Kimberly-Clark de Mexico, S.A. de C.V., Mexico City, Mexico (43%)
Midwest Express Holdings, Inc. (Delaware) Milwaukee, Wisconsin (20%)
Olayan Kimberly-Clark Arabia Company, Al-Khobar, Kingdom of Saudi Arabia (49%)
Olayan Kimberly-Clark (Bahrain) WLL, Manama, Bahrain (49%)
P.T. Kimsari Paper Indonesia, Medan, Indonesia (50%)
Ssangyong Paper Co., Ltd., Seoul, Korea (23.8%)

*An additional 3.1 percent of this affiliate is owned by a 40-percent-owned Mexican affiliate of the Corporation.

Exhibit No. (23)a.

INDEPENDENT AUDITORS' CONSENT
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We consent to the incorporation by reference in Kimberly-Clark Corporation's Registration Statements on Form S-8 (Nos. 33-5299, 33-30425, 33-49050, 33-58402 and 33-64689) and on Form S-3 (Nos. 33-52343 and 33-54177) of our reports dated January 30, 1996, appearing in and incorporated by reference in this Annual Report on Form 10-K of Kimberly-Clark Corporation for the year ended December 31, 1995.

/s/ DELOITTE & TOUCHE LLP
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DELOITTE & TOUCHE LLP

Dallas, Texas
March 22, 1996

Exhibit No. (23)b.

INDEPENDENT AUDITORS' CONSENT

We hereby consent to the incorporation by reference in Kimberly-Clark Corporation's Registration Statements on Form S-8 (Nos. 33-5299, 33-30425, 33-49050, 33-58402 and 33-64689) and on Form S-3 (Nos. 33-52343 and 33-54177) of our report dated January 30, 1996 on our audits of the consolidated financial statements and financial statement schedule of Scott Paper Company as of December 30, 1995 and December 31, 1994 and for the years then ended, appearing in this Annual Report on Form 10-K of Kimberly-Clark Corporation for the year ended December 31, 1995.

/s/ COOPERS & LYBRAND L.L.P.

COOPERS & LYBRAND L.L.P.

2400 Eleven Penn Center
Philadelphia, PA
March 26, 1996

Exhibit No. (23)c.

INDEPENDENT AUDITORS' CONSENT

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-5299, 33-30425, 33-49050, 33-58402 and 33-64689) and on Form S-3 (Nos. 33-52343 and 33-54177) of Kimberly-Clark Corporation of our report dated January 25, 1994, except as to the classification of S.D. Warren as a discontinued operation, which is as of December 20, 1994, appearing on page 25 in this Annual Report on Form 10-K of Kimberly-Clark Corporation for the year ended December 31, 1995. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears on page 27 of such Annual Report on Form 10-K.

/s/ PRICE WATERHOUSE LLP

PRICE WATERHOUSE LLP

Philadelphia, PA
March 22, 1996

Exhibit No. (24)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ John F. Bergstrom

John F. Bergstrom

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John F. Bergstrom is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ Pastora San Juan Cafferty

Pastora San Juan Cafferty

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Pastora San Juan Cafferty is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed, sealed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ Paul J. Collins

Paul J. Collins

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Paul J. Collins is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ Robert W. Decherd

Robert W. Decherd

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Robert W. Decherd is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ William O. Fifield

William O. Fifield

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that William O. Fifield is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ Claudio X. Gonzalez

Claudio X. Gonzalez

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Claudio X. Gonzalez is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ James G. Grosklaus

James G. Grosklaus

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that James G. Grosklaus is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ Louis E. Levy

Louis E. Levy

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Louis E. Levy is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed, sealed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ Frank A. McPherson

Frank A. McPherson

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Frank A. McPherson is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed, sealed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ Linda Johnson Rice

Linda Johnson Rice

STATE OF TEXAS)
) ss

COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Linda Johnson Rice is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed, sealed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ Wolfgang R. Schmitt

Wolfgang R. Schmitt

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Wolfgang R. Schmitt is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed, sealed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint John W. Donehower, Randy J. Vest and O. George Everbach, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of February, 1996.

/s/ Randall L. Tobias

Randall L. Tobias

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

I, Clairene Jorella, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Randall L. Tobias is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed, sealed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of February, 1996.

/s/ Clairene Jorella

Clairene Jorella
Notary Public

My commission expires: July 30, 1997

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