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

# FORM 10-K

**(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, 2009**

**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: (972) 281-1200**

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

| Title of each class | Name of each exchange on which registered |
|---|---|
| Common Stock—$1.25 Par Value | New York Stock Exchange |

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒. No ☐.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐. No ☒.

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒. No ☐.

Indicate by check mark 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. ☒

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

| | |
|---|---|
| Large accelerated filer ☒ | Accelerated filer ☐ |
| Non-accelerated filer ☐ (Do not check if a smaller reporting company) | Smaller reporting company ☐ |

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

The aggregate market value of the registrant's common stock held by non-affiliates on June 30, 2009 (based on the closing stock price on the New York Stock Exchange) on such date was approximately $21.7 billion.

As of February 12, 2010, there were 416,305,736 shares of the Corporation's common stock outstanding.

**Documents Incorporated By Reference**

Certain information contained in the definitive Proxy Statement for the Corporation's Annual Meeting of Stockholders to be held on April 29, 2010 is incorporated by reference into Part III hereof.

[Table of Contents](#)

**KIMBERLY-CLARK CORPORATION**

**TABLE OF CONTENTS**

Table of Contents

# PART I

## ITEM 1. BUSINESS

Kimberly-Clark Corporation was incorporated in Delaware in 1928. The Corporation is a global company focused on leading the world in essentials for a better life through product innovation and building its personal care, consumer tissue, K-C Professional & Other and health care brands. The Corporation is principally engaged in the manufacturing and marketing of a wide range of essential products to improve people's lives around the world. Most of these products are made from natural or synthetic fibers using advanced technologies in fibers, nonwovens and absorbency. As used in Items 1, 1A, 2, 3, 6, 7, 7A, 8 and 9A of this Form 10-K, the term "Corporation" refers to Kimberly-Clark Corporation and its consolidated subsidiaries. In the remainder of this Form 10-K, the terms "Kimberly-Clark" or "Corporation" refer only to Kimberly-Clark Corporation. For financial information by business segment and geographic area, and information about principal products and markets of the Corporation, reference is made to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and to Item 8, Note 20 to the Consolidated Financial Statements.

### Recent Developments

During the first quarter of 2009, the Corporation acquired the remaining approximate 31 percent interest in its Andean region subsidiary, Colombiana Kimberly Colpapel S.A. ("CKC"), for $289 million. During the second quarter of 2009, the Corporation acquired Jackson Products, Inc. ("Jackson"), a privately-held safety products company, for approximately $155 million, net of cash acquired. The acquisition of Jackson is consistent with the Corporation's global business plan strategy to accelerate growth of high-margin workplace products sold by its Kimberly-Clark Professional business. During the fourth quarter of 2009, the Corporation acquired Baylis Medical Company's pain management business ("Baylis"). The Corporation's Health Care business has been the exclusive distributor of these pain management products in the U.S. since 2001. Also during the fourth quarter of 2009, the Corporation acquired I-Flow Corporation ("I-Flow"), a healthcare company that develops and markets drug delivery systems and products for post-surgical pain relief and surgical site care, for $262 million, net of cash acquired. The Baylis and I-Flow acquisitions are consistent with the Corporation's global business plan strategy to invest in the higher-growth, higher-margin medical device market. See Item 8, Note 6 to the Consolidated Financial Statements for a discussion of the acquisitions.

In June 2009, the Corporation announced actions to reduce its worldwide salaried workforce by approximately 1,600 positions by the end of 2009. These actions resulted in cumulative pretax charges of approximately $128 million in 2009. See Item 8, Note 4 to the Consolidated Financial Statements for a discussion of the organization optimization initiative.

### Description of the Corporation

The Corporation is organized into operating segments based on product groupings. These operating segments have been aggregated into four reportable global business segments: Personal Care; Consumer Tissue; K-C Professional & Other; and Health Care. The reportable segments were determined in accordance with how the Corporation's executive managers develop and execute the Corporation's global strategies to drive growth and profitability of the Corporation's worldwide Personal Care, Consumer Tissue, K-C Professional & Other and Health Care operations. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses.

The principal sources of revenue in each of our global business segments are described below. Revenue, profit and total assets of each reportable segment are shown in Item 8, Note 20 to the Consolidated Financial Statements.

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

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

The K-C Professional & Other segment manufactures and markets facial and bathroom tissue, paper towels, napkins, wipers and a range of safety products for the away-from-home marketplace. Products in this segment are sold under the Kimberly-Clark, Kleenex, Scott, WypAll, Kimtech, KleenGuard, Kimcare and Jackson brand names.

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

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

Net sales to Wal-Mart Stores, Inc. were approximately 13 percent in 2009, and 14 percent in 2008 and 2007.

**Patents and Trademarks**

The Corporation owns various patents and trademarks registered domestically and in many foreign countries. The Corporation considers the patents and trademarks which it owns and the trademarks under which it sells certain of its products to be material to its business. Consequently, the Corporation seeks patent and trademark protection by all available means, including registration.

**Raw Materials**

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

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

Most recovered paper, synthetics, pulp and recycled fiber are purchased from third parties. The Corporation considers the supply of these raw materials to be adequate to meet the needs of its businesses. See Item 1A, "Risk Factors."

**PART I**
(Continued)

### Competition

The Corporation has several major competitors in most of its markets, some of which are larger and more diversified than the Corporation. The principal methods and elements of competition include brand recognition and loyalty, product innovation, quality and performance, price, and marketing and distribution capabilities. For additional discussion of the competitive environment in which the Corporation conducts its business, see Item 1A, "Risk Factors."

### Research and Development

Research and development expenditures are directed toward new or improved personal care, tissue, wiping, safety, and health care products and nonwoven materials. Consolidated research and development expense was $301 million in 2009, $297 million in 2008 and $277 million in 2007.

### Foreign Market Risks

The Corporation operates and markets its products globally, and its business strategy includes targeted growth in Asia, Latin America, the Middle East and Eastern Europe. See Item 1A, "Risk Factors" for a discussion of foreign market risks that may affect the Corporation's financial results.

### Environmental Matters

Total worldwide capital expenditures for voluntary environmental controls or controls necessary to comply with legal requirements relating to the protection of the environment at the Corporation's facilities are expected to be as follows:

| | 2010 | 2011 |
|---|---|---|
| | (Millions of dollars) | |
| Facilities in U.S. | $ 16 | $ 7 |
| Facilities outside U.S. | 16 | 12 |
| Total | $ 32 | $ 19 |

Total worldwide operating expenses for environmental compliance, including pollution control equipment operation and maintenance costs, governmental payments, and research and engineering costs are expected to be as follows:

| | 2010 | 2011 |
|---|---|---|
| | (Millions of dollars) | |
| Facilities in U.S. | $ 74 | $ 74 |
| Facilities outside U.S. | 94 | 96 |
| Total | $ 168 | $ 170 |

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

**PART I**
(Continued)

**Employees**

In its worldwide consolidated operations, the Corporation had approximately 56,000 employees as of December 31, 2009.

**Available Information**

The Corporation makes available financial information, news releases and other information on the Corporation's website at *www.kimberly-clark.com*. The Corporation's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge on this website as soon as reasonably practicable after the Corporation files these reports and amendments with, or furnishes them to, the Securities and Exchange Commission. Stockholders may also contact Stockholder Services, P.O. Box 612606, Dallas, Texas 75261-2606 or call 972-281-1522 to obtain a hard copy of these reports without charge.

## ITEM 1A. RISK FACTORS

The following factors, as well as factors described elsewhere in this Form 10-K, or in other filings by the Corporation with the Securities and Exchange Commission, could adversely affect the Corporation's consolidated financial position, results of operations or cash flows. Other factors not presently known to us or that we presently believe are not material could also affect our business operations and financial results.

*Increased pricing pressure, intense competition for sales of the Corporation's products and the inability to innovate effectively could have an adverse effect on the Corporation's financial results.*

The Corporation competes in intensely competitive markets against well-known, branded products and private label products both domestically and internationally. Inherent risks in the Corporation's competitive strategy include uncertainties concerning trade and consumer acceptance, the effects of consolidation within retailer and distribution channels, and competitive reaction. Some of the Corporation's major competitors have undergone consolidation, which could result in increased competition and alter the dynamics of the industry. This consolidation may give competitors greater financial resources and greater market penetration and enable competitors to offer a wider variety of products and services at more competitive prices, which could adversely affect the Corporation's financial results. It may be necessary for the Corporation to lower prices on its products and increase spending on advertising and promotions, each of which could adversely affect the Corporation's financial results.

In addition, the Corporation incurs substantial development and marketing costs in introducing new and improved products and technologies. The introduction of a new consumer product (whether improved or newly developed) usually requires substantial expenditures for advertising and marketing to gain recognition in the marketplace. If a product gains consumer acceptance, it normally requires continued advertising and promotional support to maintain its relative market position. Some of the Corporation's competitors are larger and have greater financial resources than the Corporation. These competitors may be able to spend more aggressively on advertising and promotional activities, introduce competing products more quickly and respond more effectively to changing business and economic conditions than the Corporation. The Corporation's ability to develop new products is affected by whether it can successfully anticipate consumer needs and preferences, develop and fund technological innovations, and receive and maintain necessary patent and trademark protection.

There is no guarantee that the Corporation will be successful in developing new and improved products and technologies necessary to compete successfully in the industry or that the Corporation will be successful in advertising, marketing, timely launching and selling its products.

*Changes in the policies of our retail trade customers and increasing dependence on key retailers in developed markets may adversely affect our business.*

The Corporation's products are sold in a highly competitive global marketplace, which is experiencing increased concentration and the growing presence of large-format retailers and discounters. With the consolidation of retail trade, especially in developed markets such as the U.S., Europe and Australia, the Corporation is increasingly dependent on key retailers, and some of these retailers, including large-format retailers, may have greater bargaining power than does the Corporation. They may use this leverage to demand higher trade discounts or allowances which could lead to reduced profitability. The Corporation may also be negatively affected by changes in the policies of its retail trade customers, such as inventory de-stocking, limitations on access to shelf space, delisting of our products; additional requirements related to safety, environmental, social and other sustainability issues; and other conditions. If the Corporation loses a significant customer or if sales of its products to a significant customer materially decrease, the Corporation's business, financial condition and results of operations may be materially adversely affected.

*Significant increases in prices for raw materials, energy, transportation and other necessary supplies and services could adversely affect the Corporation's financial results.*

Increases in the cost of and availability of raw materials, including pulp and petroleum-based materials, the cost of energy, transportation and other necessary services, supplier constraints, an inability to maintain favorable supplier arrangements and relations or an inability to avoid disruptions in production output caused by events such as natural disasters, power outages, labor strikes, governmental regulatory requirements or nongovernmental voluntary actions in response to global climate change concerns, and the like could have an adverse effect on the Corporation's financial results.

Cellulose fiber, in the form of kraft pulp or recycled fiber from recovered waste paper, is used extensively in the Corporation's tissue products and is subject to significant price fluctuations due to the cyclical nature of these fiber markets. Recycled fiber accounts for approximately 32 percent of the Corporation and its equity companies' overall fiber requirements.

Increases in pulp prices could adversely affect the Corporation's earnings if selling prices for its finished products are not adjusted or if these adjustments significantly trail the increases in pulp prices. Derivative instruments have not been used to manage these risks. On a worldwide basis, the Corporation supplies approximately 8 percent of its virgin fiber needs from internal pulp manufacturing operations.

A number of the Corporation's products, such as diapers, training and youth pants, incontinence care products, disposable wipes and various health care products, contain certain materials that are principally derived from petroleum. These materials are subject to price fluctuations based on changes in petroleum prices, availability and other factors. The Corporation purchases these materials from a number of suppliers. Significant increases in prices for these materials could adversely affect the Corporation's earnings if selling prices for its finished products are not adjusted or if adjustments significantly trail the increases in prices for these materials. Derivative instruments have not been used to manage these risks.

Although the Corporation believes that the supplies of raw materials needed to manufacture its products are adequate, global economic conditions, supplier capacity constraints and other factors (including actions taken to address climate change and related market responses) could affect the availability of, or prices for, those raw materials.

The Corporation's manufacturing operations utilize electricity, natural gas and petroleum-based fuels. To ensure that it uses all forms of energy cost-effectively, the Corporation maintains ongoing energy efficiency improvement programs at all of its manufacturing sites. The Corporation's contracts with energy suppliers vary as to price, payment terms, quantities and duration. The Corporation's energy costs are also affected by various market factors including the availability of supplies of particular forms of energy, energy prices and local and national regulatory decisions (including actions taken to address climate change and related market responses). There can be no assurance that the Corporation will be fully protected against substantial changes in the price or availability of energy sources. Derivative instruments are used to manage a portion of natural gas price risk in accordance with the Corporation's risk management policy.

*Global economic conditions, including recessions or slow economic growth, and continuing credit market disruptions in the United States and certain foreign countries, could continue to adversely affect the Corporation's business and financial results.*

Unfavorable economic conditions, including the impact of recessions, slow economic growth and credit market disruptions in the United States and certain foreign countries, may continue to negatively affect the Corporation's business and financial results. These economic conditions could negatively impact:

- consumer demand for our products, including shifting consumer purchasing patterns to lower-cost options such as private-label products,
- demand by businesses for our products, including effects of increased unemployment and cost savings efforts of those customers,
- the mix of our products' sales,
- our ability to collect accounts receivable on a timely basis from certain customers, and
- the ability of certain suppliers to fill our orders for raw materials or other goods and services.

Ongoing volatility in global commodity, currency and financial markets resulted in uncertainty in the business environment in 2009, which is expected to continue into 2010. The Corporation relies on access to the credit markets, specifically the commercial paper and public bond markets, to provide supplemental funding for its operations. Although the Corporation has not experienced a disruption in its ability to access the credit markets, it is possible that the Corporation may have difficulty accessing the credit markets in the future, which may disrupt its businesses or further increase the Corporation's cost of funding its operations.

Prolonged recessions, slow economic growth or credit market disruptions could result in decreased revenue, margins and earnings.

*The Corporation's international operations are subject to foreign market risks, including foreign exchange risk and currency restrictions, which may adversely affect the Corporation's financial results.*

Because the Corporation and its equity companies have manufacturing facilities in 38 countries and their products are sold in more than 150 countries, the Corporation's results may be substantially affected by foreign market risks. The Corporation is subject to the impact of economic and political instability in developing countries.

The Corporation faces increased risks in its international operations, including fluctuations in currency exchange rates, currency restrictions, adverse political and economic conditions, legal and regulatory constraints, tariffs and other trade barriers, risks of expropriation, difficulties in enforcing contractual and intellectual property rights, and potentially adverse tax consequences. Each of these factors could adversely affect the Corporation's financial results. See Item 7, "Management's Discussion and Analysis of Financial Condition and

Results of Operations" and Item 8, Note 19 to the Consolidated Financial Statements, for information about the effects of currency restrictions, currency devaluation and inflation in Venezuela on the Corporation's financial results in 2009 and 2010.

In addition, intense competition in European personal care and tissue markets, and the challenging economic, political and competitive environments in Latin America, Eastern Europe and Asia may slow the Corporation's sales growth and earnings potential. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Corporation's success internationally also depends on its ability to acquire or form successful business alliances, and there is no guarantee that the Corporation will be able to acquire or form these alliances. In addition, there can be no assurance that the Corporation's products will be accepted in any particular market.

The Corporation is subject to the movement of various currencies against each other and versus the U.S. dollar. A portion of the exposures, arising from transactions and commitments denominated in non-local currencies, is systematically managed through foreign currency forward and swap contracts.

Translation exposure for the Corporation with respect to foreign operations generally is not hedged. Weaker foreign currency exchange rates increase the potential impact of forecasted increases in dollar-based input costs for operations outside the U.S. There can be no assurance that the Corporation will be protected against substantial foreign currency fluctuations.

*There is no guarantee that the Corporation's ongoing efforts to reduce costs will be successful.*

The Corporation continues to implement plans to improve its competitive position by achieving cost reductions in its operations. In addition, the Corporation expects ongoing cost savings from its organization optimization initiative and ongoing continuous improvement activities. The Corporation anticipates these continuing cost savings will result from previous reductions of its worldwide salaried workforce, reducing material costs and manufacturing waste and realizing productivity gains and distribution efficiencies in each of its business segments. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." If the Corporation cannot successfully implement its cost savings plans, the Corporation may not realize all anticipated benefits. Any negative impact these plans have on the Corporation's relationships with employees or customers or any failure to generate the anticipated efficiencies and savings could adversely affect the Corporation's financial results.

*The Corporation's sales may not occur as estimated.*

There is no guarantee that the Corporation will be able to anticipate consumer preferences, estimate sales of new products, estimate changes in population characteristics and the acceptance of the Corporation's products in new markets or anticipate changes in technology and competitive responses. As a result, the Corporation may not be able to achieve anticipated sales.

*The Corporation may acquire new product lines or businesses and may have difficulties integrating future acquisitions or may not realize anticipated benefits of acquisitions.*

The Corporation may pursue acquisitions of new product lines or businesses. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired product lines or businesses, personnel turnover and the diversion of management's attention from other business concerns. We may be unable to identify suitable additional acquisition candidates or may be unable to successfully integrate and manage product lines or businesses that we have acquired or may acquire in the future. In addition, we may be unable to achieve anticipated benefits or cost savings from acquisitions in the timeframe we anticipate, or at all.

The inability to integrate and manage acquired product lines or businesses in a timely and efficient manner, the inability to achieve anticipated cost savings or other anticipated benefits from these acquisitions in the timeframe we anticipate or the unanticipated required increases in trade, promotional or capital spending from these acquisitions could adversely affect our business, consolidated financial condition, results of operations or liquidity.

Moreover, future acquisitions could result in substantial additional indebtedness, exposure to contingent liabilities or the impairment of goodwill or other intangible assets, all of which could adversely affect our financial condition, results of operations and liquidity.

*If we are unable to hire, develop or retain key employees or a skilled and diverse workforce, it could have an adverse effect on our business.*

Our strategy includes a focus on hiring, developing and retaining our management team and a skilled and diverse international workforce. We compete to hire new employees and then seek to train them to develop their skills. Unplanned turnover or failure to develop an effective succession plan for our leadership positions, or to hire and retain a diverse, skilled workforce, could increase our operating costs and adversely affect our results of operations. There can be no assurance that we will be able to successfully recruit, develop and retain the key personnel that we need.

*Pending litigation, administrative actions and new legal requirements could have an adverse effect on the Corporation.*

There is no guarantee that the Corporation will be successful in defending itself in legal and administrative actions or in asserting its rights under various laws, including intellectual property laws. In addition, the Corporation could incur substantial costs in defending itself or in asserting its rights in these actions.

The Corporation’s sales and results of operations also may be adversely affected by new legal requirements, including proposed health care reform legislation and climate change and other environmental legislation and regulations. The costs and other effects of pending litigation and administrative actions against the Corporation and new legal requirements cannot be determined with certainty. For example, new legislation or regulations may result in increased costs to the Corporation, directly for its compliance or indirectly to the extent suppliers increase prices of goods and services because of increased compliance costs or reduced availability of raw materials.

Although management believes that none of these proceedings or requirements will have a material adverse effect on the Corporation, there can be no assurance that the outcome of these proceedings or effects of new legal requirements will be as expected. See Item 3, “Legal Proceedings”.

*The Corporation obtains certain manufactured products and administrative services from third parties. If the third-party providers fail to satisfactorily perform, our operations could be adversely impacted.*

Third parties manufacture some of the Corporation’s products and provide certain administrative services. Disruptions or delays at the third-party manufacturers or service providers due to regional economic, business, environmental, or political events, or information technology system failures or military actions, or the failure of these manufacturers or service providers to otherwise satisfactorily perform, could adversely impact the Corporation’s operations, sales, payments to the Corporation’s vendors, employees, and others, and the Corporation’s ability to report financial and management information on a timely and accurate basis. Administrative functions transferred to third-party service providers include certain information technology;

finance and accounting; sourcing and supply management; and human resources services. Although moving these administrative functions to third-party service providers has improved certain capabilities and lowered the Corporation's cost of operations, the Corporation could experience disruptions in the quality and timeliness of the services.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

## ITEM 2. PROPERTIES

The Corporation owns or leases:

- its principal executive offices, located in the Dallas, Texas metropolitan area;
- five operating segment and geographic headquarters at two U.S. and three international locations; and
- five administrative centers at three U.S. and two international locations.

The locations of the Corporation's and its equity affiliates' principal production facilities by major geographic areas of the world are as follows:

| Geographic Area: | Number of Facilities |
|---|---|
| United States (in 20 states) | 27 |
| Canada | 1 |
| Europe | 20 |
| Asia, Latin America and Other | 64 |
| Worldwide Total (in 38 countries) | 112 |

Many of these facilities produce multiple products. The types of products produced by these facilities are as follows:

| Products Produced: | Number of Facilities |
|---|---|
| Tissue, including consumer tissue and K-C Professional & Other products | 66 |
| Personal Care | 50 |
| Health Care | 11 |

Management believes that the Corporation's and its equity affiliates' facilities are suitable for their purpose, adequate to support their businesses and well maintained. The extent of utilization of individual facilities varies, but they generally operate at or near capacity, except in certain instances such as when a new product or technology is being introduced.

## ITEM 3. LEGAL PROCEEDINGS

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, these laws and regulations. The Corporation has been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites. In management's opinion, none of the Corporation's compliance obligations with environmental protection laws and regulations, individually or in the aggregate, is expected to have a material adverse effect on the Corporation's business, financial condition, results of operations or liquidity.

In May 2007, a wholly-owned subsidiary of the Corporation was served a summons in Pennsylvania state court by the Delaware County Regional Water Quality Authority ("Delcora"). Also in May 2007, Delcora initiated an administrative action against the Corporation. Delcora is a public agency that operates a sewerage system and a wastewater treatment facility serving industrial and municipal customers, including Kimberly-Clark's Chester Mill. Delcora also regulates the discharge of wastewater from the Chester Mill. Delcora has alleged in the summons and the administrative action that the Corporation underreported the quantity of effluent discharged to Delcora from the Chester Mill for several years due to an inaccurate effluent metering device and owes additional amounts. The Corporation's action for declaratory judgment in the Federal District Court for the Eastern District of Pennsylvania was dismissed in December 2007 on grounds of abstention. The Corporation appealed this dismissal to the Third Circuit Court of Appeals. The Third Circuit directed the parties to mediation, which during the third quarter of 2008 resulted in a procedural agreement to appoint a neutral and qualified hearing officer. As a result of this arrangement with Delcora, the Corporation has dismissed its appeal to the Third Circuit. The Corporation continues to believe that Delcora's allegations lack merit and is vigorously defending against Delcora's actions. In management's opinion, this matter is not expected to have a material adverse effect on the Corporation's business, financial condition, results of operations or liquidity.

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

No matters were submitted to a vote of security holders during the fourth quarter of 2009.

## EXECUTIVE OFFICERS OF THE REGISTRANT

The names and ages of the executive officers of the Corporation as of February 24, 2010, together with certain biographical information, are as follows:

**Robert E. Abernathy**, 55, was elected Group President—North Atlantic Consumer Products in 2008. He is responsible for the Corporation's consumer business in North America and Europe and the related customer development and supply chain organizations. Mr. Abernathy joined the Corporation in 1982. His past responsibilities in the Corporation have included overseeing its businesses in Asia, Latin America, Eastern Europe, the Middle East and Africa, as well as operations and major project management in North America. He was appointed Vice President—North American Diaper Operations in 1992; Managing Director of Kimberly-Clark Australia Pty. Limited in 1994; Group President of the Corporation's Business-to-Business segment in 1998 and Group President—Developing and Emerging Markets in 2004. He is a director of The Lubrizol Corporation.

**Joanne B. Bauer**, 54, was elected President—Global Health Care in 2006. She is responsible for the Corporation's global health care business, which includes a variety of medical supplies and devices. Ms. Bauer joined the Corporation in 1981. Her past responsibilities have included various marketing and management positions in the Adult Care and Health Care businesses. She was appointed Vice President of KimFibers, Ltd. in 1996; Vice President of Global Marketing for Health Care in 1998; and President of Health Care in 2001.

**Robert W. Black**, 50, was elected Group President—K-C International in 2008. He is responsible for the Corporation's businesses in Asia, Latin America, Eastern Europe, the Middle East and Africa. His past responsibilities have included overseeing the Corporation's strategy, mergers and acquisitions, global competitiveness and innovation efforts. Prior to joining the Corporation in 2006 as Senior Vice President and Chief Strategy Officer, Mr. Black served as Chief Operating Officer of Sammons Enterprises, a multi-faceted conglomerate, from 2004 to 2005. From 1994 to 2004, Mr. Black held various senior leadership positions in marketing, strategy, corporate development and international management with Steelcase, Inc., a leading office furniture products and related services company. As President of Steelcase International from 2000 to 2004, he led operations in more than 130 countries.

**Christian A. Brickman**, 45, was elected Senior Vice President and Chief Strategy Officer in 2008. He is responsible for leading the development and monitoring of the Corporation's strategic plans and processes to enhance the Corporation's enterprise growth initiatives. Prior to joining the Corporation in 2008, Mr. Brickman served as a Principal of McKinsey & Company, Inc., a management consulting firm, from 2003 to 2008, and as an Associate Principal from 2001 to 2003.

**Mark A. Buthman**, 49, was elected Senior Vice President and Chief Financial Officer in 2003. Mr. Buthman joined the Corporation in 1982. He has held various positions of increasing responsibility in the operations, finance and strategic planning areas of the Corporation. Mr. Buthman was appointed Vice President of Strategic Planning and Analysis in 1997 and Vice President of Finance in 2002.

**Thomas J. Falk**, 51, was elected Chairman of the Board and Chief Executive Officer in 2003 and President and Chief Executive Officer in 2002. Prior to that, he served as President and Chief Operating Officer since 1999. Mr. Falk previously had been elected Group President—Global Tissue, Pulp and Paper in 1998, where he was responsible for the Corporation's global tissue businesses. Earlier in his career, Mr. Falk had responsibility for the Corporation's North American Infant Care, Child Care and Wet Wipes businesses. Mr. Falk joined the Corporation in 1983 and has held other senior management positions in the Corporation. He has been a director of the Corporation since 1999. He also serves on the board of directors of Catalyst Inc. and the University of Wisconsin Foundation, and serves as a governor of the Boys & Girls Clubs of America.

**Lizanne C. Gottung**, 53, was elected Senior Vice President and Chief Human Resources Officer in 2002. She is responsible for leading the design and implementation of all human capital strategies for the Corporation, including global compensation and benefits, talent management, diversity and inclusion, organizational effectiveness and corporate health services. Ms. Gottung joined the Corporation in 1981. She has held a variety of human resources, manufacturing and operational roles of increasing responsibility with the Corporation, including Vice President of Human Resources from 2001 to 2002. She is a director of Louisiana Pacific Corporation.

**Thomas J. Mielke**, 51, was elected Senior Vice President—Law and Government Affairs and Chief Compliance Officer in 2007. His responsibilities include the Corporation's legal affairs, internal audit and government relations activities. Mr. Mielke joined the Corporation in 1988. He held various positions within the legal function and was appointed Vice President and Chief Patent Counsel in 2000, and Vice President and Chief Counsel – North Atlantic Consumer Products in 2004.

**Anthony J. Palmer**, 50, was elected Senior Vice President and Chief Marketing Officer in 2006. He also assumed leadership of the Corporation's innovation organization in March 2008. He is responsible for leading the growth of enterprise-wide strategic marketing capabilities and the development of high-return marketing programs to support the Corporation's business initiatives. Prior to joining the Corporation in 2006, he served in a number of senior marketing and general management roles at the Kellogg Company, a producer of cereal and convenience foods, from 2002 to 2006, including as managing director of Kellogg's U.K. business.

**Jan B. Spencer**, 54, was elected President—Global K-C Professional in 2006. He is responsible for the Corporation's global professional business, which includes commercial tissue and wipers, and skin care, safety and Do-It-Yourself products. Mr. Spencer joined the Corporation in 1979. His past responsibilities have included various sales and management positions in Europe and the U.S. He was appointed Vice President Research, Development & Engineering in the Away From Home sector in 1996; Vice President, Wiper Business in 1998; Vice President, European Operations, Engineering, Supply Chain in the K-C Professional sector in 2000; President, KCP Europe in 2002; President, KCP North America in 2003; and President—K-C Professional North Atlantic in 2004.

# PART II

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The dividend and market price data included in Item 8, Note 22 to the Consolidated Financial Statements are incorporated in this Item 5 by reference.

Quarterly dividends have been paid continually since 1935. Dividends have been paid on or about the second business day of January, April, July and October. The dividend reinvestment service of Computershare Investor Services is available to Kimberly-Clark stockholders of record. This service makes it possible for Kimberly-Clark stockholders of record to have their dividends automatically reinvested in common stock and to make additional cash investments.

Kimberly-Clark common stock is listed on the New York Stock Exchange. The ticker symbol is KMB.

As of February 12, 2010, the Corporation had 28,633 holders of record of its common stock.

For information relating to securities authorized for issuance under equity compensation plans, see Part III, Item 12 of this Form 10-K.

The Corporation repurchases shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. The Corporation's Board of Directors authorized a share repurchase program on July 23, 2007 that allows for the repurchase of 50 million shares in an amount not to exceed $5 billion. No shares were repurchased under this program during the fourth quarter of 2009. At December 31, 2009, there were 32 million shares remaining under this share authorization.

During October, November and December 2009, the Corporation purchased the following shares from current or former employees in connection with the exercise of employee stock options and other awards.

| Month | Shares | Amount |
|---|---|---|
| October | 2,387 | $ 145,989 |
| November | 2,706 | 172,291 |
| December | — | — |

Table of Contents

**PART II**
(Continued)

## ITEM 6. SELECTED FINANCIAL DATA

| | Year Ended December 31 | | | | |
|---|---|---|---|---|---|
| | 2009 | 2008[a] | 2007 | 2006 | 2005[c] |
| | (Millions of dollars, except per share amounts) | | | | |
| Net Sales | **$19,115** | $19,415 | $18,266 | $16,747 | $15,903 |
| Gross Profit | **6,420** | 5,858 | 5,704 | 5,082 | 5,075 |
| Operating Profit | **2,825** | 2,547 | 2,616 | 2,102 | 2,311 |
| Share of net income of equity companies | **164** | 166 | 170 | 219[b] | 137 |
| Income before extraordinary loss and cumulative effect of accounting change | **1,994** | 1,837 | 1,951 | 1,595 | 1,668 |
| Extraordinary loss | **—** | (8) | — | — | — |
| Cumulative effect of accounting change | **—** | — | — | — | (13) |
| Net income[d] | **1,994** | 1,829 | 1,951 | 1,595 | 1,655 |
| Net income attributable to noncontrolling interests[d] | **(110)** | (139) | (128) | (95) | (87) |
| Net income attributable to Kimberly-Clark Corporation[d] | **1,884** | 1,690 | 1,823 | 1,500 | 1,568 |
| Per share basis: | | | | | |
| Basic[e] | | | | | |
| Income before extraordinary loss and cumulative effect of accounting change | **4.53** | 4.06 | 4.11 | 3.26 | 3.33 |
| Cumulative effect of accounting change | **—** | — | — | — | (.03) |
| Extraordinary loss | **—** | (.02) | — | — | — |
| Net income | **4.53** | 4.04 | 4.11 | 3.26 | 3.30 |
| Diluted[e] | | | | | |
| Income before extraordinary loss and cumulative effect of accounting change | **4.52** | 4.05 | 4.08 | 3.24 | 3.31 |
| Cumulative effect of accounting change | **—** | — | — | — | (.03) |
| Extraordinary loss | **—** | (.02) | — | — | — |
| Net income | **4.52** | 4.03 | 4.08 | 3.24 | 3.28 |
| Cash Dividends Per Share | | | | | |
| Declared | **2.40** | 2.32 | 2.12 | 1.96 | 1.80 |
| Paid | **2.38** | 2.27 | 2.08 | 1.92 | 1.75 |
| Total Assets | **$19,209** | $18,089 | $18,440 | $17,067 | $16,303 |
| Long-Term Debt | **4,792** | 4,882 | 4,394 | 2,276 | 2,595 |
| Total Stockholders' Equity[d] | **5,690** | 4,261 | 5,687 | 6,502 | 5,936 |

(a) The Corporation recorded an extraordinary charge of $12 million ($8 million after tax) related to the consolidation of its monetization financing entities. See Item 8, Note 2 to the Consolidated Financial Statements.

(b) The Corporation's share of net income includes a gain of approximately $46 million from the sale by Kimberly-Clark de Mexico, S.A.B. de C.V. of its pulp and paper business.

(c) The Corporation recorded a pretax asset retirement obligation of $24 million at December 31, 2005. The cumulative effect of accounting change on income, net of related income tax effects, of recording the asset retirement obligation was $13 million, or $.03 per share.

(d) Effective January 1, 2009, the Corporation adopted new accounting requirements with respect to the classification of noncontrolling interests. Prior year results have been recast to conform to the current year presentation.

(e) The Corporation's basic and diluted earnings per share amounts for 2005 to 2008 have been recast to include certain share-based payment awards as participating securities under the two-class method, as required by accounting requirements.

**PART II**
(Continued)

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

### Introduction

This management's discussion and analysis of financial condition and results of operations ("MD&A") is intended to provide investors with an understanding of the Corporation's past performance, its financial condition and its prospects. The following will be discussed and analyzed:

- Overview of Business
- Overview of 2009 Results
- Results of Operations and Related Information
- Liquidity and Capital Resources
- Variable Interest Entities
- Critical Accounting Policies and Use of Estimates
- Legal Matters
- New Accounting Standards
- Business Outlook
- Forward-Looking Statements

### Overview of Business

The Corporation is a global company focused on leading the world in essentials for a better life, with manufacturing facilities in 35 countries and products sold in more than 150 countries. The Corporation's products are sold under such well-known brands as Kleenex, Scott, Huggies, Pull-Ups, Kotex and Depend. The Corporation has four reportable global business segments: Personal Care; Consumer Tissue; K-C Professional & Other; and Health Care. These global business segments are described in greater detail in Item 8, Note 20 to the Consolidated Financial Statements.

In managing its global business, the Corporation's management believes that developing new and improved products, responding effectively to competitive challenges, obtaining and maintaining leading market shares, controlling costs, managing currency and commodity risks, and responding effectively to current and developing global economic environments are important to the long-term success of the Corporation. The discussion and analysis of results of operations and other related information will refer to these factors.

- Product innovation—Past results and future prospects depend in large part on product innovation. The Corporation relies on its ability to develop and introduce new or improved products to drive sales and volume growth and to achieve and/or maintain category leadership. In order to introduce new or improved products, the technology to support those products must be acquired or developed. Research and development expenditures are directed towards new or improved personal care, tissue, industrial wipers, safety and health care products and nonwoven materials.
- Competitive environment—Past results and future prospects are significantly affected by the competitive environment in which we operate. We experience intense competition for sales of our principal products in our major markets, both domestically and internationally. Our products compete with widely-advertised, well-known, branded products, as well as private label products, which are typically sold at lower prices. We have several major competitors in most of our markets, some of which

are larger and more diversified. The principal methods and elements of competition include brand recognition and loyalty, product innovation, quality and performance, price, and marketing and distribution capabilities.

The Corporation increased promotional and strategic marketing spending in 2008 and 2009 to support new product introductions, further build brand equity and enable competitive pricing in order to protect the position of the Corporation's products in the market. We expect competition to continue to be intense in 2010.

- Market shares—Achieving leading market shares in our principal products has been an important part of our past performance. We hold number 1 or 2 share positions in more than 80 countries. Achieving and maintaining leading market shares is important because of ongoing consolidation of retailers and the trend of leading merchandisers seeking to stock only the top competitive brands.
- Cost controls—To maintain or improve our competitive position, we must control our manufacturing, distribution and other costs. We have achieved cost savings from reducing material costs and manufacturing waste, and realizing productivity gains and distribution efficiencies in our business segments. Our ability to control costs can be affected by changes in the price of pulp, oil and other commodities we consume in our manufacturing processes.
- Foreign currency and commodity risks—As a multinational enterprise, we are exposed to changes in foreign currency exchange rates, and we are also exposed to changes in commodity prices. Our ability to effectively manage these risks can have a material impact on our results of operations.
- Global economic environment—The Corporation's business and financial results continue to be adversely affected by economic uncertainty in the United States and throughout the world and volatility in the global markets. Although it has become more challenging to predict our results in the near-term, we will continue to focus on executing our Global Business Plan strategies for the long-term health of our businesses.

**Overview of 2009 Results**

- Net sales decreased 1.5 percent because of unfavorable currency effects and a decline in sales volumes, partially offset by higher net selling prices.
- Operating profit increased 10.9 percent, and net income attributable to Kimberly-Clark and diluted earnings per share increased 11.5 percent and 12.2 percent, respectively. The benefits of higher net selling prices, cost savings and deflation in key cost components, were partially offset by unfavorable currency effects, organization optimization severance and related charges, increased pension expense, higher operating costs and increased strategic marketing spending.
- Cash flow from operations was $3.5 billion, an increase of 38 percent.

**Results of Operations and Related Information**

This section contains a discussion and analysis of net sales, operating profit and other information relevant to an understanding of 2009 results of operations. This discussion and analysis compares 2009 results to 2008, and 2008 results to 2007.

**PART II**
(Continued)

***Analysis of Consolidated Net Sales***

*By Business Segment*

| | Year Ended December 31 | | |
|---|---|---|---|
| | **2009** | 2008 | 2007 |
| | (Millions of dollars) | | |
| Personal Care | **$ 8,365** | $ 8,272 | $ 7,563 |
| Consumer Tissue | **6,409** | 6,748 | 6,475 |
| K-C Professional & Other | **3,007** | 3,174 | 3,039 |
| Health Care | **1,371** | 1,224 | 1,207 |
| Corporate & Other | **53** | 79 | 41 |
| Intersegment sales | **(90)** | (82) | (59) |
| Consolidated | **$19,115** | $19,415 | $18,266 |

*By Geographic Area*

| | Year Ended December 31 | | |
|---|---|---|---|
| | **2009** | 2008 | 2007 |
| | (Millions of dollars) | | |
| United States | **$10,146** | $10,143 | $ 9,876 |
| Canada | **596** | 574 | 569 |
| Intergeographic sales | **(322)** | (256) | (253) |
| Total North America | **10,420** | 10,461 | 10,192 |
| Europe | **3,220** | 3,679 | 3,469 |
| Asia, Latin America and other | **6,124** | 5,942 | 5,252 |
| Intergeographic sales | **(649)** | (667) | (647) |
| Consolidated | **$19,115** | $19,415 | $18,266 |

*Commentary:*

*2009 versus 2008*

| | Percent Change in Net Sales Versus Prior Year | | | | |
|---|---|---|---|---|---|
| | | Changes Due To | | | |
| | Total Change | Volume | Net Price | Currency | Mix/ Other |
| Consolidated | (1.5) | (1) | 4 | (5) | — |
| Personal Care | 1.1 | 2 | 5 | (6) | — |
| Consumer Tissue | (5.0) | (3) | 3 | (5) | — |
| K-C Professional & Other | (5.3) | (6) | 4 | (4) | 1 |
| Health Care | 12.0 | 14 | — | (2) | — |

- Personal care net sales in North America decreased about 1 percent due to a decline in sales volumes of 1 percent and unfavorable currency effects of 1 percent, partially offset by higher net selling prices of more than 1 percent. The higher net selling prices resulted from price increases implemented during 2008, net of 2009 increased promotional activity primarily for Huggies diapers to match competitive actions. The sales volume declines resulted from lower sales of training pants, due to category weakness, and modestly lower volumes for Huggies diapers. These declines were partially offset by higher volumes for K-C's adult incontinence brands, including benefits from innovation of Depend products.

In Europe, personal care net sales decreased about 10 percent as unfavorable currency effects of 12 percent and decreased net selling prices of 2 percent were partially offset by increased sales volumes of 4 percent. The volume increase was driven by growth of Huggies diapers in Central Europe and in the Corporation's four core markets—the U.K., France, Italy and Spain.

In K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, net sales increased about 5 percent driven by a more than 11 percent increase in net selling prices and 4 percent increase in sales volumes, partially offset by a 10 percent unfavorable currency effect. The growth in net selling prices was broad-based, with particular strength throughout Latin America and in South Korea, Russia, and South Africa. Unfavorable currency effects were primarily in South Korea, Russia, Australia and Latin America.

- Consumer tissue net sales in North America decreased 2 percent as an increase in net selling prices of 2 percent was offset by a sales volume decline of about 4 percent. The higher net selling prices were primarily attributable to price increases in all categories implemented during 2008, net of increased promotional activity to match competitive actions. Sales volumes were down low single-digits in facial tissue and double-digits in paper towels, primarily as a result of focusing on improving revenue realization and some consumer trade-down to lower-priced product offerings.

  In Europe, consumer tissue net sales decreased almost 14 percent due to unfavorable currency effects of 11 percent, a decrease in sales volumes of 2 percent and a decrease of net selling prices of 1 percent. The lower sales volumes were primarily because of reduced sales of bathroom tissue due to some consumer trade-down to lower-priced product offerings.

  In K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, consumer tissue net sales decreased 3 percent, as an increase in net selling prices of 7 percent and improvements in product mix of 1 percent were more than offset by unfavorable currency effects of 8 percent and lower sales volumes of 3 percent. The increase in net selling prices resulted from price increases implemented in most markets in 2008, net of current year increased promotional activity. Unfavorable currency effects were primarily attributable to South Korea, Russia, Australia and Latin America.

- Economic weakness and high unemployment levels in North America and Europe continued to affect K-C Professional's categories in 2009. In North America, sales decreased 4 percent, due to a decrease in sales volumes of 6 percent (which is net of an approximate 4 percent benefit from the acquisition of Jackson in April 2009), partially offset by higher net selling prices of about 3 percent. In Europe, sales of K-C Professional products decreased 16 percent, due to a decrease in sales volumes of 9 percent (which is net of an approximate 1 percent benefit from the Jackson acquisition) and unfavorable currency effects of 9 percent, partially offset by higher net selling prices of 3 percent.

- The increased sales volumes for health care products were primarily due to broad-based growth across several categories including exam gloves and apparel and a 2 percent benefit from the acquisition of I-Flow in late November 2009. In addition, approximately 35 percent of the total gain in health care volume for the year was attributable to increased global demand for face masks, a result of the H1N1 influenza virus.

*Commentary:*

*2008 versus 2007*

| | Percent Change in Net Sales Versus Prior Year | | | | |
|---|---|---|---|---|---|
| | | Changes Due To | | | |
| | Total Change | Volume | Net Price | Currency | Mix/ Other |
| Consolidated | 6.3 | 1 | 4 | 1 | — |
| Personal Care | 9.4 | 5 | 3 | 1 | — |
| Consumer Tissue | 4.2 | (4) | 6 | 1 | 1 |
| K-C Professional & Other | 4.4 | (1) | 4 | 1 | — |
| Health Care | 1.4 | 4 | (1) | 1 | (3) |

- Personal care net sales in North America increased about 5 percent due to more than 3 percent higher net selling prices and more than 1 percent higher sales volumes. The higher net selling prices resulted from increases implemented throughout 2008, net of increased promotional activity primarily for Huggies diapers to match competitive actions. Sales volume growth was dampened by the effects of the economic downturn in the fourth quarter of 2008 as customers adjusted inventory levels, child care category sales slowed and some consumers traded down to lower-priced product offerings.

  In Europe, personal care net sales were even with the prior year as favorable currency effects offset lower sales volumes and net selling prices. Sales volumes of Huggies diapers in the Corporation's four core markets—the U.K., France, Italy and Spain—declined about 4 percent from the prior year.

  In K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, net sales increased almost 17 percent driven by a more than 10 percent increase in sales volumes. The growth in sales volumes was broad-based, with particular strength throughout Latin America and in South Korea, Russia, Turkey and China. Increased net selling prices and favorable product mix added about 4 percent and 2 percent, respectively, to the net sales increase. Unfavorable currency effects in South Korea were offset by favorable effects in other countries, primarily in Brazil and Israel.

- Consumer tissue net sales in North America were even with the prior year as increased net selling prices of more than 6 percent and improved product mix of nearly 1 percent were offset by a sales volume decline of about 7 percent. The higher net selling prices were primarily attributable to price increases for bathroom tissue and paper towels implemented during the first and third quarters in the U.S. List prices for facial tissue were raised late in the third quarter. Sales volumes were down mid-single digits in bathroom tissue and facial tissue and double-digits in paper towels, primarily as a result of focusing on improving revenue realization. A portion of the overall volume decline is also due to the Corporation's decision in late 2007 to shed certain low-margin private label business.

  In Europe, consumer tissue net sales increased almost 4 percent on nearly 3 percent higher net selling prices, a 1 percent improvement in product mix and more than 2 percent favorable currency effects, tempered by a decline in sales volumes of about 2 percent. The lower sales volumes were primarily due to reduced sales of Andrex and Scottex bathroom tissue and Kleenex facial tissue in response to higher net selling prices and a slowdown in category sales, particularly in the U.K.

  Consumer tissue net sales in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa increased nearly 13 percent. During 2008, the Corporation raised prices in most markets to recover higher raw materials costs and drove improvements in mix with more differentiated, value-added products, strategies that resulted in higher net selling prices of about 10 percent and better product mix of more than 2 percent. Sales volumes were even with last year. For the year, currency effects were neutral as favorable effects earlier in the year were offset by the dramatic changes in currency rates in the fourth quarter of 2008.

**PART II**
(Continued)

- Economic weakness and rising unemployment levels in North America and Europe began to affect K-C Professional's categories in the fourth quarter of 2008. For the year, net sales in North America increased nearly 3 percent as increased net selling prices of about 4 percent and improved product mix of over 1 percent were tempered by lower sales volumes. In Europe, net sales of K-C Professional products advanced about 9 percent as increased net selling prices and higher sales volumes contributed nearly 3 percent and 2 percent, respectively, to the improvement. Currency effects were about 4 percent favorable versus the prior year.
- The increased sales volumes for health care products were primarily due to mid-single digit growth outside North America and a similar advance for medical devices in North America. The price decline was mainly attributable to competitive conditions affecting surgical supplies in North America and Europe.

***Analysis of Consolidated Operating Profit***

*By Business Segment*

| | Year Ended December 31 | | |
|---|---|---|---|
| | **2009** | 2008 | 2007 |
| | | (Millions of dollars) | |
| Personal Care | **$1,739** | $1,649 | $1,562 |
| Consumer Tissue | **736** | 601 | 702 |
| K-C Professional & Other | **464** | 428 | 478 |
| Health Care | **244** | 143 | 195 |
| Other income and (expense), net | **(97)** | (20) | 18 |
| Corporate & Other | **(261)** | (254) | (339) |
| Consolidated | **$2,825** | $2,547 | $2,616 |

*By Geographic Area*

| | Year Ended December 31 | | |
|---|---|---|---|
| | **2009** | 2008 | 2007 |
| | | (Millions of dollars) | |
| United States | **$2,059** | $1,730 | $1,853 |
| Canada | **113** | 144 | 157 |
| Europe | **171** | 210 | 258 |
| Asia, Latin America and other | **840** | 737 | 669 |
| Other income and (expense), net | **(97)** | (20) | 18 |
| Corporate & Other | **(261)** | (254) | (339) |
| Consolidated | **$2,825** | $2,547 | $2,616 |

Note: Corporate & Other and Other income and (expense), net, include the following amounts of pre-tax charges for the strategic cost reductions. In 2007, Corporate & Other also includes the related implementation costs.

| | 2008 | 2007 |
|---|---|---|
| | (Millions of dollars) | |
| Corporate & Other | $ (72) | $ (148) |
| Other income and (expense), net | 12 | 14 |

**PART II**
(Continued)

*Commentary:*

*2009 versus 2008*

| | Percentage Change in Operating Profit Versus Prior Year | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Change Due To | | | | | |
| | Total Change | Volume | Net Price | Input Costs[a] | Production (Curtailment)/ Efficiencies | Currency | Other[b] |
| Consolidated | 10.9 | (2) | 29 | 26 | (5) | (14) | (23)[c] |
| Personal Care | 5.5 | 2 | 25 | 10 | (2) | (13) | (17) |
| Consumer Tissue | 22.5 | (12) | 31 | 54 | (12) | (7) | (32) |
| K-C Professional & Other | 8.4 | (14) | 33 | 32 | (11) | (4) | (28) |
| Health Care | 70.6 | 45 | (3) | 36 | 19 | (4) | (22) |

(a) Includes raw materials deflation and energy and distribution variations.

(b) Includes organization optimization severance and related charges and cost savings.

(c) Strategic cost reduction charges of $60 million were included in 2008.

Consolidated operating profit increased $278 million or 10.9 percent from the prior year. The benefits of higher net selling prices, cost savings of about $240 million and deflation in key cost components totaling approximately $675 million, were partially offset by lower sales volumes, negative currency effects of about $355 million, severance and related costs of $128 million, increased pension expense of about $155 million, higher operating costs and increased strategic marketing spending. Operating profit as a percent of net sales increased to 14.8 percent from 13.1 percent last year. Charges in 2008 of $60 million for the strategic cost reductions, discussed later in this MD&A, are not included in the results of the business segments.

- Operating profit for the personal care segment increased 5.5 percent as higher net selling prices, materials and other cost deflation, and cost savings, were partially offset by organization optimization severance charges, unfavorable currency effects, higher operating costs and increased marketing expense. In North America, operating profit increased due to higher net selling prices, materials and other cost deflation, and cost savings, tempered by organization optimization severance charges and increased marketing expenses. In Europe, operating profit declined as increased sales volumes were more than offset by lower net selling prices and organization optimization severance charges. Operating profit in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa increased as higher net selling prices and the benefits of volume growth were only partially offset by unfavorable currency effects.
- Consumer tissue segment operating profit increased 22.5 percent. Materials and other cost deflation, higher net selling prices and cost savings were partially offset by lower sales volumes, increased selling and marketing spending, organization optimization severance charges and negative impacts of production down-time which occurred earlier in the year, in part to drive inventory reductions. Operating profit in North America increased due to the same factors that affected the overall segment. In Europe, operating profit increased as materials and other cost deflation were only partially offset by unfavorable currency effects, lower net selling prices, and lower sales volumes. Operating profit in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa increased as higher net selling prices and materials and other cost deflation were partially offset by increased marketing expenses, unfavorable currency effects and lower sales volumes.
- Operating profit for K-C Professional & Other products increased 8.4 percent as higher net selling prices and materials and other cost deflation were partially offset by organization optimization

severance charges, lower sales volumes, negative impacts of production down-time, in part to drive reductions in inventory, increased general expense, partially as a result of the Jackson acquisition, and unfavorable currency effects.

- Operating profit for the health care segment increased 70.6 percent. The benefit of higher sales volumes, materials cost deflation, manufacturing production efficiencies and cost savings were partially offset by higher selling expenses, as a result of the I-Flow acquisition, and lower net selling prices.

*Organization Optimization Initiative*

In June 2009, the Corporation announced actions to reduce its worldwide salaried workforce by approximately 1,600 positions by the end of 2009. These actions resulted in cumulative pretax charges of approximately $128 million in 2009. Related savings from this initiative were approximately $55 million in 2009. See Item 8, Note 4 to the Consolidated Financial Statements for detail on costs incurred for the initiative.

*Other income and (expense), net*

Other income and (expense), net for 2009 includes currency transaction losses of $110 million, an increase of $92 million over 2008, partially offset by additional favorable settlements of value-added tax matters in Latin America. Approximately $73 million of the currency transaction losses in 2009 related to operations in Venezuela.

*Commentary:*

*2008 versus 2007*

| | Percentage Change in Operating Profit Versus Prior Year | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Change Due To | | | | | |
| | Total Change | Volume | Net Price | Raw Materials Cost | Energy and Distribution Expense | Currency | Other[a] |
| Consolidated | (2.6) | 3 | 29 | (20) | (8) | — | (7)[b] |
| Personal Care | 5.6 | 9 | 15 | (14) | (3) | — | (1) |
| Consumer Tissue | (14.4) | (9) | 60 | (27) | (18) | (1) | (19) |
| K-C Professional & Other | (10.5) | (2) | 23 | (18) | (9) | 2 | (6) |
| Health Care | (26.7) | 8 | (8) | (10) | — | 2 | (19) |

(a) Includes higher marketing and general expenses net of the benefit of cost savings achieved.

(b) Charges for strategic cost reductions were $47 million lower in 2008 than in 2007.

Consolidated operating profit decreased $69 million or 2.6 percent from the prior year. Charges for the strategic cost reductions of $60 million for 2008 were $47 million lower than in the prior year. Charges for the strategic cost reductions are not included in the results of the business segments. The effect of higher net sales, primarily due to increased net selling prices, plus approximately $171 million in cost savings, were more than offset by significant inflation in key manufacturing cost inputs of more than $725 million, higher manufacturing costs, primarily related to production downtime, of nearly $100 million, increased strategic marketing spending of about $95 million and higher levels of selling and administrative expenses, mainly to support growth in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa. Operating profit as a percent of net sales decreased to 13.1 percent from 14.3 percent last year.

- Operating profit for the personal care segment increased 5.6 percent as higher net sales and cost savings more than offset raw materials and other cost inflation. In North America, operating profit increased due to the higher net selling prices and cost savings, tempered by materials and other cost inflation, and increased marketing expenses. In Europe, operating profit declined as cost savings were more than offset by the lower net selling prices and materials inflation. Operating profit in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, increased because the higher net selling prices and sales volumes more than offset increased marketing and general expenses.
- Consumer tissue segment operating profit decreased 14.4 percent. Increased net selling prices and cost savings were more than offset by cost inflation, the lower sales volumes and higher manufacturing costs, including the effect of planned production downtime. Operating profit in North America decreased due to the same factors that affected the overall segment. In Europe, operating profit declined as higher net selling prices and cost savings were more than offset by cost inflation. Operating profit in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, was even with the prior year as higher net selling prices were offset by cost inflation, and increased marketing and general expenses to support growth in these regions.
- Operating profit for K-C Professional & Other products decreased 10.5 percent because higher net selling prices were more than offset by cost inflation for both wastepaper and virgin fiber and other materials and increased manufacturing costs, including higher maintenance spending.
- Operating profit for the health care segment decreased 26.7 percent. The benefit of higher sales volumes was more than offset by the lower net selling prices and higher manufacturing cost. In addition to cost inflation, the segment absorbed manufacturing-related costs as part of a plan to reduce inventory and also experienced higher costs related to changes in its manufacturing footprint.

*Strategic Cost Reduction Plan*

In July 2005, the Corporation authorized a multi-year plan to further improve its competitive position by accelerating investments in targeted growth opportunities and strategic cost reductions aimed at streamlining manufacturing and administrative operations, primarily in North America and Europe. The strategic cost reductions commenced in the third quarter of 2005 and were completed by December 31, 2008. The strategic cost reductions resulted in cumulative charges of $880 million before tax or $610 million after tax. Cumulative savings under the plan were $395 million, including $60 million in 2009 and $110 million in 2008.

*Other income and (expense), net*

Other income and (expense), net for 2008 includes costs for a legal judgment and the refinancing of dealer remarketable securities partially offset by favorable settlement of a value-added tax matter in Latin America. A gain of $16 million for the settlement of litigation related to prior years' operations in Latin America is included in 2007. In addition, currency transaction losses included in this line item were about $5 million higher in 2008 than in 2007.

***Additional Income Statement Commentary***

*2009 versus 2008*

- Interest expense decreased due to lower average interest rates and a lower average level of debt. See Item 8, Note 7 to the Consolidated Financial Statements for detail on debt activity.
- The Corporation's effective income tax rate was 29.0 percent for 2009 compared with 27.0 percent for 2008. The increase was primarily due to favorable audit activity in 2008 relating to prior years and currency impacts in Latin America and Asia-Pacific.

- The Corporation’s share of net income of equity companies declined by $2 million primarily due to unfavorable currency effects affecting the Corporation’s investment in Kimberly-Clark de Mexico, S.A.B. de C.V. (“KCM”). Despite higher selling prices and sales volumes, KCM’s U.S. dollar results were negatively affected as the Mexican peso results for 2009 were translated into U.S. dollars using currency exchange rates that were 18 percent weaker versus the U.S. dollar in 2009 than in 2008. Also affecting the year-over-year comparisons were currency transaction losses in 2008 on its more than $300 million of U.S. dollar denominated liabilities that were refinanced into Mexican peso liabilities in 2009. The currency transaction losses reduced the Corporation’s share of KCM’s net income by approximately $23 million in 2008.
- Net income attributable to noncontrolling interests decreased $29 million primarily due to the acquisition of the remaining interest in the Corporation’s Andean affiliate in January 2009. See Item 8, Note 6 to the Consolidated Financial Statements for additional detail.
- The average number of common shares outstanding declined in 2009 as compared to 2008, primarily due to share repurchases throughout 2008 under the Corporation’s share repurchase program. No shares were repurchased under the program during 2009.

*2008 versus 2007*

- Interest expense increased due to a higher average level of debt partially offset by lower average interest rates. See Item 8, Note 7 to the Consolidated Financial Statements for detail on debt activity.
- The Corporation’s effective income tax rate was 27.0 percent for 2008 compared with 23.2 percent for 2007. The increase was primarily due to: (a) the benefits from the synthetic fuel credits utilized in 2007 that were not available in 2008; (b) favorable settlements in 2007 of tax issues related to prior years; and (c) the reversal of valuation allowances in 2007 on deferred tax assets at certain majority-owned subsidiaries in Latin America based on a sustained improvement in the subsidiaries’ operating results, partially offset by higher foreign tax credit benefits in 2008.
- The Corporation’s share of net income of equity companies declined by $4 million primarily due to lower net income at KCM. While KCM had higher net sales, its operating profit and net income were affected by currency transaction losses in the fourth quarter of 2008 on its more than $300 million of U.S. dollar-denominated liabilities as the Mexican peso weakened versus the U.S. dollar. The currency transaction losses reduced the Corporation’s share of KCM’s net income by approximately $23 million for 2008.
- Net income attributable to noncontrolling interests increased $11 million versus the prior year. The increase was primarily due to higher returns payable on the redeemable preferred securities issued by the Corporation’s consolidated financing subsidiary.
- As a result of the Corporation’s ongoing share repurchase program, including an accelerated share repurchase program, the average number of common shares outstanding declined, which benefited 2008 net income by about $.25 per share. This benefit was partially offset by the higher interest expense associated with the July 2007 debt issuances that funded the program.
- As described in Item 8, Note 16 to the Consolidated Financial Statements, the Corporation had minority interests in two synthetic fuel partnerships. Pretax losses from participation in these partnerships were reported as nonoperating expense in the Consolidated Income Statement. The partnerships were dissolved in 2008 at no cost to the Corporation. The Corporation’s income tax provision was reduced by $81 million in 2007, resulting from the income tax credits and tax benefits of these investments. Diluted earnings per share benefited by $.03 in 2007 compared with no benefit in 2008.

## Liquidity and Capital Resources

| | Year Ended December 31 2009 | 2008 |
|---|---|---|
| | (Millions of dollars) | |
| Cash provided by operations | **$ 3,481** | $ 2,516 |
| Capital spending | **848** | 906 |
| Acquisitions of businesses, net of cash acquired | **458** | 98 |
| Ratio of total debt and redeemable securities to capital[a] | **53.1%** | 62.2% |
| Pretax interest coverage—times | **8.8** | 7.3 |

(a) Capital is total debt and redeemable securities of subsidiaries plus stockholders' equity.

*Cash Flow Commentary:*

Cash provided by operations increased $965 million primarily due to higher cash earnings and reduced working capital, including reductions in inventories and benefits from payables, partially offset by increased pension plan contributions.

*Contractual Obligations:*

The following table presents the Corporation's total contractual obligations for which cash flows are fixed or determinable.

| | Total | 2010 | 2011 | 2012 | 2013 | 2014 | 2015+ |
|---|---|---|---|---|---|---|---|
| | (Millions of dollars) | | | | | | |
| Contractual Obligations | | | | | | | |
| Long-term debt | $ 5,295 | $ 503 | $ 434 | $ 411 | $506 | $104 | $3,337 |
| Interest payment on long-term debt | 2,741 | 254 | 244 | 226 | 215 | 194 | 1,608 |
| Returns on redeemable preferred securities | 192 | 54 | 54 | 28 | 28 | 28 | — |
| Operating leases | 789 | 169 | 137 | 115 | 95 | 86 | 187 |
| Unconditional purchase obligations | 1,808 | 693 | 524 | 326 | 66 | 65 | 134 |
| Open purchase orders | 1,665 | 1,610 | 9 | 8 | 7 | 8 | 23 |
| Total contractual obligations | $12,490 | $3,283 | $1,402 | $1,114 | $917 | $485 | $5,289 |

*Obligations Commentary:*

- Projected interest payments for variable-rate debt were calculated based on the outstanding principal amounts and prevailing market rates as of December 31, 2009.
- Returns on redeemable preferred securities reflect required return payments through the next redemption election date by instrument class. See Item 8, Note 8 to the Consolidated Financial Statements.
- The unconditional purchase obligations are for the purchase of raw materials, primarily pulp, and utilities. Although the Corporation is primarily liable for payments on the above operating leases and unconditional purchase obligations, based on historic operating performance and forecasted future cash flows, management believes exposure to losses, if any, under these arrangements is not material.
- The open purchase orders displayed in the table represent amounts for goods and services the Corporation has negotiated for delivery.

The Corporation will fund its defined benefit pension plans to meet or exceed statutory requirements and currently expects to contribute about $240 million to these plans in 2010. This amount is not included in the table.

The table does not include future payments that the Corporation will make for other postretirement benefit obligations. Those amounts are estimated using actuarial assumptions, including expected future service, to project the future obligations. Based upon those projections, the Corporation anticipates making annual payments for these obligations within a range from approximately $80 million in 2010 to more than $95 million by 2019.

Accrued income tax liabilities for uncertain tax positions have not been presented in the table due to uncertainty as to amounts and timing regarding future payments.

Deferred taxes, noncontrolling interests and payments for pension plan benefits are also not included in the table.

A consolidated financing subsidiary has issued two classes of redeemable preferred securities. The holder of the securities can elect to have the subsidiary redeem the first class in December 2011 and the second class in December 2014 and each seven-year anniversary thereafter. In the event that the holder of the securities does elect to have its preferred securities redeemed at the next respective redemption dates, the Corporation would be required to repay approximately $500 million in 2011 and approximately $500 million in 2014. These amounts have not been included in the table. See Item 8, Note 8 to the Consolidated Financial Statements for additional information regarding these securities.

*Investing Commentary:*

- During 2009, the Corporation's capital spending was $848 million.
- During the first quarter of 2009, the Corporation acquired the remaining approximately 31 percent interest in its Andean region subsidiary, Colombiana Kimberly Colpapel S.A., for $289 million.
- During the second quarter of 2009, the Corporation acquired Jackson, a privately-held safety products company, for approximately $155 million, net of cash acquired. The acquisition is consistent with the Corporation's global business plan strategy to accelerate growth of high-margin workplace products sold by its K-C Professional business. During the fourth quarter of 2009, the Corporation acquired Baylis' pain management business. The Corporation's Health Care business has been the exclusive distributor of these pain management products in the U.S. since 2001. Also during the fourth quarter of 2009, the Corporation acquired I-Flow, a healthcare company that develops and markets drug delivery systems and products for post-surgical pain relief and surgical site care, for $262 million, net of cash acquired. The Baylis and I-Flow acquisitions are consistent with the Corporation's global business plan strategy to invest in the higher-growth, higher-margin medical device market. See Item 8, Note 6 to the Consolidated Financial Statements for a discussion of these acquisitions.

*Financing Commentary:*

- At December 31, 2009, total debt and redeemable securities was $6.5 billion compared with $7.0 billion last year end. The decrease was mostly due to debt repayments of $590 million in 2009.
- During the fourth quarter of 2009, both Standard & Poor's (S&P) and Moody's Investor Services (Moody's) reaffirmed the Corporation's long- and short-term ratings of A and A1 at S&P and A2 and P1 at Moody's, respectively, with an outlook of stable.

- In 2006, the Corporation issued $200 million of dealer remarketable securities that have a final maturity in 2016. In 2009, the dealer exercised its option to remarket the securities for another year and in agreement with the Corporation, sold the securities to a wholly-owned subsidiary of the Corporation, which intends to hold them until the next remarketing date in December 2010. The investment in these securities by the subsidiary and the Corporation's debt obligation for these securities are eliminated in consolidation. See Item 8, Note 7 to the Consolidated Financial Statements for additional detail on these securities.
- At December 31, 2009, the Corporation had a $1.33 billion revolving credit facility that is scheduled to expire in September 2012. Under the arrangement, the revolving credit facility may be increased to $1.77 billion. The Corporation maintains the revolving credit facility to manage liquidity needs in the event its access to the commercial paper markets is constrained for any reason. The Corporation did not borrow any amounts under the revolving credit facility in 2009.
- In 2003, the Venezuelan government enacted currency restrictions, which have affected the ability of the Corporation's Venezuelan subsidiary ("K-C Venezuela") to obtain foreign currency at the official rate of exchange to pay for imported finished goods. These exchange restrictions have negatively impacted K-C Venezuela because it has had to meet its foreign currency needs from non-government sources at the parallel exchange rates, which are substantially unfavorable to the official rate. During 2009, the Corporation recorded its share of pretax losses of more than $195 million or about $.47 per share due to currency transactions at parallel exchange rates. In 2009, K-C Venezuela represented approximately 3 percent of consolidated net sales and 1 percent of consolidated operating profit.

  Because the cumulative inflation in Venezuela for the preceding three years was more than 100 percent, effective January 1, 2010, the Corporation determined that results for this operation would be accounted for as highly inflationary. On January 8, 2010, the Venezuelan government devalued its currency and established a multiple exchange rate structure. As a result of the devaluation, the Corporation anticipates recording a one-time after tax charge to remeasure the subsidiary's local currency net monetary asset position into U.S. dollars. The Corporation is currently evaluating the rate at which the devaluation will be measured and 2010 results will be translated into U.S. dollars. The Corporation estimates the range of the one-time after-tax impact of the devaluation to be $60 million to $90 million, based on a rate of 4.3 to 6.0 bolivars per U.S. dollar. This charge will be recorded in the first quarter of 2010. At the stated range of rates, the Corporation estimates that the ongoing effect of the devaluation will not be material to the Corporation's 2010 net income.

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, payment of dividends, pension plan contributions and other needs in the foreseeable future.

**Variable Interest Entities**

The Corporation has interests in the financing and real estate entities discussed in Item 8, Notes 2, 8 and 13 to the Consolidated Financial Statements. The entities described in Item 8, Notes 2 and 8 are consolidated, as are certain of the real estate entities described in Note 13. The nonconsolidated real estate entities do not engage in any off-balance sheet arrangements.

**Critical Accounting Policies and Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. The critical accounting policies used by management in the preparation of the Consolidated Financial Statements are those that are important both to the presentation of the Corporation's financial condition and results of operations and require significant judgments by management with regard to estimates used. The critical judgments by management relate to consumer and trade promotion and rebate accruals, pension and other postretirement benefits, retained insurable risks, useful lives for depreciation and amortization, future cash flows associated with impairment testing for goodwill and long-lived assets, the qualitative and quantitative analyses of variability used to determine the primary beneficiary of variable interest entities, deferred income taxes and potential income tax assessments, and loss contingencies. These critical accounting policies have been reviewed with the Audit Committee of the Board of Directors.

*Promotion and Rebate Accruals*

Among those factors affecting the accruals for promotions are estimates of the number of consumer coupons that will be redeemed and the type and number of activities within promotional programs between the Corporation and its trade customers. Rebate accruals are based on estimates of the quantity of products distributors have sold to specific customers. Generally, the estimates for consumer coupon costs are based on historical patterns of coupon redemption, influenced by judgments about current market conditions such as competitive activity in specific product categories. Estimates of trade promotion liabilities for promotional program costs incurred, but unpaid, are generally based on estimates of the quantity of customer sales, timing of promotional activities and forecasted costs for activities within the promotional programs. Settlement of these liabilities sometimes occurs in periods subsequent to the date of the promotion activity. Trade promotion programs include introductory marketing funds such as slotting fees, cooperative marketing programs, temporary price reductions, favorable end-of-aisle or in-store product displays and other activities conducted by the Corporation's customers to promote the Corporation's products. Promotion accruals as of December 31, 2009 and 2008 were $364 million and $321 million, respectively. Rebate accruals as of December 31, 2009 and 2008 were $365 million and $261 million, respectively.

*Pension and Other Postretirement Benefits*

*Pension Benefits*

The Corporation and its subsidiaries in North America and the United Kingdom have defined benefit pension plans (the "Principal Plans") and/or defined contribution retirement plans covering substantially all regular employees. Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. The funding policy for the qualified defined benefit plans in North America and the defined benefit plans in the United Kingdom is to contribute assets at least equal to regulatory minimum requirements. Funding for the remaining defined benefit plans outside the U.S. is based on legal requirements, tax considerations, investment opportunities, and customary business practices in these countries. Nonqualified U.S. plans providing pension benefits in excess of limitations imposed by the U.S. income tax code are not funded.

Consolidated pension expense for defined benefit pension plans was $251 million in 2009 compared with $97 million for 2008. Pension expense included curtailment charges of about $21 million in 2009 related to the freeze of the Corporation's U.S. defined benefit pension plans, and special pension benefits related to the strategic cost reductions of about $5 million in 2008. Pension expense is calculated based upon a number of actuarial assumptions applied to each of the defined benefit plans. The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense was 8.17 percent in 2009 compared with 8.23 percent in 2008 and will be 7.96 percent in 2010. The expected long-term rate of return is evaluated on an annual basis. In setting this assumption, the Corporation considers a number of factors including projected future returns by asset class, current asset allocation and historical long-term market performance. As part of the factors related to historical market performance, the Corporation considered the range of compounded annual returns for 15 rolling 15-year and 20-year periods through 2009 relative to each plan's current asset allocation.

The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense for the Principal Plans was 8.47 percent in 2009 compared with 8.48 percent in 2008 and will be 8.19 percent in 2010. The expected long-term rate of return on the assets in the Principal Plans is based on an asset allocation assumption of about 65 percent with equity managers, with expected long-term rates of return ranging from 9 to 10 percent, and about 35 percent with fixed income managers, with an expected long-term rate of return ranging from 6 to 7 percent. Actual asset allocation is regularly reviewed and it is periodically rebalanced to the targeted allocation when considered appropriate. Long-term rate of return assumptions continue to be evaluated at least annually and are adjusted as necessary.

Pension expense is determined using the fair value of assets rather than a calculated value that averages gains and losses ("Calculated Value") over a period of years. Investment gains or losses represent the difference between the expected return calculated using the fair value of assets and the actual return based on the fair value of assets. The variance between actual and expected gains and losses on pension assets is recognized in pension expense more rapidly than it would be if a Calculated Value was used for plan assets. As of December 31, 2009, the Principal Plans had cumulative unrecognized investment losses and other actuarial losses of approximately $2.2 billion. These unrecognized net losses may increase future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, or (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate pension obligations, or (iii) other actuarial gains, including whether such accumulated actuarial losses at each measurement date exceed the "corridor" as required.

The discount (or settlement) rates used to determine the present values of the Corporation's future U.S. and Canadian pension obligations at December 31, 2009 were based on yield curves constructed from a portfolio of high quality corporate debt securities with maturities ranging from 1 year to 30 years. Each year's expected future benefit payments were discounted to their present value at the appropriate yield curve rate thereby generating the overall discount rates for the U.S. and Canadian pension obligations. For the U.K. plans, discount rates were established using the yield on a U.K. bond index comprised of high quality corporate debt securities, with the yield adjusted for duration differences between the index and the pension obligations and for securities in the index recently downgraded below high quality. The weighted-average discount rate for the Principal Plans decreased to 5.88 percent at December 31, 2009 from 6.47 percent at December 31, 2008.

Consolidated pension expense for defined benefit pension plans is estimated to approximate $160 million in 2010. The decrease in estimated pension expense for 2010 from $251 million incurred in 2009 reflects substantially higher plan assets at December 31, 2009. The 2010 estimate is based on an expected weighted-average long-term rate of return on assets in the Principal Plans of 8.19 percent, a weighted-average discount rate for the Principal Plans of 5.88 percent and various other assumptions. Pension expense beyond 2010 will depend on future investment performance, the Corporation's contributions to the pension trusts, changes in discount rates and various other factors related to the covered employees in the plans.

If the expected long-term rates of return on assets for the Principal Plans were lowered by 0.25 percent, our annual pension expense would increase by approximately $10 million in 2010. If the discount rate assumptions for these same plans were reduced by 0.25 percent, annual pension expense would increase by approximately $7 million and the December 31, 2009 pension liability would increase by about $157 million.

The fair value of the assets in the Corporation's defined benefit plans was $4.2 billion and $3.1 billion at December 31, 2009 and December 31, 2008, respectively. The projected benefit obligations of the defined benefit plans exceeded the fair value of plan assets by approximately $1.2 billion and $1.9 billion at December 31, 2009 and December 31, 2008, respectively. On a consolidated basis, the Corporation contributed about $845 million to its pension plans in 2009 compared with $129 million in 2008. In addition, the Corporation made direct benefit payments of $25 million in 2009 compared to $14 million in 2008. The Corporation currently anticipates contributing about $240 million to its pension plans in 2010.

The methodology for determining the discount rate used for each country's pension obligation is the same as the methodology used to determine the discount rate used for that country's other postretirement obligation. The discount rates displayed for the two types of obligations for the Corporation's consolidated operations may appear different due to the weighting used in the calculation of the two weighted-average discount rates.

*Other Postretirement Benefits*

Substantially all U.S. retirees and employees are covered by unfunded health care and life insurance benefit plans. Certain benefits are based on years of service and/or age at retirement. The plans are principally noncontributory for employees who were eligible to retire before 1993, contributory for most employees who retire after 1992, and the Corporation provides no subsidized benefits to most employees hired after 2003.

The Corporation made benefit payments of $71 million in 2009 compared with $73 million in 2008. The determination of the discount rates used to calculate the benefit obligations of the plans is discussed in the pension benefit section above. If the discount rate assumptions for these plans were reduced by 0.25 percent, 2010 other postretirement benefit expense would increase by less than $1 million and the December 31, 2009 benefit liability would increase by about $17 million.

The health care cost trend rate is based on a combination of inputs including the Corporation's recent claims history and insights from external advisers regarding recent developments in the health care marketplace, as well as projections of future trends in the marketplace. The annual increase in the consolidated weighted-average health care cost trend rate is expected to be 7.1 percent in 2010, 7.1 percent in 2011 and to gradually decline to 5.0 percent in 2015 and thereafter. See Item 8, Note 10 to the Consolidated Financial Statements for disclosure of the effect of a one percentage point change in the health care cost trend rate.

*Retained Insurable Risks*

Selected insurable risks are retained, primarily those related to property damage, workers' compensation, and product, automobile and premises liability based upon historical loss patterns and management's judgment of cost effective risk retention. Accrued liabilities for incurred but not reported events, principally related to workers' compensation and automobile liability, are based upon undiscounted loss development factors.

*Property and Depreciation*

Estimating the useful lives of property, plant and equipment requires the exercise of management judgment, and actual lives may differ from these estimates. Changes to these initial useful life estimates are made when appropriate. Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts of these long-lived assets may not be recoverable from future net pretax cash flows. Impairment testing requires significant management judgment including estimating the future success of product lines, future sales volumes, growth rates for selling prices and costs, alternative uses for the assets and estimated proceeds from disposal of the assets. Impairment testing is conducted at the lowest level where cash flows can be measured and are independent of cash flows of other assets. An asset impairment would be indicated if the sum of the expected future net pretax cash flows from the use of the asset (undiscounted and without interest charges) is less than the carrying amount of the asset. An impairment loss would be measured based on the difference between the fair value of the asset and its carrying amount. The determination of fair value is based on an expected present value technique in which multiple probability-weighted cash flow scenarios that reflect a range of possible outcomes and a risk-free rate of interest are used to estimate fair value.

The estimates and assumptions used in the impairment analysis are consistent with the business plans and estimates used to manage business operations and to make acquisition and divestiture decisions. The use of different assumptions would increase or decrease the estimated fair value of the asset and the impairment charge. Actual outcomes may differ from the estimates. For example, if the Corporation's products fail to achieve volume and pricing estimates or if market conditions change or other significant estimates are not realized, then revenue and cost forecasts may not be achieved, and additional impairment charges may be recognized.

*Goodwill and Other Intangible Assets*

The carrying amount of goodwill is tested annually as of the beginning of the fourth quarter and whenever events or circumstances indicate that impairment may have occurred. Impairment testing is conducted at the operating segment level of the Corporation's businesses and is based on a discounted cash flow approach to determine the fair value of each operating segment. The determination of fair value requires significant management judgment including estimating future sales volumes, selling prices and costs, changes in working capital, investments in property and equipment and the selection of an appropriate discount rate. Sensitivities of these fair value estimates to changes in assumptions for sales volumes, selling prices and costs are also tested. If the carrying amount of an operating segment that contains goodwill exceeds fair value, a possible impairment would be indicated.

If a possible impairment is indicated, the implied fair value of goodwill would be estimated by comparing the fair value of the net assets of the unit excluding goodwill to the total fair value of the unit. If the carrying amount of goodwill exceeds its implied fair value, an impairment charge would be recorded. Judgment is used in assessing whether goodwill should be tested more frequently for impairment than annually. Factors such as unexpected adverse economic conditions, competition, product changes and other external events may require more frequent assessments. The annual goodwill impairment testing has been completed and, as the fair value of each reporting unit was significantly in excess of the respective reporting unit's carrying value, it has been determined that the Corporation's $3.3 billion of goodwill is not impaired.

The Corporation has no significant intangible assets with indefinite useful lives. At December 31, 2009, the Corporation has other intangible assets with finite useful lives with a gross carrying amount of approximately $505 million and a net carrying amount of about $297 million. These intangibles are being amortized over their estimated useful lives and are tested for impairment whenever events or circumstances indicate that impairment may have occurred. If the carrying amount of an intangible asset is not recoverable based on estimated future undiscounted cash flows, an impairment loss would be indicated. The amount of the impairment loss to be recorded would be based on the excess of the carrying amount of the intangible asset over its fair value (based on discounted future cash flows). Judgment is used in assessing whether the carrying amount of intangible assets is not expected to be recoverable over their estimated remaining useful lives. The factors considered are similar to those outlined in the goodwill impairment discussion above.

*Primary Beneficiary Determination of Variable Interest Entities ("VIE")*

The primary beneficiary of variable interest entities is required to be determined using a qualitative analysis to identify the risks in the VIE that cause variability and then to determine the variability that the VIE is designed to create and pass along to its participants. The participant that absorbs the majority of the variability is the primary beneficiary and is required to consolidate the VIE. If the qualitative analysis is inconclusive, a quantitative analysis is required to estimate the probable future cash flows of the VIE using a computer simulation model and determining the variability of such cash flows and their present values; the participant that is allocated the majority of the present value of the variability is the primary beneficiary. Both the qualitative analysis and the quantitative analysis require the exercise of significant management judgment.

*Deferred Income Taxes and Potential Assessments*

As of December 31, 2009, the Corporation had recorded deferred tax assets related to income tax loss carryforwards, income tax credit carryforwards and capital loss carryforwards totaling $816 million and had established valuation allowances against these deferred tax assets of $225 million, thereby resulting in a net deferred tax asset of $591 million. As of December 31, 2008, the net deferred tax asset was $420 million. These carryforwards are primarily in non-U.S. taxing jurisdictions and in certain states in the U.S. Foreign tax credits earned in the U.S. in current and prior years, which cannot be used currently, also give rise to net deferred tax assets. In determining the valuation allowances to establish against these deferred tax assets, many factors are considered, including the specific taxing jurisdiction, the carryforward period, income tax strategies and forecasted earnings for the entities in each jurisdiction. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized.

As of December 31, 2009, U.S. income taxes and foreign withholding taxes have not been provided on approximately $5.8 billion of unremitted earnings of subsidiaries operating outside the U.S. These earnings are considered by management to be invested indefinitely. However, they would be subject to income tax if they were remitted as dividends, were lent to the Corporation or a U.S. affiliate, or if the Corporation were to sell its stock in the subsidiaries. It is not practicable to determine the amount of unrecognized deferred U.S. income tax liability on these unremitted earnings. We periodically determine whether our non-U.S. subsidiaries will invest their undistributed earnings indefinitely and reassess this determination, as appropriate.

The Corporation accrues net liabilities for current income taxes for potential assessments, which at December 31, 2009 and December 31, 2008 were $391 million and $332 million, respectively. The accruals relate to uncertain tax positions in a variety of taxing jurisdictions and are based on what management believes will be the resolution of these positions. These liabilities may be affected by changing interpretations of laws, rulings by tax authorities, or the expiration of the statute of limitations. The Corporation's U.S. federal income tax returns have been audited through 2005. IRS assessments of additional taxes have been paid through 2001. Refund actions are pending with the IRS for the years 1999 through 2005. Management currently believes that the ultimate resolution of these matters, individually or in the aggregate, will not have a material effect on the Corporation's business, financial condition, results of operations or liquidity.

*Loss Contingencies*

The outcome of loss contingencies and legal proceedings and claims brought against the Corporation is subject to uncertainty. An estimated loss contingency is accrued by a charge to earnings if it is probable that an asset has been impaired or a liability has been incurred and the amount can be reasonably estimated. Disclosure of the contingency is required if there is at least a reasonable possibility that a loss has been incurred. Determination of whether to accrue a loss requires evaluation of the probability of an unfavorable outcome and the ability to make a reasonable estimate. Changes in these estimates could affect the timing and amount of accrual of loss contingencies.

**Legal Matters**

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

**New Accounting Standards**

See Item 8, Note 1 to the Consolidated Financial Statements for a description of new accounting standards and their anticipated effects on the Corporation's consolidated financial statements.

**Business Outlook**

The Corporation is planning for a slow and modest economic recovery in 2010. The Corporation believes that expected benefits from sales growth, cost savings and benefits from stronger currency exchange rates will more than offset inflation in key cost inputs and planned increases in marketing spending. In 2010, the Corporation intends to continue to focus on its targeted growth initiatives, innovation programs and research and customer development capabilities, while reducing costs and maximizing cash flow. The Corporation has resumed share repurchases in 2010 and increased the amount of its regular quarterly dividend.

**Forward-Looking Statements**

Certain matters discussed in this Form 10-K or related documents, a portion of which are incorporated herein by reference, concerning, among other things, the business outlook, including economic conditions, sales levels, anticipated currency rates and exchange risk, anticipated impact of acquisitions, cost savings, changes in finished product selling prices, anticipated raw material and energy costs, anticipated benefits related to the organization optimization initiative, cash flow levels, dividend amounts, anticipated financial and operating results, strategies, contingencies and anticipated transactions of the Corporation, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are based upon management's expectations and beliefs concerning future events impacting the Corporation. There can be no assurance that these events will occur or that the Corporation's results will be as estimated.

The assumptions used as a basis for the forward-looking statements include many estimates that, among other things, depend on the achievement of future cost savings and projected volume increases. In addition, many factors outside the control of the Corporation, including the prices and availability of the Corporation's raw materials, potential competitive pressures on selling prices or advertising and promotion expenses for the Corporation's products, energy costs, and fluctuations in foreign currency exchange rates, as well as general economic conditions in the markets in which the Corporation does business, could impact the realization of such estimates.

The factors described under Item 1A, Risk Factors in this Form 10-K, or in our other Securities and Exchange Commission filings, among others, could cause the Corporation's future results to differ from those expressed in any forward-looking statements made by, or on behalf of, the Corporation. Other factors not presently known to us or that we presently consider immaterial could also affect our business operations and financial results.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a multinational enterprise, the Corporation is exposed to risks such as changes in foreign currency exchange rates, interest rates and commodity prices. A variety of practices are employed to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Derivative instruments are used only for risk management purposes and not for speculation. All foreign currency derivative instruments are entered into with major financial institutions. The Corporation's credit exposure under these arrangements is limited to agreements with a positive fair value at the reporting date. Credit risk with respect to the counterparties is actively monitored but is not considered significant since these transactions are executed with a diversified group of financial institutions.

Presented below is a description of the Corporation's risks (foreign currency risk and interest rate risk) together with a sensitivity analysis, performed annually, of each of these risks based on selected changes in market rates and prices. These analyses reflect management's view of changes which are reasonably possible to occur over a one-year period. Also included is a description of the Corporation's commodity price risk.

*Foreign Currency Risk*

Foreign currency risk is managed by the systematic use of foreign currency forward and swap contracts for a portion of the Corporation's exposure. The use of these instruments allows the management of transactional exposures to exchange rate fluctuations because the gains or losses incurred on the derivative instruments will offset, in whole or in part, losses or gains on the underlying foreign currency exposure.

Foreign currency contracts and transactional exposures are sensitive to changes in foreign currency exchange rates. An annual test is performed to quantify the effects that possible changes in foreign currency exchange rates would have on annual operating profit based on the foreign currency contracts and transactional exposures of the Corporation and its foreign affiliates at the current year-end. The balance sheet effect is calculated by multiplying each affiliate's net monetary asset or liability position by a 10 percent change in the foreign currency exchange rate versus the U.S. dollar. The results of these sensitivity tests are presented in the following paragraphs.

As of December 31, 2009, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of foreign currencies involving balance sheet transactional exposures would have resulted in a net pretax loss of approximately $29 million. These hypothetical losses on transactional exposures are based on the difference between the December 31, 2009 rates and the assumed rates. In the view of management, the above hypothetical losses resulting from these assumed changes in foreign currency exchange rates are not material to the Corporation's consolidated financial position, results of operations or cash flows. This analysis does not include the impacts of the changes in January 2010 of the Venezuelan bolivar described previously in Item 7.

The translation of the balance sheets of non-U.S. operations from local currencies into U.S. dollars is also sensitive to changes in foreign currency exchange rates. Consequently, an annual test is performed to determine if changes in currency exchange rates would have a significant effect on the translation of the balance sheets of non-U.S. operations into U.S. dollars. These translation gains or losses are recorded as unrealized translation adjustments ("UTA") within stockholders' equity. The hypothetical change in UTA is calculated by multiplying the net assets of these non-U.S. operations by a 10 percent change in the currency exchange rates. The results of this sensitivity test are presented in the following paragraph.

As of December 31, 2009, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of the Corporation's foreign currency translation exposures would have reduced stockholders' equity by approximately $622 million. These hypothetical adjustments in UTA are based on the difference between the December 31, 2009 exchange rates and the assumed rates. In the view of management, the above UTA adjustments resulting from these assumed changes in foreign currency exchange rates are not material to the Corporation's consolidated financial position because they would not affect the Corporation's cash flow.

*Interest Rate Risk*

Interest rate risk is managed through the maintenance of a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments. The objective is to maintain a cost-effective mix that management deems appropriate. At December 31, 2009, the debt portfolio was composed of approximately 23 percent variable-rate debt and 77 percent fixed-rate debt.

Two separate tests are performed to determine whether changes in interest rates would have a significant effect on the Corporation's financial position or future results of operations. Both tests are based on consolidated debt levels at the time of the test. The first test estimates the effect of interest rate changes on fixed-rate debt. Interest rate changes would result in gains or losses in the market value of fixed-rate debt due to differences between the current market interest rates and the rates governing these instruments. With respect to fixed-rate debt outstanding at December 31, 2009, a 10 percent decrease in interest rates would have increased the fair value of fixed-rate debt by about $190 million. The second test estimates the potential effect on future pretax income that would result from increased interest rates applied to the Corporation's current level of variable-rate debt. With respect to variable-rate debt, a 10 percent increase in interest rates would not have a material effect on the future results of operations or cash flows.

*Commodity Price Risk*

The Corporation is subject to commodity price risk, the most significant of which relates to the price of pulp. Selling prices of tissue products are influenced, in part, by the market price for pulp, which is determined by industry supply and demand. On a worldwide basis, the Corporation supplies approximately 8 percent of its virgin fiber needs from internal pulp manufacturing operations. As previously discussed under Item 1A, "Risk Factors," increases in pulp prices could adversely affect earnings if selling prices are not adjusted or if such adjustments significantly trail the increases in pulp prices. Derivative instruments have not been used to manage these risks.

The Corporation's energy, manufacturing and transportation costs are affected by various market factors including the availability of supplies of particular forms of energy, energy prices and local and national regulatory decisions. As previously discussed under Item 1A, "Risk Factors," there can be no assurance that the Corporation will be fully protected against substantial changes in the price or availability of energy sources. In addition, the Corporation is subject to price risk for utilities, primarily natural gas, which are used in its manufacturing operations. Derivative instruments are used to hedge a portion of natural gas price risk in accordance with the Corporation's risk management policy.

**PART II**
(Continued)

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

## KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
## CONSOLIDATED INCOME STATEMENT

| | Year Ended December 31 | | |
|---|---|---|---|
| | **2009** | **2008** | **2007** |
| | (Millions of dollars, except per share amounts) | | |
| **Net Sales** | **$19,115** | $19,415 | $18,266 |
| Cost of products sold | **12,695** | 13,557 | 12,562 |
| **Gross Profit** | **6,420** | 5,858 | 5,704 |
| Marketing, research and general expenses | **3,498** | 3,291 | 3,106 |
| Other (income) and expense, net | **97** | 20 | (18) |
| **Operating Profit** | **2,825** | 2,547 | 2,616 |
| Nonoperating expense | **—** | — | (67) |
| Interest income | **26** | 46 | 34 |
| Interest expense | **(275)** | (304) | (265) |
| **Income Before Income Taxes, Equity Interests and Extraordinary Loss** | **2,576** | 2,289 | 2,318 |
| Provision for income taxes | **(746)** | (618) | (537) |
| **Income Before Equity Interests and Extraordinary Loss** | **1,830** | 1,671 | 1,781 |
| Share of net income of equity companies | **164** | 166 | 170 |
| **Income Before Extraordinary Loss** | **1,994** | 1,837 | 1,951 |
| Extraordinary loss, net of income taxes, attributable to Kimberly-Clark Corporation | **—** | (8) | — |
| **Net Income** | **1,994** | 1,829 | 1,951 |
| Net income attributable to noncontrolling interests | **(110)** | (139) | (128) |
| **Net Income Attributable to Kimberly-Clark Corporation** | **$ 1,884** | $ 1,690 | $ 1,823 |
| **Per Share Basis** | | | |
| **Basic** | | | |
| Before extraordinary loss | **$ 4.53** | $ 4.06 | $ 4.11 |
| Extraordinary loss | **—** | (.02) | — |
| **Net Income Attributable to Kimberly-Clark Corporation** | **$ 4.53** | $ 4.04 | $ 4.11 |
| **Diluted** | | | |
| Before extraordinary loss | **$ 4.52** | $ 4.05 | $ 4.08 |
| Extraordinary loss | **—** | (.02) | — |
| **Net Income Attributable to Kimberly-Clark Corporation** | **$ 4.52** | $ 4.03 | $ 4.08 |

See Notes to Consolidated Financial Statements.

**PART II**
(Continued)

## KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
## CONSOLIDATED BALANCE SHEET

| | December 31 2009 | December 31 2008 |
|---|---|---|
| | (Millions of dollars) | |
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | **$ 798** | $ 364 |
| Accounts receivable, net | **2,566** | 2,492 |
| Inventories | **2,033** | 2,493 |
| Deferred income taxes | **136** | 131 |
| Time deposits | **189** | 141 |
| Other current assets | **142** | 192 |
| **Total Current Assets** | **5,864** | 5,813 |
| **Property, Plant and Equipment, net** | **8,033** | 7,667 |
| **Investments in Equity Companies** | **355** | 324 |
| **Goodwill** | **3,275** | 2,743 |
| **Long-Term Notes Receivable** | **607** | 603 |
| **Other Assets** | **1,075** | 939 |
| | **$19,209** | $18,089 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Current Liabilities** | | |
| Debt payable within one year | **$ 610** | $ 1,083 |
| Trade accounts payable | **1,920** | 1,603 |
| Accrued expenses | **2,064** | 1,723 |
| Accrued income taxes | **79** | 103 |
| Dividends payable | **250** | 240 |
| **Total Current Liabilities** | **4,923** | 4,752 |
| **Long-Term Debt** | **4,792** | 4,882 |
| **Noncurrent Employee Benefits** | **1,989** | 2,593 |
| **Long-Term Income Taxes Payable** | **168** | 189 |
| **Deferred Income Taxes** | **377** | 193 |
| **Other Liabilities** | **218** | 187 |
| **Redeemable Preferred and Common Securities of Subsidiaries** | **1,052** | 1,032 |
| **Stockholders' Equity** | | |
| **Kimberly-Clark Corporation Stockholders' Equity:** | | |
| Preferred stock—no par value—authorized 20.0 million shares, none issued | **—** | — |
| Common stock—$1.25 par value—authorized 1.2 billion shares; issued 478.6 million shares at December 31, 2009 and 2008 | **598** | 598 |
| Additional paid-in capital | **399** | 486 |
| Common stock held in treasury, at cost—61.6 million and 65.0 million shares at December 31, 2009 and 2008 | **(4,087)** | (4,285) |
| Accumulated other comprehensive income (loss) | **(1,833)** | (2,386) |
| Retained earnings | **10,329** | 9,465 |
| **Total Kimberly-Clark Corporation Stockholders' Equity** | **5,406** | 3,878 |
| Noncontrolling interests | **284** | 383 |
| **Total Stockholders' Equity** | **5,690** | 4,261 |
| | **$19,209** | $18,089 |

See Notes to Consolidated Financial Statements.

## KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
## CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

| | Common Stock Issued | | Additional Paid-in Capital | Treasury Stock | | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Noncontrolling Interests |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | | Shares | Amount | | | |
| | (Dollars in millions, shares in thousands) | | | | | | | |
| Balance at December 31, 2006 | 478,597 | $ 598 | $ 428 | 22,978 | $ (1,392) | $ 7,896 | $ (1,432) | $ 404 |
| Net income in stockholders' equity | — | — | — | — | — | 1,823 | — | 85 |
| Other comprehensive income: | | | | | | | | |
| Unrealized translation | — | — | — | — | — | — | 365 | 12 |
| Employee postretirement benefits, net of tax | — | — | — | — | — | — | 266 | — |
| Other | — | — | — | — | — | — | 10 | — |
| Stock-based awards exercised or vested | — | — | (40) | (6,646) | 389 | (4) | — | — |
| Income tax benefits on stock-based compensation | — | — | 32 | — | — | — | — | — |
| Shares repurchased | — | — | — | 41,344 | (2,811) | — | — | — |
| Recognition of stock-based compensation | — | — | 63 | — | — | — | — | — |
| Dividends declared | — | — | — | — | — | (933) | — | (30) |
| Additional investment in subsidiary and other | — | — | — | — | — | — | — | (8) |
| Adoption of uncertain tax positions accounting standard | — | — | — | — | — | (34) | — | — |
| Balance at December 31, 2007 | 478,597 | 598 | 483 | 57,676 | (3,814) | 8,748 | (791) | 463 |
| Net income in stockholders' equity | — | — | — | — | — | 1,690 | — | 82 |
| Other comprehensive income: | | | | | | | | |
| Unrealized translation | — | — | — | — | — | — | (900) | (81) |
| Employee postretirement benefits, net of tax | — | — | — | — | — | — | (687) | (2) |
| Other | — | — | — | — | — | — | (8) | — |
| Stock-based awards exercised or vested | — | — | (59) | (2,870) | 170 | (7) | — | — |
| Income tax benefits on stock-based compensation | — | — | 10 | — | — | — | — | — |
| Shares repurchased | — | — | 5 | 10,232 | (641) | — | — | — |
| Recognition of stock-based compensation | — | — | 47 | — | — | — | — | — |
| Dividends declared | — | — | — | — | — | (966) | — | (51) |
| Additional investment in subsidiary and other | — | — | — | — | — | — | — | (28) |
| Balance at December 31, 2008 | 478,597 | 598 | 486 | 65,038 | (4,285) | 9,465 | (2,386) | 383 |
| Net income in stockholders' equity | **—** | **—** | **—** | **—** | **—** | **1,884** | **—** | **54** |
| Other comprehensive income: | | | | | | | | |
| Unrealized translation | **—** | **—** | **—** | **—** | **—** | **—** | **619** | **6** |
| Employee postretirement benefits, net of tax | **—** | **—** | **—** | **—** | **—** | **—** | **(32)** | **(2)** |
| Other | **—** | **—** | **—** | **—** | **—** | **—** | **3** | **—** |
| Stock-based awards exercised or vested | **—** | **—** | **(47)** | **(3,519)** | **204** | **(7)** | **—** | **—** |
| Income tax benefits on stock-based compensation | **—** | **—** | **7** | **—** | **—** | **—** | **—** | **—** |
| Shares repurchased | **—** | **—** | **—** | **130** | **(7)** | **—** | **—** | **—** |
| Recognition of stock-based compensation | **—** | **—** | **86** | **—** | **—** | **—** | **—** | **—** |
| Dividends declared | **—** | **—** | **—** | **—** | **—** | **(996)** | **—** | **(45)** |
| Additional investment in subsidiary and other | **—** | **—** | **(133)** | **—** | **1** | **(17)** | **(37)** | **(112)** |
| Balance at December 31, 2009 | **478,597** | **$ 598** | **$ 399** | **61,649** | **$ (4,087)** | **$ 10,329** | **$ (1,833)** | **$ 284** |

See Notes to Consolidated Financial Statements.

## KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Year Ended December 31 | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| | | (Millions of dollars) | |
| **Net Income** | **$1,994** | $ 1,829 | $1,951 |
| **Other Comprehensive Income, Net of Tax:** | | | |
| Unrealized currency translation adjustments | **625** | (982) | 377 |
| Employee postretirement benefits | **(34)** | (689) | 266 |
| Other | **3** | (8) | 10 |
| **Total Other Comprehensive Income, Net of Tax** | **594** | (1,679) | 653 |
| **Comprehensive Income** | **2,588** | 150 | 2,604 |
| Comprehensive income attributable to noncontrolling interests | **(114)** | (55) | (140) |
| **Comprehensive Income Attributable to Kimberly-Clark Corporation** | **$2,474** | $ 95 | $2,464 |

See Notes to Consolidated Financial Statements.

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED CASH FLOW STATEMENT**

| | Year Ended December 31 | | |
|---|---|---|---|
| | **2009** | **2008** | **2007** |
| | | (Millions of dollars) | |
| **Operating Activities** | | | |
| Net Income | **$ 1,994** | $ 1,829 | $ 1,951 |
| Extraordinary loss, net of income taxes, attributable to Kimberly-Clark Corporation | **—** | 8 | — |
| Depreciation and amortization | **783** | 775 | 807 |
| Stock-based compensation | **86** | 47 | 63 |
| Deferred income taxes | **141** | 151 | (103) |
| Net losses on asset dispositions | **36** | 51 | 30 |
| Equity companies' earnings in excess of dividends paid | **(53)** | (34) | (40) |
| Decrease (increase) in operating working capital | **1,105** | (335) | (330) |
| Postretirement benefits | **(609)** | (38) | 14 |
| Other | **(2)** | 62 | 37 |
| **Cash Provided by Operations** | **3,481** | 2,516 | 2,429 |
| **Investing Activities** | | | |
| Capital spending | **(848)** | (906) | (989) |
| Acquisitions of businesses, net of cash acquired | **(458)** | (98) | (16) |
| Investments in marketable securities | **—** | (9) | (13) |
| Proceeds from sales of investments | **40** | 48 | 59 |
| Net (increase) decrease in time deposits | **(47)** | 76 | (10) |
| Proceeds from dispositions of property | **25** | 28 | 97 |
| Other | **—** | 14 | (26) |
| **Cash Used for Investing** | **(1,288)** | (847) | (898) |
| **Financing Activities** | | | |
| Cash dividends paid | **(986)** | (950) | (933) |
| Net (decrease) increase in short-term debt | **(312)** | (436) | 43 |
| Proceeds from issuance of long-term debt | **2** | 551 | 2,128 |
| Repayments of long-term debt | **(278)** | (274) | (339) |
| Cash paid on redeemable preferred securities of subsidiary | **(53)** | (47) | — |
| Proceeds from preferred securities of subsidiary | **—** | — | 172 |
| Proceeds from exercise of stock options | **165** | 113 | 349 |
| Acquisitions of common stock for the treasury | **(7)** | (653) | (2,813) |
| Shares purchased from noncontrolling interests | **(293)** | — | — |
| Other | **(26)** | (51) | (34) |
| **Cash Used for Financing** | **(1,788)** | (1,747) | (1,427) |
| **Effect of Exchange Rate Changes on Cash and Cash Equivalents** | **29** | (31) | 8 |
| **Increase (Decrease) in Cash and Cash Equivalents** | **434** | (109) | 112 |
| **Cash and Cash Equivalents, beginning of year** | **364** | 473 | 361 |
| **Cash and Cash Equivalents, end of year** | **$ 798** | $ 364 | $ 473 |

See Notes to Consolidated Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Note 1. Accounting Policies

*Basis of Presentation*

The Consolidated Financial Statements present the accounts of Kimberly-Clark Corporation and all subsidiaries in which it has a controlling financial interest (the "Corporation") as if they were a single economic entity in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany transactions and accounts are eliminated in consolidation.

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods. Actual results could differ from these estimates, and changes in these estimates are recorded when known. Estimates are used in accounting for, among other things, consumer and trade promotion and rebate accruals, pension and other post-employment benefits, useful lives for depreciation and amortization, future cash flows associated with impairment testing for goodwill and long-lived assets and for determination of the primary beneficiary of variable interest entities, deferred tax assets and potential income tax assessments, and loss contingencies.

*Cash Equivalents*

Cash equivalents are short-term investments with an original maturity date of three months or less.

*Inventories and Distribution Costs*

For financial reporting purposes, most U.S. inventories are valued at the lower of cost, using the Last-In, First-Out (LIFO) method, or market. The balance of the U.S. inventories and inventories of consolidated operations outside the U.S. are valued at the lower of cost, using either the First-In, First-Out (FIFO) or weighted-average cost methods, or market. Distribution costs are classified as cost of products sold.

*Available-for-Sale Securities*

Available-for-sale securities are exchange-traded equity funds and are carried at market value. At December 31, 2009 and 2008, securities of $13 million and $11 million, respectively, that are not expected to be liquidated in the next 12 months were classified as other assets. In addition, at December 31, 2009, securities of $6 million expected to be sold within one year were included in other current assets. Unrealized holding gains or losses on these securities are recorded in other comprehensive income until realized. No significant gains or losses were recognized in income for any of the three years ended December 31, 2009.

*Property and Depreciation*

For financial reporting purposes, property, plant and equipment are stated at cost and are depreciated principally on the straight-line method. Buildings are depreciated over their estimated useful lives, primarily 40 years. Machinery and equipment are depreciated over their estimated useful lives, primarily ranging from 16 to 20 years. For income tax purposes, accelerated methods of depreciation are used. Purchases of computer software are capitalized. External costs and certain internal costs (including payroll and payroll-related costs of employees) directly associated with developing significant computer software applications for internal use are capitalized. Training and data conversion costs are expensed as incurred. Computer software costs are amortized on the straight-line method over the estimated useful life of the software, which generally does not exceed five years.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Estimated useful lives are periodically reviewed and, when warranted, changes are made to them. Long-lived assets, including computer software, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss would be indicated when estimated undiscounted future cash flows from the use and eventual disposition of an asset group, which are identifiable and largely independent of the cash flows of other asset groups, are less than the carrying amount of the asset group. Measurement of an impairment loss would be based on the excess of the carrying amount of the asset over its fair value. Fair value is measured using discounted cash flows or independent appraisals, as appropriate. When property is sold or retired, the cost of the property and the related accumulated depreciation are removed from the Consolidated Balance Sheet and any gain or loss on the transaction is included in income.

The cost of major maintenance performed on manufacturing facilities, composed of labor, materials and other incremental costs, is charged to operations as incurred. Start-up costs for new or expanded facilities are expensed as incurred.

*Goodwill and Other Intangible Assets*

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Goodwill is not amortized, but rather is tested for impairment annually and whenever events and circumstances indicate that an impairment may have occurred. Impairment testing compares the carrying amount of the goodwill with its fair value. Fair value is estimated based on discounted cash flows. If the carrying amount of goodwill exceeds its fair value, an impairment charge would be recorded. The Corporation has completed the required annual testing of goodwill for impairment and has determined that its goodwill is not impaired.

At December 31, 2009, the Corporation had intangible assets with indefinite useful lives of approximately $13 million, related to acquired in-process research and development (“IPR&D”). Acquired IPR&D is tested for impairment annually or more frequently if events or changes in circumstances indicate that the acquired IPR&D might be impaired, such as abandonment of the research and development efforts. If development of a marketable product results from the acquired IPR&D, the acquired IPR&D is amortized to income over the estimated life of the product.

Intangible assets with finite lives are amortized over their estimated useful lives and are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Estimated useful lives range from 2-20 years for trademarks, 5-17 years for patents and developed technologies, and 5-16 years for other intangible assets. An impairment loss would be indicated when estimated undiscounted future cash flows from the use of the asset are less than its carrying amount. An impairment loss would be measured as the difference between the fair value (based on discounted future cash flows) and the carrying amount of the asset.

*Investments in Equity Companies*

Investments in companies over which the Corporation has the ability to exercise significant influence and that, in general, are at least 20 percent-owned, are stated at cost plus equity in undistributed net income. These investments are evaluated for impairment when warranted. An impairment loss would be recorded whenever a decline in value of an equity investment below its carrying amount is determined to be other than temporary. In judging “other than temporary,” the Corporation would consider the length of time and extent to which the fair value of the equity company investment has been less than the carrying amount, the near-term and longer-term operating and financial prospects of the equity company, and its longer-term intent of retaining the investment in the equity company.

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Revenue Recognition*

Sales revenue for the Corporation and its reportable business segments is recognized at the time of product shipment or delivery, depending on when title passes, to unaffiliated customers, and when all of the following have occurred: a firm sales agreement is in place, pricing is fixed or determinable, and collection is reasonably assured. Sales are reported net of returns, consumer and trade promotions, rebates and freight allowed. Taxes imposed by governmental authorities on the Corporation's revenue-producing activities with customers, such as sales taxes and value-added taxes, are excluded from net sales.

*Sales Incentives and Trade Promotion Allowances*

The cost of promotion activities provided to customers is classified as a reduction in sales revenue. In addition, the estimated redemption value of consumer coupons is recorded at the time the coupons are issued and classified as a reduction in sales revenue. Estimates of trade promotion liabilities for promotional program costs incurred, but unpaid, are generally based on estimates of the quantity of customer sales, timing of promotional activities and forecasted costs for activities within the promotional programs. Settlement of these liabilities sometimes occurs in periods subsequent to the date of the promotion activity.

*Advertising Expense*

Advertising costs are expensed in the year the related advertisement is first presented by the media. For interim reporting purposes, advertising expenses are charged to operations as a percentage of sales based on estimated sales and related advertising costs for the full year.

*Research Expense*

Research and development costs are charged to expense as incurred.

*Environmental Expenditures*

Environmental expenditures related to current operations that qualify as property, plant and equipment or which substantially increase the economic value or extend the useful life of an asset are capitalized, and all other environmental expenditures are expensed as incurred. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with completion of a feasibility study or a commitment to a formal plan of action. At environmental sites in which more than one potentially responsible party has been identified, a liability is recorded for the estimated allocable share of costs related to the Corporation's involvement with the site as well as an estimated allocable share of costs related to the involvement of insolvent or unidentified parties. At environmental sites in which the Corporation is the only responsible party, a liability for the total estimated costs of remediation is recorded. Liabilities for future expenditures for environmental remediation obligations are not discounted and do not reflect any anticipated recoveries from insurers.

*Foreign Currency Translation*

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

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The income statements and balance sheets of operations in highly inflationary economies are translated into U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on monetary assets and liabilities is reflected in income. At December 31, 2009, the Corporation had no operations in highly inflationary economies. See Note 19 for information related to Venezuela subsequent to December 31, 2009.

*Derivative Instruments and Hedging*

All derivative instruments are recorded as assets or liabilities on the balance sheet at fair value. Changes in the fair value of derivatives are either recorded in the income statement or other comprehensive income, as appropriate. The gain or loss on derivatives designated as fair value hedges and the offsetting loss or gain on the hedged item attributable to the hedged risk are included in income in the period that changes in fair value occur. The effective portion of the gain or loss on derivatives designated as cash flow hedges is included in other comprehensive income in the period that changes in fair value occur and is reclassified to income in the same period that the hedged item affects income. The remaining gain or loss in excess of the cumulative change in the present value of the cash flows of the hedged item, if any, is recognized in income. The gain or loss on derivatives designated as hedges of investments in foreign subsidiaries is recognized in other comprehensive income to offset the change in value of the net investments being hedged. Any ineffective portion of net investment hedges is immediately recognized in income. Certain foreign-currency derivative instruments not designated as hedging instruments have been entered into to manage a portion of the Corporation's foreign currency transactional exposures. The gain or loss on these derivatives is included in income in the period that changes in their fair values occur. See Note 12 for disclosures about derivative instruments and hedging activities.

*New Accounting Standards*

Effective January 1, 2009, the Corporation adopted new accounting requirements issued by the Financial Accounting Standards Board ("FASB") for business combinations. Under these requirements, the acquirer in a business combination must:

- recognize 100 percent of the fair values of acquired assets, including goodwill, and assumed liabilities, with only limited exceptions, even if the acquirer has not acquired 100 percent of the target entity,
- expense transaction costs as incurred rather than include them as part of the fair value of an acquirer's interest,
- fair value contingent consideration arrangements at the acquisition date,
- limit accrual of the costs for a restructuring plan to pre-acquisition date restructuring obligations, and
- capitalize the value of acquired IPR&D as an indefinite-lived intangible asset, subject to impairment accounting, rather than expense these values at the acquisition date.

Adoption of these requirements did not have a material effect on the Corporation's consolidated financial statements.

Also, effective January 1, 2009, as required:

- The Corporation adopted new FASB guidance with respect to the classification of noncontrolling interests (formerly minority interests) in its consolidated financial statements. See Note 11 for additional detail.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

- The Corporation expanded disclosures about derivative instruments and hedging activities. See Note 12.
- Certain share-based payment awards entitled to nonforfeitable dividends or dividend equivalents were determined to be participating securities, which are included in the computation of basic and diluted earnings per share under the two-class method. Under the two-class method, earnings per share are computed by allocating net income between shares of common stock and participating securities.

The Corporation's basic and diluted earnings per share amounts have been recast from amounts previously reported as follows:

| | As Previously Reported | | As Recast | |
|---|---|---|---|---|
| | Basic | Diluted | Basic | Diluted |
| **2008:** | | | | |
| First Quarter | $1.05 | $ 1.04 | $1.05 | $ 1.04 |
| Second Quarter | 1.00 | 0.99 | 0.99 | 0.99 |
| Third Quarter | 1.00 | 0.99 | 0.99 | 0.99 |
| Fourth Quarter | 1.01 | 1.01 | 1.01 | 1.01 |
| Full Year | 4.06 | 4.04 | 4.04 | 4.03 |
| **2007** | 4.13 | 4.09 | 4.11 | 4.08 |
| **2006** | 3.27 | 3.25 | 3.26 | 3.24 |
| **2005** | 3.30 | 3.28 | 3.30 | 3.28 |

Effective June 30, 2009, as required, the Corporation:

- Expanded disclosures about the fair value of financial instruments in its quarterly and annual financial statements.
- Adopted new FASB guidance for determining other-than-temporary impairment of debt securities and improving the presentation and disclosure of other-than-temporary impairments of debt and equity securities in the consolidated financial statements. Adoption of this guidance did not have a material effect on the Corporation's consolidated financial statements.
- Adopted new FASB guidance for estimating fair values of financial assets and liabilities in circumstances when there is no active market or where the price inputs being used represent distressed sales and identifying circumstances that indicate a transaction is not orderly. Adoption of this guidance did not have a material effect on the Corporation's consolidated financial statements. See Note 3 for these fair value disclosures.

Effective December 31, 2009, the Corporation adopted new FASB disclosure guidance about the fair values of plan assets held in an employer's defined benefit pension or other postretirement plan, as required. See Note 10. This guidance includes disclosure of:

- how investment allocation decisions are made,
- the major categories of plan assets,
- the inputs and valuation techniques used to measure the fair value of plan assets,
- the effect of fair value measurements using significant unobservable inputs on year-to-year changes in plan assets, and
- significant concentrations of risk within plan assets.

In June 2009, the FASB revised the requirements for when a company must consolidate a variable interest entity ("VIE") in which that company has an interest. Under the new requirement, a company must perform a qualitative analysis and consolidate a VIE if the company has an interest in a VIE that:

- provides it with the power to direct the activities of the VIE that most significantly affect the VIE's economic performance, and
- obligates it to absorb losses or the right to receive benefits of the VIE that potentially could be significant to the VIE.

A company will be required to perform ongoing reassessments which should be qualitative, to determine if it must consolidate a VIE. This differs from current guidance, which prescribes a quantitative analysis of the primary beneficiary and requires a company to reassess whether to consolidate a VIE only when specific events occur. The new requirement is effective for fiscal years, and interim periods within fiscal years, beginning after December 15, 2009, and early adoption is prohibited. Adoption of this requirement is not expected to have a material effect on the Corporation's consolidated financial statements.

In June 2009, the FASB adopted a codification of accounting standards and the hierarchy of GAAP. The codification became effective for financial statements issued for interim or annual periods ending after September 15, 2009 and is the source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. All nongrandfathered non-SEC accounting literature not included in the codification is superseded and deemed non-authoritative. Adoption of the codification did not have a financial effect on the Corporation's consolidated financial statements.

In June 2009, the Corporation adopted new FASB requirements to evaluate events or transactions that occur after the balance sheet date but before financial statements are issued. Subsequent events that provide additional evidence about conditions that existed at the balance sheet date, including estimates inherent in the process of preparing financial statements, must be recognized in the financial statements. Subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after the balance sheet date but before financial statements are issued are not permitted to be recognized, but may require disclosure.

Management has evaluated events occurring subsequent to December 31, 2009 through February 24, 2010, the date of filing the 2009 Annual Report on Form 10-K with the SEC, to determine if any such events should either be recognized or disclosed in the Consolidated Financial Statements. See Note 19 for additional disclosure.

**Note 2. Monetization Financing Entities**

Prior to November 2009, the Corporation had minority voting interests in two financing entities ("Entity 1" and "Entity 2", collectively the "Financing Entities") used to monetize long-term notes (the "Notes") received from the sale of certain nonstrategic timberlands and related assets to nonaffiliated buyers. The Notes have an aggregate face value of $617 million and are backed by irrevocable standby letters of credit issued by money center banks. The Notes and certain other assets were transferred to the Financing Entities in 1999 and 2000. A nonaffiliated financial institution (the "Third Party") made substantive capital investments in each of the Financing Entities and had majority voting control over each of them. The Third Party also made monetization loans aggregating $617 million to the Corporation, which were assumed by the Financing Entities at the time they acquired the Notes. These monetization loans are secured by the Notes. The Corporation also contributed to the Financing Entities intercompany notes receivable aggregating $662 million and intercompany preferred stock of $50 million, which serve as secondary collateral for the monetization loans.

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

In 2003, the Third Party was determined to be the primary beneficiary of the Financing Entities as a result of the interest rate variability allocated to it. On June 30, 2008, the maturity dates of the lending arrangements with the Third Party were extended. In connection with the extensions, the primary beneficiary determination was reconsidered and, after excluding the interest rate variability as required by an accounting standard change, the Corporation became the primary beneficiary and began consolidating the Financing Entities. The assets and liabilities of the Financing Entities were recorded at fair value as of June 30, 2008. Because the fair value of the monetization loans exceeded the fair value of the Notes, the Corporation recorded an after-tax extraordinary charge of $8 million on its Consolidated Income Statement for the period ended June 30, 2008. Prior period financial statements have not been adjusted to reflect the consolidation of the Financing Entities. The maturity dates of the two loans were extended in June 2009. These extensions had no effect on the primary beneficiary determination.

In November 2009, the Corporation acquired the Third Party's equity voting interest in Entity 2 and acquired the Third Party's Entity 2 monetization loan rights for approximately $235 million. As a result, Entity 2 became a wholly-owned subsidiary of the Corporation. In addition, the maturity date of the Entity 1 monetization loan was extended. This extension had no effect on the primary beneficiary determination.

The following summarizes the terms of the Notes and the Entity 1 loan as of December 31, 2009 (millions of dollars):

| Description | Face Value | Carrying Amount | Fair Value | Maturity | Interest Rate[(1)(2)] |
|---|---|---|---|---|---|
| Note 1 | $ 397 | $ 392 | $ 375 | 09/30/2014 | LIBOR minus 15 bps |
| Loan | 397 | 397 | 398 | 01/31/2011 | LIBOR plus 127 bps |
| Note 2 | 220 | 215 | 216 | 07/07/2011 | LIBOR minus 12.5 bps |

(1) Payable quarterly

(2) 3-month LIBOR

The Notes and the loan are not traded in active markets. Accordingly, their fair values were calculated using a floating rate pricing model that compared the stated spread to the fair value spread to determine the price at which each of the financial instruments should trade. The model used the following inputs to calculate fair values: face value, current LIBOR rate, fair value credit spread, stated spread, maturity date and interest payment dates.

The difference between the carrying amount of the Notes and their fair value represents an unrealized loss position for which an other-than-temporary impairment has not been recognized in earnings because the Corporation does not have the intent to sell, and has both the intent and ability to hold, the Notes for a period of time sufficient to allow for an anticipated recovery of fair value to the carrying amount of the Notes.

Interest income on the Notes of $8 million and $14 million and interest expense on the monetization loans of $14 million and $15 million have been reported on the Corporation's 2009 and 2008 Consolidated Income Statement, respectively.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

## Note 3. Fair Value Information

*Fair Value Measurements*

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

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

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

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

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Set forth below are the financial assets and liabilities measured at fair value as of December 31, 2009, together with the inputs used to develop those fair value measurements.

| | | Fair Value Measurements | | |
|---|---|---|---|---|
| | December 31 | Level 1 | Level 2 | Level 3 |
| | | (Millions of dollars) | | |
| **Assets** | | | | |
| Company-owned life insurance ("COLI") | $ 43 | $ — | $ 43 | $ — |
| Available-for-sale securities | 19 | 13 | — | 6 |
| Derivatives | 58 | — | 58 | — |
| Total | $ 120 | $ 13 | $ 101 | $ 6 |
| **Liabilities** | | | | |
| Derivatives | $ 87 | $ — | $ 87 | $ — |

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

Level 1 Fair Values—The fair values of certain available-for-sale securities are based on quoted market prices in active markets for identical assets. Unrealized losses on these securities aggregating $4 million have been recorded in other comprehensive income until realized. The unrealized losses have not been recognized in earnings because the Corporation has both the intent and ability to hold the securities for a period of time sufficient to allow for an anticipated recovery of fair value to the cost of such securities.

Level 2 Fair Values—The fair value of the COLI policies is derived from investments in a mix of money market, fixed income and equity funds managed by unrelated fund managers. The fair values of derivatives used to manage interest rate risk and commodity price risk are based on LIBOR rates and interest rate swap curves and NYMEX price quotations, respectively. The fair value of hedging instruments used to manage foreign currency risk is based on published quotations of spot currency rates and forward points, which are converted into implied forward currency rates. Additional information on the Corporation's use of derivative instruments is contained in Note 12.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Level 3 Fair Values—The fair value of certain available-for-sale securities acquired in the fourth quarter of 2009 is based on quoted market prices for the exchange-traded securities, adjusted to reflect the restrictions placed on the sale of these securities. There was no significant change in the fair value from the date of acquisition through December 31, 2009.

*Fair Value Disclosures*

As of December 31, 2009, the consolidated balance sheet contains the following financial instruments, for which disclosure of fair value is required.

| | Carrying Amount | Estimated Fair Value | For Further Information See: |
|---|---|---|---|
| | (Millions of dollars) | | |
| Assets | | | |
| Cash and cash equivalents[(a)] | $ 798 | $ 798 | — |
| Time deposits[(b)] | 189 | 189 | — |
| Long-term notes receivable | 607 | 591 | Note 2 |
| Other notes receivable (included in other assets) | 22 | 22 | — |
| Liabilities and redeemable preferred and common securities of subsidiaries | | | |
| Short-term debt[(c)] | 107 | 107 | Note 7 |
| Monetization loan | 397 | 398 | Notes 2 and 7 |
| Long-term debt[(d)] | 4,898 | 5,357 | Note 7 |
| Redeemable preferred and common securities of subsidiaries | 1,052 | 1,128 | Note 8 |

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

(b) Time deposits are comprised of deposits with original maturities of more than 90 days but less than one year, all of which are recorded at cost, which approximates fair value.

(c) Short-term debt issued by non-U.S. subsidiaries is recorded at cost, which approximates fair value.

(d) Long-term debt excludes the monetization loan and includes the current portion ($503 million) of these debt instruments.

## Note 4. Organization Optimization Initiative

In June 2009, the Corporation announced actions to reduce its worldwide salaried workforce by approximately 1,600 positions by the end of 2009. These actions resulted in pretax charges of $128 million in 2009, of which $102 million has been paid and the majority of the balance recorded in accrued expenses is expected to be paid in the first quarter of 2010.

Costs of these actions are recorded at the business segment and corporate levels as follows:

| | Year Ended December 31, 2009 |
|---|---|
| | (Millions of dollars) |
| Personal Care | $ 47 |
| Consumer Tissue | 50 |
| K-C Professional & Other | 16 |
| Health Care | 6 |
| Corporate & Other | 9 |
| Total | $ 128 |

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

On a geographic area basis, $84 million of the charges were recorded in North America, $35 million in Europe, and $9 million in the Corporation's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa.

The net charges are included in the following income statement captions:

| | Year Ended December 31, 2009 |
|---|---|
| | (Millions of dollars) |
| Cost of products sold | $ 44 |
| Marketing, research and general expenses | 84 |
| Total Charges | 128 |
| Provision for income taxes | (37) |
| Net Charges | $ 91 |

**Note 5. Strategic Cost Reduction Plan**

In July 2005, the Corporation authorized a multi-year plan to further improve its competitive position by accelerating investments in targeted growth opportunities and strategic cost reductions aimed at streamlining manufacturing and administrative operations, primarily in North America and Europe. The strategic cost reductions commenced in the third quarter of 2005 and were completed by December 31, 2008 resulting in cumulative charges of $880 million before tax or $610 million after tax.

Total pretax charges for the strategic cost reduction plan were $60 million and $107 million in the years ended December 31, 2008 and 2007, respectively.

**Note 6. Acquisitions and Intangible Assets**

*Acquisitions*

During the first quarter of 2009, the Corporation acquired the remaining approximate 31 percent interest in its Andean region subsidiary, Colombiana Kimberly Colpapel S.A. ("CKC"), for $289 million. The acquisition was recorded as an equity transaction that reduced noncontrolling interests, accumulated other comprehensive income ("AOCI") and additional paid-in capital by approximately $278 million and increased investments in equity companies by approximately $11 million.

During the second quarter of 2009, the Corporation acquired Jackson Products, Inc. ("Jackson"), a privately-held safety products company, for approximately $155 million, net of cash acquired. The acquisition is consistent with the Corporation's global business plan strategy to accelerate growth of high-margin workplace products sold by its K-C Professional business. The excess of the purchase price over the fair values of assets and liabilities acquired resulted in recognition of goodwill of $95 million, none of which is deductible for income tax purposes. Jackson's net sales since the acquisition date recognized by the Corporation were 3 percent of the K-C Professional and Other business segment net sales in 2009.

During the fourth quarter of 2009, the Corporation acquired Baylis Medical Company's pain management business ("Baylis"). The Corporation's Health Care business has been the exclusive distributor of these pain management products in the U.S. since 2001. The excess of the purchase price over the fair values of assets and liabilities acquired resulted in recognition of goodwill of $19 million, the majority of which is deductible for income tax purposes.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

During the fourth quarter of 2009, the Corporation acquired I-Flow Corporation ("I-Flow"), a healthcare company that develops and markets drug delivery systems and products for post-surgical pain relief and surgical site care, for $262 million, net of cash acquired. The excess of the purchase price over the fair values of assets and liabilities acquired resulted in recognition of goodwill of $153 million, none of which is deductible for income tax purposes. I-Flow's net sales since the acquisition date recognized by the Corporation were 1 percent of the Health Care business segment net sales in 2009.

The acquisition accounting for Jackson has been completed, and substantially completed for Baylis and I-Flow, with finalization expected in the first quarter of 2010.

The Baylis and I-Flow acquisitions are consistent with the Corporation's global business plan strategy to invest in the higher-growth, higher-margin medical device market.

During the first quarter of 2008, the Corporation acquired a personal care business in Trinidad and Tobago. During the second quarter of 2008, the Corporation acquired the remaining 50 percent interest in its South African subsidiary, Kimberly-Clark of South Africa (Pty.) Limited. During third quarter 2008, the Corporation acquired the remaining 40 percent interest in its Chilean subsidiary, Kimberly-Clark Chile, S.A. The cost of these acquisitions totaled approximately $98 million. The allocation of the purchase price to the fair values of assets and liabilities acquired resulted in recognition of goodwill of $44 million, none of which is deductible for income tax purposes.

The CKC and 2008 acquisitions are consistent with the Corporation's strategy of investing for growth in rapidly growing countries, and are expected to better position the Corporation to leverage its scale and capabilities in customer development and product supply to drive growth and profitability across its businesses.

*Goodwill*

The changes in the carrying amount of goodwill by business segment are as follows:

| | Personal Care | Consumer Tissue | K-C Professional & Other | Health Care | Total |
|---|---|---|---|---|---|
| | | | (Millions of dollars) | | |
| Balance at December 31, 2007 | $ 709 | $ 650 | $ 330 | $1,253 | $2,942 |
| Acquisitions | 35 | 8 | 4 | — | 47 |
| Currency and other | (131) | (81) | (27) | (7) | (246) |
| Balance at December 31, 2008 | 613 | 577 | 307 | 1,246 | 2,743 |
| Acquisitions | **—** | **—** | **95** | **172** | **267** |
| Currency and other | **132** | **92** | **33** | **8** | **265** |
| Balance at December 31, 2009 | **$ 745** | **$ 669** | **$ 435** | **$1,426** | **$3,275** |

*Other Intangible Assets*

Intangible assets subject to amortization are included in other assets and consist of the following at December 31:

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| | (Millions of dollars) | | | |
| Trademarks | **$ 266** | **$ 139** | $ 219 | $ 126 |
| Patents and developed technologies | **153** | **44** | 52 | 41 |
| Other | **86** | **25** | 36 | 19 |
| Total | **$ 505** | **$ 208** | $ 307 | $ 186 |

Amortization expense for intangible assets was approximately $18 million in 2009, $12 million in 2008 and $14 million in 2007. Amortization expense is estimated to be approximately $23 million in 2010, $22 million in 2011, $27 million in 2012, $36 million in 2013 and $37 million in 2014.

**Note 7. Debt**

Long-term debt is comprised of the following:

| | Weighted-Average Interest Rate | Maturities | December 31 2009 | December 31 2008 |
|---|---|---|---|---|
| | | (Millions of dollars) | | |
| Notes and debentures | 5.56% | 2010 – 2038 | **$4,483** | $4,514 |
| Industrial development revenue bonds | 0.35% | 2015 – 2037 | **280** | 280 |
| Bank loans and other financings in various currencies | 2.73% | 2010 – 2031 | **532** | 765 |
| Total long-term debt | | | **5,295** | 5,559 |
| Less current portion | | | **503** | 677 |
| Long-term portion | | | **$4,792** | $4,882 |

Fair value of total long-term debt at December 31, 2009 and 2008 was approximately $5.8 billion and $5.9 billion, respectively. Fair values were estimated based on quoted prices for financial instruments for which all significant inputs were observable, either directly or indirectly.

Scheduled maturities of long-term debt for the next five years are $503 million in 2010, $434 million in 2011, $411 million in 2012, $506 million in 2013 and $104 million in 2014.

During the fourth quarter of 2008, the Corporation issued $500 million 7.5% Notes due November 1, 2018. The Corporation used the net proceeds to reduce borrowings under its commercial paper program.

During the third quarter of 2007, the Corporation issued $450 million Floating Rate Notes due July 30, 2010; $950 million 6.125% Notes due August 1, 2017; and $700 million 6.625% Notes due August 1, 2037. The Corporation used the net proceeds from the issuance of these notes primarily to fund an accelerated share repurchase agreement and to repay a portion of long-term debt.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

During the fourth quarter of 2006, the Corporation issued $200 million of dealer remarketable securities that have a final maturity in 2016. The remarketing provisions of these debt instruments require that each year the securities either be remarketed by the dealer or repaid by the Corporation. In the fourth quarter of 2009, the dealer exercised its option to remarket the securities for another year. Similar to the remarketing in 2008, the dealer remarketed the securities to a wholly-owned subsidiary of the Corporation, which intends to hold them until the next remarketing date in the fourth quarter of 2010. The investment in these securities by the subsidiary and the Corporation's debt obligation for these securities are eliminated in consolidation.

At December 31, 2009, the fair value of the dealer's option to remarket the securities each year through 2016 is estimated to be $12 million. The Corporation would be obligated to pay the dealer the fair value of its option in the event the securities are not remarketed for any reason other than the dealer's election not to remarket or the failure of the dealer to successfully remarket the securities if the conditions to a remarketing are satisfied. Management does not expect this contingency to materialize.

At December 31, 2009, the Corporation had a $1.33 billion revolving credit facility that is scheduled to expire in September 2012. Under this arrangement, the revolving credit facility may be increased to $1.77 billion. The Corporation maintains the revolving credit facility to manage liquidity needs in the event its access to the commercial paper markets is constrained for any reason. The Corporation did not borrow any amounts under the revolving credit facility in 2009.

Debt payable within one year is as follows:

| | December 31 | |
|---|---|---|
| | **2009** | **2008** |
| | (Millions of dollars) | |
| Commercial paper | **$ —** | $ 218 |
| Other short-term debt | **107** | 188 |
| Total short-term debt | **107** | 406 |
| Current portion of long-term debt—monetization loans | **—** | 614 |
| Current portion of other long-term debt | **503** | 63 |
| Total | **$ 610** | $ 1,083 |

At December 31, 2008, the weighted-average interest rate for commercial paper was 0.5 percent.

### Note 8. Redeemable Preferred and Common Securities of Subsidiaries

In February 2001, the Corporation and a non-affiliated third party entity (the "Third Party") formed a Luxembourg-based financing subsidiary. The Corporation is the primary beneficiary of the subsidiary and, accordingly, consolidates the subsidiary in the accompanying Consolidated Financial Statements.

In December 2007, the contractual arrangements among the Corporation, the Third Party and the subsidiary were restructured. In conjunction with the restructuring, the Third Party invested an additional $172 million in the subsidiary. Following the restructuring, the Third Party has investments in two classes of voting-preferred securities issued by the subsidiary (the "Preferred Securities"). The two classes of Preferred Securities, Class A-1 and Class A-2, have a par value of $500 million each for an aggregate of $1 billion. The Preferred Securities represent 98 percent of the voting power of the subsidiary. The Class A-1 and Class A-2 Preferred Securities accrue a fixed annual rate of return of 5.074 percent and 5.417 percent, respectively, which is paid on a quarterly basis. Prior to the restructuring, the annual rate of return on preferred securities of the subsidiary held by the

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Third Party accrued but was not currently payable. The Class A-1 Preferred Securities are redeemable by the subsidiary in December 2011 and on each 7-year anniversary thereafter, at par value plus any accrued but unpaid return. The Class A-2 Preferred Securities are redeemable in December 2014 and on each 7-year anniversary thereafter, at par value plus any accrued but unpaid return.

The subsidiary also has issued voting-preferred and common securities to the Corporation for total cash proceeds of $500 million. These securities are entitled to a combined two percent vote, and the common securities are entitled to all of the residual equity after satisfaction of the preferred interests.

Approximately 98 percent of the total cash contributed to the subsidiary has been loaned to the Corporation. These long-term loans bear fixed annual interest rates. The funds remaining in the financing subsidiary are invested in equity-based exchange-traded funds. The preferred and common securities of the subsidiary held by the Corporation and the intercompany loans have been eliminated in the Consolidated Financial Statements. The return on the Preferred Securities is included in net income attributable to noncontrolling interests in the Consolidated Income Statement. The Preferred Securities, which have an estimated fair value of $1.087 billion at December 31, 2009, are included in Redeemable Preferred and Common Securities of Subsidiaries on the Consolidated Balance Sheet.

The Preferred Securities are not traded in active markets. Accordingly, their fair values were calculated using a floating rate pricing model that compares the stated spread to the fair value spread to determine the price at which each of the financial instruments should trade. The model uses the following inputs to calculate fair values: face value, current LIBOR rate, fair value spread, stated spread, maturity date and interest payment dates.

Neither the Third Party nor creditors of the subsidiary have recourse to the general credit of the Corporation. If the Corporation’s credit ratings of A at S&P or A2 at Moody’s are downgraded below BBB- at S&P or Baa3 at Moody’s, or if the Third Party elects to have its preferred securities redeemed on the specified redemption dates, then the loans to the Corporation would become payable to the financing subsidiary to the extent necessary to enable the financing subsidiary to pay the redemption value.

In addition, the Corporation’s subsidiary in Central America has outstanding redeemable common securities that are held by a noncontrolling interest. The fair value of the redeemable common securities of $41 million at December 31, 2009 was based on an independent appraisal, adjusted for current market conditions.

**Note 9. Stock-Based Compensation**

The Corporation has a stock-based Equity Participation Plan and an Outside Directors’ Compensation Plan (the “Plans”), under which it can grant stock options, restricted shares and restricted share units to employees and outside directors. As of December 31, 2009, the number of shares of stock available for grants under the Plans aggregated 14.9 million shares.

Stock options are granted at an exercise price equal to the market value of the Corporation’s common stock on the date of grant, and they have a term of 10 years. Stock options granted to employees in the U.S. are subject to graded vesting whereby options vest 30 percent at the end of each of the first two 12-month periods following the grant and 40 percent at the end of the third 12-month period. Options granted to certain non-U.S. employees cliff vest at the end of three or four years.

Restricted shares, time-vested restricted share units and performance-based restricted share units granted to employees are valued at the closing market price of the Corporation’s common stock on the grant date and generally vest over three years. The number of performance-based restricted share units that ultimately vest ranges from zero to 200 percent of the number granted, based on performance tied to return on invested capital ("ROIC") and net sales during the three-year performance period. ROIC and net sales targets are set at the beginning of the performance period. Restricted share units granted to outside directors are valued at the closing market price of the Corporation's common stock on the grant date and vest when they are granted. The restricted period begins on the date of grant and expires on the date the outside director retires from or otherwise terminates service on the Corporation's Board.

At the time stock options are exercised or restricted shares and restricted share units become payable, common stock is issued from the Corporation's accumulated treasury shares. Cash dividends are paid on restricted shares, and cash dividends or dividend equivalents are paid or credited in share equivalents on restricted share units, on the same date and at the same rate as dividends are paid on the Corporation's common stock. These cash dividends and dividend equivalents, net of estimated forfeitures, are charged to retained earnings.

Stock-based compensation costs of $86 million, $47 million and $63 million and related deferred income tax benefits of approximately $28 million, $15 million and $20 million were recognized for 2009, 2008 and 2007, respectively.

The fair value of stock option awards was determined using a Black-Scholes-Merton option-pricing model utilizing a range of assumptions related to dividend yield, volatility, risk-free interest rate, and employee exercise behavior. Dividend yield is based on historical experience and expected future dividend actions. Expected volatility is based on a blend of historical volatility and implied volatility from traded options on the Corporation's common stock. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. Estimated forfeitures are based on historical data.

The weighted-average fair value of the options granted in 2009, 2008 and 2007 was estimated at $4.32, $6.22 and $11.21, respectively, per option on the date of grant based on the following assumptions:

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Dividend yield | **5.60%** | 4.10% | 3.20% |
| Volatility | **19.81%** | 14.90% | 15.19% |
| Risk-free interest rate | **2.39%** | 3.19% | 4.62% |
| Expected life—years | **6.6** | 6.4 | 6.4 |

As of December 31, 2009, the total remaining unrecognized compensation costs and amortization period are as follows:

| | Millions of dollars | Weighted-Average Service Years |
|---|---|---|
| Nonvested stock options | $ 16 | 0.8 |
| Restricted shares and time-vested restricted share units | $ 18 | 0.9 |
| Nonvested performance-based restricted share units | $ 38 | 1.0 |

Excess tax benefits, resulting from tax deductions in excess of the compensation cost recognized, aggregating $9 million, $8 million and $22 million were classified as Other cash inflows under Financing Activities for the years ended December 31, 2009, 2008, and 2007, respectively.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

A summary of stock-based compensation under the Plans as of December 31, 2009 and the activity during the year then ended is presented below:

| Stock Options | Shares (000's) | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term | Aggregate Intrinsic Value (Millions of dollars) |
|---|---|---|---|---|
| Outstanding at January 1, 2009 | 26,914 | $ 61.49 | | |
| Granted | 3,091 | 49.63 | | |
| Exercised | (3,047) | 51.44 | | |
| Forfeited or expired | (2,046) | 61.30 | | |
| Outstanding at December 31, 2009 | 24,912 | 61.26 | 5.2 | $ 104 |
| Exercisable at December 31, 2009 | 18,731 | 62.07 | 4.1 | $ 63 |

The following summarizes the effect of the exercises of stock options for each year presented:

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| | (Millions of dollars) | | |
| Cash received | **$165** | $113 | $349 |
| Income tax benefit received | **8** | 11 | 30 |
| Intrinsic value | **30** | 18 | 86 |

| Other Stock-Based Awards | Restricted Shares | | Time-Based Restricted Share Units | | Performance-Based Restricted Share Units | |
|---|---|---|---|---|---|---|
| | Shares (000's) | Weighted-Average Grant-Date Fair Value | Shares (000's) | Weighted-Average Grant-Date Fair Value | Shares (000's) | Weighted-Average Grant-Date Fair Value |
| Nonvested at January 1, 2009 | 90 | $ 64.21 | 1,017 | $ 63.90 | 1,183 | $ 64.37 |
| Granted | — | — | 255 | 54.31 | 833 | 48.84 |
| Vested | (89) | 64.21 | (321) | 63.23 | (109) | 62.76 |
| Forfeited | (1) | 64.21 | (26) | 60.80 | (236) | 58.09 |
| Nonvested at December 31, 2009 | — | — | 925 | 61.56 | 1,671 | 57.64 |

The total fair value of restricted shares and restricted share units that became vested during 2009, 2008 and 2007 was $25 million, $56 million and $30 million, respectively.

## Note 10. Employee Postretirement Benefits

*Pension Plans*

Substantially all regular employees in North America and the U.K. are covered by defined benefit pension plans (the "Principal Plans") and/or defined contribution retirement plans. Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. The funding policy for the qualified defined benefit plans in North America and the defined benefit plans in the U.K. is to contribute assets at least equal in amount to regulatory minimum requirements. Nonqualified U.S. plans providing pension benefits in excess of limitations imposed by the U.S. income tax code are not funded. Funding for the remaining defined benefit plans outside the U.S. is based on legal requirements, tax considerations, investment opportunities, and customary business practices in these countries.

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

In 2009, the Corporation took action with respect to its U.S. defined benefit pension and supplemental defined benefit plans to provide that no future compensation and benefit service will be accrued under these plans, other than for certain employees subject to collective bargaining agreements, for plan years after December 31, 2009 ("U.S. DB Pension Freeze").

The U.S. DB Pension Freeze resulted in a pension curtailment charge aggregating $21 million in 2009 due to the write-off of applicable unamortized prior service costs. As a result of the curtailment, plan assets and projected benefit obligations were required to be remeasured as of the curtailment date. The remeasurement decreased the projected benefit obligations by approximately $320 million. In addition, the average remaining life expectancy of inactive participants rather than the average remaining service lives of active employees must be used in the amortization of actuarial gains and losses as a result of the freeze.

*Other Postretirement Benefit Plans*

Substantially all U.S. retirees and employees are covered by unfunded health care and life insurance benefit plans. Certain benefits are based on years of service and/or age at retirement. The plans are principally noncontributory for employees who were eligible to retire before 1993 and contributory for most employees who retire after 1992, and the Corporation provides no subsidized benefits to most employees hired after 2003.

In the U.S., health care benefit costs are capped and indexed by 3 percent annually for certain employees retiring on or before April 1, 2004. The future cost for retiree health care benefits is limited to a defined fixed cost based on the years of service for certain employees retiring after April 1, 2004. The annual increase in the consolidated weighted-average health care cost trend rate is expected to be 7.1 percent in 2010 and 2011 and to decline to 5.0 percent in 2015 and thereafter.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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

| | Pension Benefits | | Other Benefits | |
|---|---|---|---|---|
| | Year Ended December 31 | | | |
| | 2009 | 2008 | 2009 | 2008 |
| | (Millions of dollars) | | | |
| **Change in Benefit Obligation** | | | | |
| Benefit obligation at beginning of year | **$ 4,968** | $ 5,459 | **$ 795** | $ 858 |
| Service cost | **68** | 73 | **14** | 15 |
| Interest cost | **310** | 324 | **47** | 49 |
| Actuarial loss (gain) | **516** | (144) | **(12)** | (58) |
| Currency and other | **10** | (391) | **22** | 4 |
| Benefit payments from plans | **(356)** | (339) | **—** | — |
| Direct benefit payments | **(25)** | (14) | **(71)** | (73) |
| Benefit obligation at end of year | **5,491** | 4,968 | **795** | 795 |
| **Change in Plan Assets** | | | | |
| Fair value of plan assets at beginning of year | **3,101** | 4,706 | **—** | — |
| Actual gain (loss) on plan assets | **520** | (1,090) | **—** | — |
| Employer contributions | **845** | 129 | **—** | — |
| Currency and other | **134** | (305) | **—** | — |
| Benefit payments | **(356)** | (339) | **—** | — |
| Fair value of plan assets at end of year | **4,244** | 3,101 | **—** | — |
| **Funded Status** | **$(1,247)** | $(1,867) | **$(795)** | $(795) |
| **Amounts Recognized in the Balance Sheet** | | | | |
| Noncurrent asset—Prepaid benefit cost | **$ 16** | $ 3 | **$ —** | $ — |
| Current liability—Accrued benefit cost | **(12)** | (9) | **(67)** | (70) |
| Noncurrent liability—Accrued benefit cost | **(1,251)** | (1,861) | **(728)** | (725) |
| Net amount recognized | **$(1,247)** | $(1,867) | **$(795)** | $(795) |

December 31 is used as the measurement date for all of the Corporation's postretirement plans.

*Information for the Principal Plans and All Other Pension Plans*

| | Principal Plans | | All Other Pension Plans | | Total | |
|---|---|---|---|---|---|---|
| | Year Ended December 31 | | | | | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | (Millions of dollars) | | | | | |
| Projected benefit obligation ("PBO") | **$ 5,047** | $ 4,568 | **$ 444** | $ 400 | **$ 5,491** | $ 4,968 |
| Accumulated benefit obligation ("ABO") | **4,941** | 4,308 | **383** | 348 | **5,324** | 4,656 |
| Fair value of plan assets | **3,895** | 2,817 | **349** | 284 | **4,244** | 3,101 |

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Information for Pension Plans with an ABO in Excess of Plan Assets*

| | December 31 2009 | 2008 |
|---|---|---|
| | (Millions of dollars) | |
| PBO | **$ 5,228** | $ 4,877 |
| ABO | **5,108** | 4,599 |
| Fair value of plan assets | **3,981** | 3,013 |

*Components of Net Periodic Benefit Cost*

| | Pension Benefits | | | Other Benefits | | |
|---|---|---|---|---|---|---|
| | Year Ended December 31 | | | | | |
| | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 |
| | (Millions of dollars) | | | | | |
| Service cost | **$ 68** | $ 73 | $ 81 | **$ 14** | $ 15 | $ 15 |
| Interest cost | **310** | 324 | 315 | **47** | 49 | 50 |
| Expected return on plan assets[a] | **(269)** | (370) | (372) | **—** | — | — |
| Curtailments | **21** | — | — | **—** | — | — |
| Amortization of prior service cost and transition amount | **3** | 6 | 7 | **2** | 2 | 2 |
| Recognized net actuarial loss | **111** | 56 | 77 | **—** | 1 | 5 |
| Other | **7** | 8 | 12 | **—** | (1) | — |
| Net periodic benefit cost | **$ 251** | $ 97 | $ 120 | **$ 63** | $ 66 | $ 72 |

(a) The expected return on plan assets is determined by multiplying the fair value of plan assets at the remeasurement date, typically the prior year-end (adjusted for estimated current year cash benefit payments and contributions), by the expected long-term rate of return.

*Weighted-Average Assumptions used to determine Net Cost for years ended December 31*

| | Pension Benefits 2009 | 2008 | 2007 | Other Benefits 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|
| Discount rate | **6.40%** | 6.14% | 5.64% | **6.50%** | 6.24% | 5.84% |
| Expected long-term return on plan assets | **8.17%** | 8.23% | 8.27% | **—** | — | — |
| Rate of compensation increase | **3.94%** | 3.99% | 3.90% | **—** | — | — |

*Weighted-Average Assumptions used to determine Benefit Obligations at December 31*

| | Pension Benefits 2009 | 2008 | Other Benefits 2009 | 2008 |
|---|---|---|---|---|
| Discount rate | **5.85%** | 6.40% | **5.79%** | 6.50% |
| Rate of compensation increase | **4.09%** | 3.94% | **—** | — |

*Expected Long-Term Rate of Return and Investment Strategies for the Principal Plans*

Strategic asset allocation decisions are made with the intent of maximizing return at an acceptable level of risk. Risk factors considered in setting the strategic asset allocation include, among other things, plan participants retirement benefit security, the estimated payments of the associated liabilities, the plan funded status, and the corporate financial condition. The resulting strategic asset allocation is a diversified blend of equity and fixed income investments. Equity investments are typically diversified across geographies and market capitalization. Fixed income investments are diversified across multiple sectors including government issues, corporate debt instruments, and securitized instruments with a portfolio duration that is consistent with the estimated payment of the associated liability. Actual asset allocation is regularly reviewed and periodically rebalanced to the strategic allocation when considered appropriate.

When deemed appropriate, certain of the Corporation's defined benefit pension trusts execute hedging strategies to manage the price risk applicable to equity investments. These strategies are designed to limit the downside exposure of equity investments by trading off upside potential above an acceptable level. In 2009, zero-cost equity collars were established to protect against potential losses beyond a certain level and to allow realization of potential gains up to a certain level on $1.0 billion of U.S. equity exposure in the Corporation's U.S. pension trust from June 2 to December 30, 2009. In January 2010, similar equity collars were established to protect against potential losses beyond a certain level and to allow realization of potential gains up to a certain level on $1.3 billion of U.S. equity exposure in the Corporation's U.S. pension plan. The maturity dates of the equity collars vary, with the latest maturity date occurring in January 2011.

The expected long-term rate of return is evaluated on an annual basis. In setting this assumption, a number of factors are considered including projected future returns by asset class, current asset allocation and historical long-term market performance. As part of the factors related to historical market performance, the Corporation considered the range of compounded annual returns for 15 rolling 15-year and 20-year periods through 2009 relative to each plan's current asset allocation.

The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense for the Principal Plans was 8.47 percent in 2009 compared with 8.48 percent in 2008 and will be 8.19 percent in 2010. The expected long-term rate of return on the assets in the Principal Plans is based on an asset allocation assumption of about 65 percent with equity managers, with expected long-term rates of return ranging from 9 to 10 percent, and about 35 percent with fixed income managers, with an expected long-term rate of return ranging from 6 to 7 percent.

*Plan Assets*

The Corporation's pension plan asset allocations for its Principal Plans are as follows:

| Asset Category | Target Allocation 2010 | Percentage of Plan Assets at December 31 2009 | 2008 |
|---|---|---|---|
| Equity securities | 63% | **63%** | 68% |
| Fixed income securities | 37 | **37** | 32 |
| Total | 100% | **100%** | 100% |

The plan assets did not include a significant amount of the Corporation's common stock.

Table of Contents



Set forth below are the pension plan assets of the Principal Plans measured at fair value as of December 31, 2009, together with the inputs used to develop those fair value measurements.

| | Fair Value Measurements at December 31, 2009 | | |
|---|---|---|---|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) |
| | (Millions of dollars) | | |
| **Available Cash** | $ 202 | $ 202 | $ — |
| **Fixed Income** | | | |
| Assets held directly: | | | |
| U.S. government and municipals | 130 | 92 | 38 |
| U.S. corporate debt | 278 | — | 278 |
| U.S. securitized fixed income | 72 | — | 72 |
| International bonds | 92 | 18 | 74 |
| Held through mutual and pooled funds: | | | |
| U.S. government and municipals | 74 | — | 74 |
| U.S. corporate debt | 231 | — | 231 |
| International bonds | 291 | — | 291 |
| Multi-sector | 52 | 1 | 51 |
| **Equity** | | | |
| Assets held directly: | | | |
| U.S. equity | 495 | 494 | 1 |
| International equity | 243 | 243 | — |
| Held through mutual and pooled funds: | | | |
| U.S. equity | 829 | 2 | 827 |
| Non-U.S. equity | 742 | 1 | 741 |
| Global equity | 164 | — | 164 |
| **Total** | $3,895 | $ 1,053 | $ 2,842 |

Inputs and valuation techniques used to measure the fair value of plan assets vary according to the type of security being valued. Substantially all of the equity securities held directly by the Principal Plans are actively traded and fair values are determined based on quoted market prices. Fair values of U.S. Treasury securities are determined based on trading activity in the marketplace.

Fair values of U.S. corporate debt, U.S. securitized fixed income and international bonds are typically determined by reference to the values of similar securities traded in the marketplace and current interest rate levels. Multiple pricing services are typically employed to assist in determining these valuations.

Fair values of equity securities and fixed income securities held through units of pooled funds are based on net asset value (NAV) of the units of the pooled fund determined by the fund manager. Pooled funds are similar in nature to retail mutual funds, but are more efficient for institutional investors than retail mutual funds. As pooled funds are only accessible by institutional investors, the NAV is not readily observable by noninstitutional investors.

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Equity securities held directly by the pension trusts and those held through units in pooled funds are monitored as to issuer and industry. Except for U.S. Treasuries, concentrations of fixed income securities are similarly monitored for concentrations by issuer and industry. As of December 31, 2009 there were no significant concentrations of equity or debt securities in any single issuer or industry.

As of December 31, 2009, there was less than $1 million of assets in the Principal Plans with a level 3 fair value determination (significant unobservable inputs). In addition, during 2009, there were no significant transfers of assets in the Principal Plans to or from level 3 fair value determinations.

*Cash Flows*

The Corporation currently expects to contribute about $240 million to its pension plans in 2010.

*Estimated Future Benefit Payments*

Over the next ten years, the Corporation expects that the following gross benefit payments and related Medicare Part D reimbursements will occur:

| | Pension Benefits | Other Benefits | Medicare Part D Reimbursements |
|---|---|---|---|
| | | (Millions of dollars) | |
| 2010 | $ 350 | $ 80 | $ (4) |
| 2011 | 352 | 81 | (4) |
| 2012 | 351 | 80 | (5) |
| 2013 | 357 | 81 | (5) |
| 2014 | 365 | 84 | (5) |
| 2015 – 2019 | 1,997 | 485 | (27) |

*Health Care Cost Trends*

Assumed health care cost trend rates affect the amounts reported for postretirement health care benefit plans. A one-percentage-point change in assumed health care trend rates would have the following effects on 2009 data:

| | One-Percentage-Point | |
|---|---|---|
| | Increase | Decrease |
| | (Millions of dollars) | |
| Effect on total of service and interest cost components | **$ 2** | **$ 2** |
| Effect on postretirement benefit obligation | **31** | **29** |

*Defined Contribution Retirement and Investment Plans*

In 2009, the Corporation took action with respect to its U.S. Incentive Investment Plan (a 401(k) plan), Retirement Contribution Plan and Retirement Contribution Excess Benefit Program to discontinue all contributions to these plans for future plan years (other than for certain employees subject to collective bargaining agreements). In addition, the Corporation adopted, effective January 1, 2010, a new 401(k) profit sharing plan, and amended its supplemental plan, to provide for a matching contribution of 100 percent of a U.S. employee's contributions to the plans, to a yearly maximum of four percent of eligible compensation, as well as a discretionary profit sharing contribution, in which contributions will be based on the Corporation's profit performance. Except for certain employees subject to collective bargaining agreements, U.S. participants' investment balances in the Corporation's existing 401(k) plan and Retirement Contribution Plan were transferred to the new 401(k) plan on January 1, 2010.

Contributions to defined contribution retirement plans are primarily based on the compensation of covered employees. The Corporation's contributions, all of which were charged to expense, were $61 million in both 2009 and 2008, and $56 million in 2007.

Voluntary contribution investment plans are provided to substantially all North American and most European employees. Under the plans, the Corporation matches a portion of employee contributions. Costs charged to expense under the plans were $31 million, $33 million and $31 million in 2009, 2008 and 2007, respectively.

### Note 11. Stockholders' Equity

Effective January 1, 2009, as required, the following changes were made with respect to the classification of noncontrolling interests (formerly minority owners' interest in subsidiaries). In addition, prior year amounts in the Consolidated Financial Statements have been recast to conform to the new requirements.

- Noncontrolling interests, which are not redeemable at the option of the noncontrolling interests, were reclassified from the mezzanine to equity, separate from the parent's stockholders' equity, in the Consolidated Balance Sheet. Common securities, redeemable at the option of the noncontrolling interest and carried at redemption values of approximately $41 million and $35 million as of December 31, 2009 and 2008, respectively, are classified in a line item combined with redeemable preferred securities of subsidiary in the Consolidated Balance Sheet.
- Consolidated net income was recast to include net income attributable to both the Corporation and noncontrolling interests.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Set forth below are reconciliations for each of the three years ending December 31, 2009 of the carrying amount of total stockholders' equity from the beginning of the period to the end of the period and an allocation of this equity to the stockholders of the Corporation and Noncontrolling Interests. In addition, because a portion of net income is allocable to redeemable securities of subsidiaries, which is classified outside of stockholders' equity, each of the reconciliations displays the amount of net income allocable to redeemable securities of subsidiaries.

| | Comprehensive Income | Stockholders' Equity Attributable to The Corporation | Stockholders' Equity Attributable to Noncontrolling Interests | Redeemable Securities of Subsidiaries |
|---|---|---|---|---|
| | (Millions of dollars) | | | |
| Balance at December 31, 2006 | | $ 6,098 | $ 404 | $ 812 |
| Comprehensive Income: | | | | |
| Net income | $ 1,951 | 1,823 | 85 | 43 |
| Other comprehensive income, net of tax: | | | | |
| Unrealized translation | 377 | 365 | 12 | — |
| Employee postretirement benefits | 266 | 266 | — | — |
| Other | 10 | 10 | — | — |
| Total Comprehensive Income | $ 2,604 | | | |
| Stock-based awards | | 345 | — | — |
| Income tax benefits on stock-based compensation | | 32 | — | — |
| Shares repurchased | | (2,811) | — | — |
| Recognition of stock-based compensation | | 63 | — | — |
| Dividends declared | | (933) | (30) | — |
| Additional investment in subsidiary and other | | — | (5) | 171 |
| Return on noncontrolling interests | | — | (3) | — |
| Adoption of uncertain tax positions accounting standard | | (34) | — | — |
| Balance at December 31, 2007 | | $ 5,224 | $ 463 | $ 1,026 |
| Comprehensive Income: | | | | |
| Net income | $ 1,829 | 1,690 | 82 | 57 |
| Other comprehensive income, net of tax: | | | | |
| Unrealized translation | (982) | (900) | (81) | (1) |
| Employee postretirement benefits | (689) | (687) | (2) | — |
| Other | (8) | (8) | — | — |
| Total Comprehensive Income | $ 150 | | | |
| Stock-based awards | | 105 | — | — |
| Income tax benefits on stock-based compensation | | 10 | — | — |
| Shares repurchased | | (636) | — | — |
| Recognition of stock-based compensation | | 47 | — | — |
| Dividends declared | | (966) | (51) | (1) |
| Additional investment in subsidiary and other | | (1) | (25) | (2) |
| Return on redeemable preferred securities and noncontrolling interests | | — | (3) | (47) |
| Balance at December 31, 2008 | | $ 3,878 | $ 383 | $ 1,032 |

## KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

| | Comprehensive Income | Stockholders' Equity Attributable to The Corporation | Stockholders' Equity Attributable to Noncontrolling Interests | Redeemable Securities of Subsidiaries |
|---|---|---|---|---|
| | | (Millions of dollars) | | |
| Balance at December 31, 2008 | | $ 3,878 | $ 383 | $ 1,032 |
| Comprehensive Income: | | | | |
| Net income | $ 1,994 | 1,884 | 54 | 56 |
| Other comprehensive income, net of tax: | | | | |
| Unrealized translation | 625 | 619 | 6 | — |
| Employee postretirement benefits | (34) | (32) | (2) | — |
| Other | 3 | 3 | — | — |
| Total Comprehensive Income | $ 2,588 | | | |
| Stock-based awards | | 150 | — | — |
| Income tax benefits on stock-based compensation | | 7 | — | — |
| Shares repurchased | | (7) | — | — |
| Recognition of stock-based compensation | | 86 | — | — |
| Dividends declared | | (996) | (45) | (1) |
| Additional investment in subsidiary and other | | (186) | (111) | 18 |
| Return on redeemable preferred securities and noncontrolling interests | | — | (1) | (53) |
| Balance at December 31, 2009 | | $ 5,406 | $ 284 | $ 1,052 |

GAAP requires that the purchase of additional ownership in an already controlled subsidiary be treated as an equity transaction with no gain or loss recognized in consolidated net income or comprehensive income. GAAP also requires the presentation of the below schedule displaying the effect of a change in ownership interest between the Corporation and a noncontrolling interest.

| | Year Ended December 31 2009 |
|---|---|
| | (Millions of dollars) |
| Net Income attributable to Kimberly-Clark Corporation | $ 1,884 |
| Decrease in Kimberly-Clark Corporation's additional paid-in capital for purchase of remaining shares in its Andean subsidiary[(a)] | (133) |
| Change from net income attributable to Kimberly-Clark Corporation and transfers to noncontrolling interests | $ 1,751 |

(a) During the first quarter of 2009, the Corporation acquired the remaining approximate 31 percent interest in its Andean region subsidiary, Colombiana Kimberly Colpapel S.A., for $289 million. The acquisition was recorded as an equity transaction that reduced noncontrolling interests, AOCI and additional paid-in capital by approximately $278 million and increased investments in equity companies by approximately $11 million.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

*Accumulated Other Comprehensive Income (Loss)*

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

| | Year Ended December 31 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2009 | | | 2008 | | | 2007 | | |
| | Pretax Amount | Tax Effect | Net Amount | Pretax Amount | Tax Effect | Net Amount | Pretax Amount | Tax Effect | Net Amount |
| | (Millions of dollars) | | | | | | | | |
| Unrealized translation | **$ 619** | **$—** | **$ 619** | $ (900) | $— | $ (900) | $ 365 | $ — | $ 365 |
| Purchase of subsidiary shares from noncontrolling interest | **(37)** | **—** | **(37)** | — | — | — | — | — | — |
| Unrecognized net actuarial loss and transition amount: | | | | | | | | | |
| Pension benefits | **(36)** | **(14)** | **(50)** | (1,141) | 429 | (712) | 325 | (107) | 218 |
| Other postretirement benefits | **8** | **(4)** | **4** | 61 | (46) | 15 | 20 | 20 | 40 |
| Unrecognized prior service cost: | | | | | | | | | |
| Pension benefits | **21** | **(8)** | **13** | 12 | (3) | 9 | 11 | (4) | 7 |
| Other postretirement benefits | **2** | **(1)** | **1** | 2 | (1) | 1 | 2 | (1) | 1 |
| Deferred (losses) gains on cash flow hedges | **9** | **(9)** | **—** | 6 | (8) | (2) | 6 | 4 | 10 |
| Unrealized holding gains (losses) on securities | **4** | **(1)** | **3** | (7) | 1 | (6) | — | — | — |
| Change in accumulated other comprehensive income (loss) | **$ 590** | **$ (37)** | **$ 553** | $(1,967) | $372 | $(1,595) | $ 729 | $ (88) | $ 641 |

Table of Contents

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The detailed statement of other comprehensive income (loss) for 2009 is presented below:

| | Year Ended December 31, 2009 | | |
|---|---|---|---|
| | Pretax Amount | Tax Effect | Net Amount |
| | | (Millions of dollars) | |
| **Unrealized translation** | $ 619 | $— | $ 619 |
| **Defined benefit pension plans:** | | | |
| Unrecognized net actuarial loss and transition amount | | | |
| Funded status recognition | (111) | 19 | (92) |
| Amortization included in net periodic benefit cost | 111 | (40) | 71 |
| Currency and other | (36) | 7 | (29) |
| | (36) | (14) | (50) |
| Unrecognized prior service cost | | | |
| Funded status recognition | 18 | (6) | 12 |
| Amortization included in net periodic benefit cost | 3 | (1) | 2 |
| Currency and other | — | (1) | (1) |
| | 21 | (8) | 13 |
| | (15) | (22) | (37) |
| **Other postretirement defined benefit plans:** | | | |
| Unrecognized net actuarial loss and transition amount | | | |
| Funded status recognition | 9 | (5) | 4 |
| Currency and other | (1) | 1 | — |
| | 8 | (4) | 4 |
| Unrecognized prior service cost | | | |
| Amortization included in net periodic benefit cost | 2 | (1) | 1 |
| | 10 | (5) | 5 |
| **Cash flow hedges and other:** | | | |
| Recognition of effective portion of hedges | (29) | 8 | (21) |
| Amortization included in net income | 45 | (18) | 27 |
| Currency and other | (3) | — | (3) |
| | 13 | (10) | 3 |
| **Other comprehensive income (loss)** | $ 627 | $ (37) | $ 590 |

Accumulated balances of other comprehensive income (loss), attributable to the Corporation, net of applicable income taxes are as follows:

| | December 31 | |
|---|---|---|
| | 2009 | 2008 |
| | (Millions of dollars) | |
| Unrealized translation | $ (311) | $ (893) |
| Unrecognized net actuarial loss and transition amount | (1,516) | (1,470) |
| Unrecognized prior service cost | (17) | (31) |
| Deferred gains on cash flow hedges | 14 | 14 |
| Unrealized holding losses on securities | (3) | (6) |
| Accumulated other comprehensive income (loss) | $(1,833) | $(2,386) |

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Net unrealized currency gains or losses resulting from the translation of assets and liabilities of foreign subsidiaries, except those in highly inflationary economies, are recorded in accumulated other comprehensive income. For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in accumulated other comprehensive income rather than net income. Upon sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from accumulated other comprehensive income and reported as part of the gain or loss on the sale or liquidation. The change in unrealized translation is primarily due to a weakening of the U.S. dollar versus the Australian dollar, Brazilian real and the British pound.

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

Approximately $101 million and $5 million of unrecognized net actuarial loss and unrecognized prior service cost, respectively, is expected to be recognized as a component of net periodic benefit cost in 2010.

At December 31, 2009, unremitted net income of equity companies included in consolidated retained earnings was about $935 million.

## Note 12. Objectives and Strategies for Using Derivatives

As a multinational enterprise, the Corporation is exposed to risks, such as changes in foreign currency exchange rates, interest rates, commodity prices and certain investments in its defined benefit pension plans. A variety of practices are employed to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. The Corporation’s policies allow the use of derivatives for risk management purposes and prohibit their use for speculation. The Corporation’s policies also prohibit the use of any leveraged derivative instrument. Foreign currency derivative instruments, interest rate swaps and commodity hedging contracts are entered into with major financial institutions.

On the date the derivative contract is entered into, the Corporation formally designates certain derivatives either as cash flow, fair value or net investment hedges (each discussed below), including how the effectiveness of these hedges will be assessed and measured. This process links the derivatives to the transactions or financial balances they are hedging. Changes in the fair value of derivatives not designated as hedging instruments are recorded to earnings when they occur.

Set forth below is a summary of the fair values of the Corporation’s derivative instruments classified by the risks they are used to manage as of December 31, 2009.

| | Assets | | Liabilities | |
|---|---|---|---|---|
| | **2009** | **2008** | **2009** | **2008** |
| | (Millions of dollars) | | | |
| Foreign currency exchange risk | **$16** | $114 | **$ 84** | $ 32 |
| Interest rate risk | **41** | 3 | **—** | — |
| Commodity price risk | **1** | — | **3** | 19 |
| Total | **$58** | $117 | **$ 87** | $ 51 |

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Foreign Currency Exchange Risk Management*

The Corporation has a centralized U.S. dollar functional currency international treasury operation ("In-House Bank") that manages foreign currency exchange risks by netting, on a daily basis, exposures to recorded non-U.S. dollar assets and liabilities and entering into derivative instruments with third parties whenever the net exposure in any single currency exceeds predetermined limits. These derivative instruments are not designated as hedging instruments. Changes in the fair value of these instruments are recorded in earnings when they occur. The In-House Bank also records the gain or loss on the translation of its non-U.S. dollar denominated monetary assets and liabilities in earnings. Consequently, the effect on earnings from the use of these non-designated derivatives is substantially neutralized by the recorded transactional gains and losses. The In-House Bank's daily notional derivative positions with third parties averaged approximately $1.3 billion in 2009 and its average net exposure for the period was $1.1 billion. The In-House Bank used eight counterparties for its foreign exchange derivative contracts.

The Corporation enters into derivative instruments to hedge a portion of the net foreign currency exposures of its non-U.S. operations principally for their forecasted purchases of pulp, which are priced in U.S. dollars. The derivative instruments used to manage these exposures are designated and qualify as cash flow hedges. The Corporation also hedges a portion of the net foreign currency exposures of its non-U.S. operations for imported intercompany finished goods and work-in-process priced in U.S. dollars and euros through the use of derivative instruments that are designated and qualify as cash flow hedges.

Gains and losses on these cash flow hedges, to the extent effective, are recorded in other comprehensive income net of related income taxes and released to earnings as the related finished goods inventory containing the pulp and imported intercompany purchases are sold to unaffiliated customers. As of December 31, 2009, approximately $462 million notional value of outstanding derivative contracts was designated as cash flow hedges for the forecasted purchases of pulp and intercompany finished goods and work-in-process.

The foreign currency exposure on intercompany loans is hedged with derivative instruments with third parties. These derivatives are not designated as hedging instruments. At December 31, 2009, the notional amount of these derivative positions was $471 million.

*Foreign Currency Translation Risk Management*

Translation adjustments result from translating foreign entities' financial statements to U.S. dollars from their functional currencies. Translation exposure, which results from changes in translation rates between functional currencies and the U.S. dollar, generally is not hedged. There were no net investment hedges in place at December 31, 2009. The risk to any particular entity's net assets is minimized to the extent that the entity is financed with local currency borrowing.

*Interest Rate Risk Management*

Interest rate risk is managed using a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments and interest rate swaps. The objective is to maintain a cost-effective mix that management deems appropriate. From time to time, interest rate swap contracts, which are derivative instruments, are entered into to facilitate the maintenance of the desired ratio of variable- and fixed-rate debt. These derivative instruments are designated and qualify as fair value hedges. At December 31, 2009, interest rate swap contracts with an aggregate notional value of $300 million were in place.

From time to time, derivatives are used to hedge the anticipated issuance of fixed-rate debt. These exposures are hedged with forward-starting swaps or "treasury locks" (e.g., a 10-year "treasury lock" hedging the anticipated underlying U.S. Treasury interest rate related to issuance of 10-year debt). At December 31, 2009, outstanding forward-starting swaps with an aggregate notional value of $250 million were in place.

*Commodity Price Risk Management*

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

As of December 31, 2009, outstanding commodity forward contracts were in place to hedge forecasted purchases of about 20 percent of the Corporation's estimated natural gas requirements for 2010 and a lesser percentage for future periods.

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

*Fair Value Hedges*

Derivative instruments that are designated and qualify as fair value hedges are used to manage interest rate risk and certain U.S. dollar denominated intercompany debt. The realized gain or loss on the derivatives that hedge interest rate risk is amortized to interest expense over the life of the related debt. The fair values of these instruments are recorded as an asset or liability, as appropriate, with the offset recorded in current earnings. The offset to the change in fair values of the hedged debt instruments also is recorded in current earnings. Changes in the fair value of derivative instruments that hedge the U.S. dollar denominated intercompany debt are recorded in current earnings as well as the change in fair value of the hedged intercompany debt.

Fair value hedges resulted in no significant ineffectiveness in the year ended December 31, 2009. For the years ended December 31, 2009 and 2008, no gain or loss was recognized in earnings as a result of a hedged firm commitment no longer qualifying as a fair value hedge.

*Cash Flow Hedges*

For derivative instruments that are designated and qualify as cash flow hedges (e.g., hedging a portion of the currency exposure on the forecasted U.S. dollar denominated purchases of pulp by the Corporation's non-U.S. subsidiaries), the effective portion of the gain or loss on the derivative instrument is initially recorded in other comprehensive income, net of related income taxes, and recognized in income in the same period that the hedged exposure affects income. Changes in the fair values of derivative instruments used to hedge the price of natural gas, to the extent effective, are recorded in other comprehensive income, net of related income taxes, and recognized in income at the time the cost of the natural gas is recognized in income.

Cash flow hedges resulted in no significant ineffectiveness in the year ended December 31, 2009. For the years ended December 31, 2009 and 2008, no gains or losses were reclassified into earnings as a result of the discontinuance of cash flow hedges due to the original forecasted transaction no longer being probable of occurring. At December 31, 2009, $6 million of after-tax losses are expected to be reclassified from accumulated other comprehensive income primarily to cost of sales during the next twelve months, consistent with the timing of the underlying hedged transactions. The maximum maturity of cash flow hedges in place at December 31, 2009 is December 2011.

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Quantitative Information about the Corporation's Use of Derivative Instruments*

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

**The Effect of Derivative Instruments on the Consolidated Income Statement for the Years Ended December 31, 2009 and 2008 – (Millions of dollars)**

| Foreign exchange contracts | Income Statement Classification | Gain or (Loss) Recognized in Income 2009 | Gain or (Loss) Recognized in Income 2008 |
|---|---|---|---|
| Fair Value Hedges | Other income and (expense), net | **$ (6)** | $ 14 |
| Undesignated Hedging Instruments | Other income and (expense), net[(a)] | **$ (95)** | $ 65 |

| | Amount of Gain or (Loss) Recognized in OCI 2009 | Amount of Gain or (Loss) Recognized in OCI 2008 | Income Statement Classification of Gain or (Loss) Reclassified from AOCI | Gain or (Loss) Reclassified from AOCI into Income 2009 | Gain or (Loss) Reclassified from AOCI into Income 2008 |
|---|---|---|---|---|---|
| Cash Flow Hedges | | | | | |
| Interest rate contracts | **$ 29** | $ (3) | Interest Expense | **$ 3** | $ 4 |
| Foreign exchange contracts | **(32)** | 38 | Cost of products sold | **(5)** | 3 |
| Commodity contracts | **(26)** | (29) | Cost of products sold | **(43)** | (8) |
| Total | **$ (29)** | $ 6 | | **$ (45)** | $ (1) |
| Net Investment Hedges | | | | | |
| Foreign exchange contracts | **$ (18)** | $ 1 | | **$ —** | $ — |

(a) The majority of the gains and (losses) on these instruments arise from derivatives entered into with third parties by the In-House Bank. As previously noted, the In-House Bank also records gains and (losses) on the translation of its non-U.S. dollar denominated monetary assets and liabilities in earnings. Consequently, the effect on earnings from the use of these non-designated derivatives is substantially neutralized by the recorded transactional gains and losses.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

**Fair Values of Derivative Instruments**

| | Asset Derivatives at December 31 | | | |
|---|---|---|---|---|
| | 2009 | | 2008 | |
| | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| | | (Millions of dollars) | | |
| Derivatives designated as hedging instruments: | | | | |
| Interest rate contracts | Other current assets | $ 32 | Other current assets | $ 3 |
| Interest rate contracts | Other assets | 9 | Other assets | — |
| Foreign exchange contracts | Other current assets | 5 | Other current assets | 36 |
| Commodity contracts | Other current assets | — | Other current assets | — |
| Total | | $ 46 | | $ 39 |
| Undesignated derivatives: | | | | |
| Foreign exchange contracts | Other current assets | $ 12 | Other current assets | $ 78 |
| Total asset derivatives | | $ 58 | | $117 |

**Fair Values of Derivative Instruments**

| | Liability Derivatives at December 31 | | | |
|---|---|---|---|---|
| | 2009 | | 2008 | |
| | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| | | (Millions of dollars) | | |
| Derivatives designated as hedging instruments: | | | | |
| Foreign exchange contracts | Accrued expenses | $ 21 | Accrued expenses | $ 9 |
| Commodity contracts | Accrued expenses | 3 | Accrued expenses | 18 |
| Total | | $ 24 | | $ 27 |
| Undesignated derivatives: | | | | |
| Foreign exchange contracts and other | Accrued expenses | $ 63 | Accrued expenses | $ 24 |
| Total liability derivatives | | $ 87 | | $ 51 |

## Note 13. Real Estate Entities

The Corporation participates in the U.S. affordable housing and historic renovation real estate markets. Investments in these markets are encouraged by laws enacted by the U.S. Congress and related federal income tax rules and regulations. Accordingly, these investments generate income tax credits and tax losses that are used to reduce the Corporation's income tax liabilities. The Corporation invested in these markets through (i) investments in wholly-owned or majority-owned entities, (ii) limited liability companies as a nonmanaging member and (iii) investments in various funds in which the Corporation is one of many noncontrolling investors. The entities borrow money from third parties, generally on a nonrecourse basis and invest in and own various real estate projects.

The Corporation consolidates certain real estate entities because it has voting control. The assets of these entities are classified principally as property, plant and equipment and have a carrying amount aggregating

$136 million at December 31, 2009, that serves as collateral for the obligations of these ventures. The obligations have a carrying amount aggregating $85 million, of which $32 million is included in debt payable within one year and $53 million is included in long-term debt. The fair value of these obligations is estimated at $82 million at December 31, 2009. Neither the creditors nor the other beneficial interest holders of these consolidated ventures have recourse to the general credit of the Corporation, except for $8 million of permanent financing debt, which is guaranteed by the Corporation.

The Corporation also consolidates certain other real estate entities because it is the primary beneficiary. The assets of these entities are classified principally as property, plant and equipment and have a carrying amount aggregating $8 million at December 31, 2009 that serves as collateral for the obligation of these ventures. The obligations have a carrying amount aggregating $6 million, of which $5 million is included in debt payable within one year and $1 million is included in long-term debt. The fair value of these obligations is estimated at $6 million at December 31, 2009. The Corporation determined it was the primary beneficiary of these variable interests based on quantitative and qualitative analyses, which indicated that the Corporation had the majority of the cash flow variability in these entities. As of December 31, 2009, the Corporation has earned income tax credits totaling approximately $92 million on its consolidated real estate entities.

The Corporation has significant interests in other variable interest real estate entities in which it is not the primary beneficiary based on both quantitative and qualitative analyses, as appropriate. The Corporation has made noncontractual cash infusions to certain of the entities aggregating $7 million principally to provide cash flow to support debt payments. The Corporation accounts for its interests in its nonconsolidated real estate entities by the equity method of accounting, and has accounted for the related income tax credits and other tax benefits as a reduction in its income tax provision. As of December 31, 2009, the Corporation had net equity of $6 million in its nonconsolidated real estate entities. As of December 31, 2009, the Corporation has earned income tax credits totaling approximately $88 million on these nonconsolidated real estate entities.

As of December 31, 2009, total permanent financing debt for the nonconsolidated entities was $95 million. A total of $29 million of the permanent financing debt is guaranteed by the Corporation and the remainder of this debt is secured solely by the properties and is nonrecourse to the Corporation. At December 31, 2009, the Corporation’s maximum loss exposure for its nonconsolidated real estate entities is estimated to be $41 million and is comprised of its net equity in these entities of $6 million, its permanent financing guarantees of $29 million, and income tax credit recapture risk of $6 million.

If the Corporation’s investments in all of its real estate entities were to be disposed of at their carrying amounts, a portion of the tax credits may be recaptured and may result in a charge to earnings. As of December 31, 2009, this recapture risk is estimated to be $23 million. The Corporation has no current intention of disposing of these investments during the recapture period, nor does it anticipate the need to do so in the foreseeable future in order to satisfy any anticipated liquidity need. Accordingly, the recapture risk is considered to be remote.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

## Note 14. Leases and Commitments

*Leases*

The Corporation has entered into operating leases for certain warehouse facilities, automobiles and equipment. The future minimum obligations under operating leases having a noncancelable term in excess of one year as of December 31, 2009 are as follows:

| | Millions |
|---|---|
| Year Ending December 31: | |
| 2010 | $ 169 |
| 2011 | 137 |
| 2012 | 115 |
| 2013 | 95 |
| 2014 | 86 |
| Thereafter | 187 |
| Future minimum obligations | $ 789 |

Certain operating leases contain residual value guarantees under which, if the leased property is not purchased from the lessor at the end of the lease term, the Corporation will be liable to the lessor for the shortfall, if any, between the proceeds from the sale of the property and an agreed value. At December 31, 2009, the maximum amount of the residual value guarantee was approximately $13 million. Management expects the proceeds from the sale of the properties under the operating leases will exceed the agreed values.

Consolidated rental expense under operating leases was $284 million, $316 million and $271 million in 2009, 2008 and 2007, respectively.

*Purchase Commitments*

The Corporation has entered into long-term contracts for the purchase of pulp and utilities, principally electricity. Commitments under these contracts based on current prices are approximately $693 million in 2010, $524 million in 2011, $326 million in 2012, $66 million in 2013 and $65 million in 2014. Total commitments beyond the year 2014 are $134 million.

Although the Corporation is primarily liable for payments on the above-mentioned leases and purchase commitments, its exposure to losses, if any, under these arrangements is not material.

## Note 15. Contingencies and Legal Matters

*Contingency*

One of the Corporation's North American tissue mills has an agreement to provide its local utility company a specified amount of electric power for each of the next seven years. In the event that the mill were to be shut down, the Corporation would be required to continue to operate the power generation facility on behalf of its owner, the local utility company. The net present value of the cost to fulfill this agreement as of December 31, 2009 is estimated to be approximately $65 million.

*Litigation*

The following is a brief description of certain legal and administrative proceedings to which the Corporation or its subsidiaries is a party or to which the Corporation's or its subsidiaries' properties are subject. In management's opinion, none of the legal and administrative proceedings described below, individually or in the aggregate, is expected to have a material adverse effect on the Corporation's business, financial condition, results of operations or liquidity.

*Environmental Matters*

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

In May 2007, a wholly-owned subsidiary of the Corporation was served a summons in Pennsylvania state court by the Delaware County Regional Water Quality Authority ("Delcora"). Also in May 2007, Delcora initiated an administrative action against the Corporation. Delcora is a public agency that operates a sewerage system and a wastewater treatment facility serving industrial and municipal customers, including Kimberly-Clark's Chester Mill. Delcora also regulates the discharge of wastewater from the Chester Mill. Delcora has alleged in the summons and the administrative action that the Corporation underreported the quantity of effluent discharged to Delcora from the Chester Mill for several years due to an inaccurate effluent metering device and owes additional amounts. The Corporation's action for declaratory judgment in the Federal District Court for the Eastern District of Pennsylvania was dismissed in December 2007 on grounds of abstention. The Corporation appealed this dismissal to the Third Circuit Court of Appeals. The Third Circuit directed the parties to mediation, which during the third quarter of 2008 resulted in a procedural agreement to appoint a neutral and qualified hearing officer. As a result of this arrangement with Delcora, the Corporation has dismissed its appeal to the Third Circuit. The Corporation continues to believe that Delcora's allegations lack merit and is vigorously defending against Delcora's actions. In management's opinion, this matter is not expected to have a material adverse effect on the Corporation's business, financial condition, results of operations or liquidity.

**Note 16. Synthetic Fuel Partnerships**

The Corporation had minority interests in two synthetic fuel partnerships. Although these partnerships were VIEs, the Corporation was not the primary beneficiary, and the entities were not consolidated. Synthetic fuel produced by the partnerships was eligible for synthetic fuel tax credits through 2007; the partnerships were dissolved in 2008 at no cost to the Corporation. In addition, there were tax deductions for pretax losses generated by the partnerships that were reported as nonoperating expense in the Consolidated Income Statement. Both the credits and tax deductions reduced the Corporation's income tax expense. The effects of these credits and deductions are shown in the following table:

| | Year Ended December 31, 2007 (Millions of dollars) | |
|---|---|---|
| Nonoperating expense | | $ (67) |
| Tax credits | $60 | |
| Tax benefit of nonoperating expense | 21 | 81 |
| Net synthetic fuel benefit | | $ 14 |
| Per share basis—diluted | | $ .03 |

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The effects of the credits are shown separately in the reconciliation of the U.S. statutory rate to its effective income tax rate in Note 17.

**Note 17. Income Taxes**

An analysis of the provision for income taxes follows:

| | Year Ended December 31 | | |
|---|---|---|---|
| | **2009** | 2008 | 2007 |
| | | (Millions of dollars) | |
| Current income taxes: | | | |
| United States | **$ 313** | $ 150 | $ 296 |
| State | **(5)** | 16 | 50 |
| Other countries | **297** | 301 | 294 |
| Total | **605** | 467 | 640 |
| Deferred income taxes: | | | |
| United States | **99** | 119 | (73) |
| State | **(5)** | 17 | 9 |
| Other countries | **47** | 15 | (39) |
| Total | **141** | 151 | (103) |
| Total provision for income taxes | **$ 746** | $ 618 | $ 537 |

Income before income taxes is earned in the following tax jurisdictions:

| | Year Ended December 31 | | |
|---|---|---|---|
| | **2009** | 2008 | 2007 |
| | | (Millions of dollars) | |
| United States | **$1,643** | $1,261 | $1,456 |
| Other countries | **933** | 1,028 | 862 |
| Total income before income taxes | **$2,576** | $2,289 | $2,318 |

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Deferred income tax assets (liabilities) are composed of the following:

| | December 31 2009 | December 31 2008 |
|---|---|---|
| | (Millions of dollars) | |
| Net current deferred income tax asset attributable to: | | |
| Accrued expenses | **$ 102** | $ 126 |
| Pension, postretirement and other employee benefits | **86** | 77 |
| Inventory | **(45)** | (52) |
| Other | **8** | 13 |
| Valuation allowances | **(15)** | (33) |
| Net current deferred income tax asset | **$ 136** | $ 131 |
| Net current deferred income tax liability attributable to: | | |
| Other payables | **$ (16)** | $ 1 |
| Other | **(15)** | (15) |
| Net current deferred income tax liability included in accrued expenses | **$ (31)** | $ (14) |
| Net noncurrent deferred income tax asset attributable to: | | |
| Income tax loss carryforwards | **$ 225** | $ 244 |
| Foreign tax credits and loss carryforwards | **29** | 383 |
| State tax credits | **151** | 97 |
| Pension and other postretirement benefits | **228** | 835 |
| Accumulated depreciation | **(86)** | (656) |
| Installment sales | **(11)** | (189) |
| Other | **48** | (3) |
| Valuation allowances | **(211)** | (286) |
| Net noncurrent deferred income tax asset included in other assets | **$ 373** | $ 425 |
| Net noncurrent deferred income tax liability attributable to: | | |
| Accumulated depreciation | **$ (976)** | $ (255) |
| Pension, postretirement and other employee benefits | **546** | 73 |
| Foreign tax credits and loss carryforwards | **462** | — |
| Installment sales | **(180)** | — |
| Other | **(211)** | (11) |
| Valuation allowances | **(18)** | — |
| Net noncurrent deferred income tax liability | **$ (377)** | $ (193) |

Classification of the components of noncurrent deferred tax assets and liabilities is determined by the Corporation's net tax position by taxing jurisdiction and taxpaying entity. At December 31, 2009, the Corporation's net noncurrent deferred tax position had changed to a net liability of $4 million from a net asset of $232 million at December 31, 2008. The change was primarily due to a decrease of noncurrent deferred tax assets related to the decrease in the U.S. noncurrent pension liability of approximately $800 million.

Valuation allowances decreased $75 million in 2009, primarily as a result of taxes provided on equity affiliates' unremitted earnings, and were unchanged in 2008. Valuation allowances at the end of 2009 primarily relate to excess foreign tax credits in the U.S. and income tax loss carry-forwards of $1.0 billion. If these items are not utilized against taxable income, $184 million of the loss carryforwards will expire from 2010 through 2029. The remaining $831 million has no expiration date.

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

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

Presented below is a reconciliation of the income tax provision computed at the U.S. federal statutory tax rate to the provision for income taxes:

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2009 | | 2008 | | 2007 | |
| | Amount | Percent | Amount | Percent | Amount | Percent |
| | (Millions of dollars) | | | | | |
| Income before income taxes | **$2,576** | | $2,289 | | $2,318 | |
| Tax at U.S. statutory rate applied to income before income taxes | **$ 902** | **35.0%** | $ 801 | 35.0% | $ 811 | 35.0% |
| State income taxes, net of federal tax benefit | **(7)** | **(.3)** | 21 | .9 | 38 | 1.6 |
| Statutory rates other than U.S. statutory rate | **(63)** | **(2.4)** | (56) | (2.4) | (46) | (2.0) |
| Net operating losses realized | **—** | **—** | (6) | (.3) | (63) | (2.7) |
| Synthetic fuel credits | **—** | **—** | — | — | (60) | (2.6) |
| Other—net[a] | **(86)** | **(3.3)** | (142) | (6.2) | (143) | (6.2) |
| Provision for income taxes | **$ 746** | **29.0%** | $ 618 | 27.0% | $ 537 | 23.2% |

(a) Other—net is comprised of numerous items, none of which is greater than 1.4 percent of income before income taxes.

At December 31, 2009, U.S. income taxes have not been provided on approximately $5.8 billion of unremitted earnings of subsidiaries operating outside the U.S. These earnings, which are considered to be invested indefinitely, would become subject to income tax if they were remitted as dividends, were lent to the Corporation or a U.S. affiliate, or if the Corporation were to sell its stock in the subsidiaries. Determination of the amount of unrecognized deferred U.S. income tax liability on these unremitted earnings is not practicable because of the complexities associated with this hypothetical calculation.

*Accounting for Uncertainty in Income Taxes*

Amounts recorded for uncertain tax positions have been classified in the Consolidated Balance Sheet as other liabilities (non-current) to the extent that payment is not anticipated within one year. Presented below is a reconciliation of the beginning and ending amounts of unrecognized income tax benefits:

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| | | (Millions of dollars) | |
| Balance at January 1 | **$ 438** | $ 438 | $ 491 |
| Gross increases for tax positions of prior years | **139** | 62 | 35 |
| Gross decreases for tax positions of prior years | **(77)** | (96) | (23) |
| Gross increases for tax positions of the current year | **113** | 68 | 40 |
| Settlements | **(39)** | (15) | (117) |
| Lapse of statute of limitations | **(10)** | (6) | (1) |
| Currency | **6** | (13) | 13 |
| Balance at December 31 | **$ 570** | $ 438 | $ 438 |

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Of the $570 million, $438 million, and $438 million recorded as unrecognized tax benefits at December 31, 2009, 2008 and 2007, respectively, $488 million, $356 million and $320 million, respectively, would reduce the Corporation's effective tax rate if recognized.

The Corporation recognizes accrued interest and penalties related to unrecognized income tax benefits in income tax expense. During the years ended December 31, 2009, 2008 and 2007, the Corporation recognized a net cost of $2 million and net benefits of $8 million and $11 million, respectively, in interest and penalties. Total accrued penalties and net accrued interest were approximately $18 million and $34 million at December 31, 2009 and 2008, respectively.

It is reasonably possible that a number of uncertainties could be settled within the next 12 months. The most significant uncertainties involve transfer pricing, which may be resolved by entering into a revised advance pricing agreement between the U.S. and the U.K., and uncertainties related to questions about certain financing structures. Various other uncertain tax positions related to federal taxes are also being discussed at the IRS Appeals level in the U.S. Other less significant uncertain tax positions also may be settled of which none are individually significant. Settlement of these matters is not expected to have a material effect on the Corporation's financial condition, results of operations or liquidity.

As of December 31, 2009, the following tax years remain subject to examination for the major jurisdictions where the Corporation conducts business:

| Jurisdiction | Years |
|---|---|
| United States | 2006 to 2009 |
| United Kingdom | 2008 to 2009 |
| Canada | 2005 to 2009 |
| Korea | 2004 to 2009 |
| Australia | 2005 to 2009 |

The Corporation's U.S. federal income tax returns have been audited through 2005. However, the statute for potential adjustments for the years 2002 to 2003 and pending refund actions for the years 2004 to 2005 remain open with the IRS until June 30, 2010.

State income tax returns are generally subject to examination for a period of three to five years after filing of the respective return. The state effect of any federal changes remains subject to examination by various states for a period of up to two years after formal notification to the states. The Corporation and its subsidiaries have various state income tax returns in the process of examination, administrative appeals or litigation.

**Note 18. Earnings Per Share**

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

| | Average Common Shares Outstanding | | |
|---|---|---|---|
| | **2009** | 2008 | 2007 |
| | | (Millions) | |
| Average shares outstanding | **414.6** | 416.7 | 441.3 |
| Participating securities | **1.5** | 1.8 | 1.9 |
| Basic | **416.1** | 418.5 | 443.2 |
| Dilutive effect of stock options | **.4** | .9 | 2.8 |
| Dilutive effect of restricted share and restricted share unit awards | **.3** | .2 | .1 |
| Dilutive effect of accelerated share repurchase program | **—** | — | .2 |
| Diluted | **416.8** | 419.6 | 446.3 |

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

| Description | 2009 | 2008 | 2007 |
|---|---|---|---|
| Average number of share equivalents (millions) | **21.8** | 15.6 | 2.8 |
| Weighted-average exercise price | **$ 64.12** | $ 66.31 | $ 72.00 |
| Expiration date of options | **2009 to 2019** | 2008 to 2018 | 2007 to 2017 |
| Options outstanding at year-end (millions) | **20.3** | 16.0 | 3.9 |

The number of common shares outstanding as of December 31, 2009, 2008 and 2007 was 416.9 million, 413.6 million and 420.9 million, respectively.

**Note 19. Subsequent Events**

Because the cumulative inflation in Venezuela for the preceding three years was more than 100 percent based on the Consumer Price Index/National Consumer Price Index, effective January 1, 2010, the Corporation determined that results for this operation would be accounted for as highly inflationary. On January 8, 2010, the Venezuelan government devalued its currency and established a multiple exchange rate structure. As a result of the devaluation, the Corporation anticipates recording a one-time after tax charge to remeasure the subsidiary's local currency net monetary asset position into U.S. dollars. The Corporation is currently evaluating the rate at which the devaluation will be measured and 2010 results will be translated into U.S. dollars. The Corporation estimates the range of the one-time after-tax impact of the devaluation to be $60 million to $90 million, based on a rate of 4.3 to 6.0 bolivars per U.S. dollar. This charge will be recorded in the first quarter of 2010. At the stated range of rates, the Corporation estimates that the ongoing effect of the devaluation will not be material to the Corporation's 2010 net income.

**Note 20. Business Segment and Geographic Data Information**

The Corporation is organized into operating segments based on product groupings. These operating segments have been aggregated into four reportable global business segments: Personal Care; Consumer Tissue; K-C Professional & Other; and Health Care. The reportable segments were determined in accordance with how the Corporation's executive managers develop and execute the Corporation's global strategies to drive growth and profitability of the Corporation's worldwide Personal Care, Consumer Tissue, K-C Professional & Other and Health Care operations. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses. Segment management is evaluated on several factors, including operating profit. Segment operating profit excludes other income and (expense), net; income and expense not associated with the business segments; and the costs of corporate decisions related to the strategic cost reductions described in Note 5. Corporate & Other Assets include the Corporation's investments in equity affiliates, finance operations and real estate entities, and deferred tax assets. The accounting policies of the reportable segments are the same as those described in Note 1.

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

- The Personal Care segment manufactures and markets disposable diapers, training and youth pants and swimpants; baby wipes; feminine and incontinence care products; and related products. Products in this segment are primarily for household use and are sold under a variety of brand names, including Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.
- The Consumer Tissue segment manufactures and markets facial and bathroom tissue, paper towels, napkins and related products for household use. Products in this segment are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Hakle, Page and other brand names.
- The K-C Professional & Other segment manufactures and markets facial and bathroom tissue, paper towels, napkins, wipers and a range of safety products for the away-from-home marketplace. Products in this segment are sold under the Kimberly-Clark, Kleenex, Scott, WypAll, Kimtech, KleenGuard, Kimcare and Jackson brand names.
- The Health Care segment manufactures and markets disposable health care products such as surgical drapes and gowns, infection control products, face masks, exam gloves, respiratory products, pain management products and other disposable medical products. Products in this segment are sold under the Kimberly-Clark, Ballard, ON-Q and other brand names.

Net sales to Wal-Mart Stores, Inc. were approximately 13 percent in 2009, and approximately 14 percent in 2008 and 2007, primarily in the personal care and consumer tissue businesses.

## KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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

*Consolidated Operations by Business Segment*

| | Personal Care | Consumer Tissue | K-C Professional & Other | Health Care | Inter-segment Sales | Corporate & Other | Consolidated Total |
|---|---|---|---|---|---|---|---|
| | (Millions of dollars) | | | | | | |
| **Net Sales** | | | | | | | |
| **2009** | **$ 8,365** | **$ 6,409** | **$ 3,007** | **$ 1,371** | **$ (90)** | **$ 53** | **$ 19,115** |
| 2008 | 8,272 | 6,748 | 3,174 | 1,224 | (82) | 79 | 19,415 |
| 2007 | 7,563 | 6,475 | 3,039 | 1,207 | (59) | 41 | 18,266 |
| **Operating Profit**[(a)] | | | | | | | |
| **2009** | **1,739** | **736** | **464** | **244** | **—** | **(358)** | **2,825** |
| 2008 | 1,649 | 601 | 428 | 143 | — | (274)[(b)] | 2,547 |
| 2007 | 1,562 | 702 | 478 | 195 | — | (321)[(b)] | 2,616 |
| **Depreciation and Amortization** | | | | | | | |
| **2009** | **255** | **314** | **148** | **50** | **—** | **16** | **783** |
| 2008 | 239 | 319 | 136 | 52 | — | 29 | 775 |
| 2007 | 241 | 303 | 139 | 50 | — | 74 | 807 |
| **Assets** | | | | | | | |
| **2009** | **5,895** | **5,871** | **2,969** | **2,558** | **—** | **1,916** | **19,209** |
| 2008 | 5,480 | 5,809 | 2,710 | 2,139 | — | 1,951[(c)] | 18,089 |
| 2007 | 5,776 | 6,276 | 2,877 | 2,238 | — | 1,273 | 18,440 |
| **Capital Spending** | | | | | | | |
| **2009** | **440** | **271** | **97** | **38** | **—** | **2** | **848** |
| 2008 | 375 | 351 | 130 | 49 | — | 1 | 906 |
| 2007 | 388 | 407 | 132 | 55 | — | 7 | 989 |

(a) Segment operating profit excludes other income and (expense), net and income and expenses not associated with the business segments.

(b) Corporate & Other includes expenses not associated with the business segments, including the following amounts of pretax charges for the strategic cost reductions and the related implementation costs in 2007 of $27 million.

| | Personal Care | Consumer Tissue | K-C Professional & Other | Health Care | Total |
|---|---|---|---|---|---|
| | (Millions of dollars) | | | | |
| *Corporate & Other* | | | | | |
| 2008 | $ (34) | $ (15) | $ (5) | $ (18) | $ (72) |
| 2007 | (89) | (22) | (16) | (21) | (148) |

(c) Corporate & Other reflects the consolidation of the Monetization Financing Entities, see Note 2.

*Sales of Principal Products*

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| | (Billions of dollars) | | |
| Consumer tissue products | **$ 6.3** | $ 6.6 | $ 6.4 |
| Diapers | **4.7** | 4.6 | 4.2 |
| Away-from-home professional products | **2.9** | 3.0 | 2.9 |
| All other | **5.2** | 5.2 | 4.8 |
| Consolidated | **$19.1** | $19.4 | $18.3 |

## KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

*Consolidated Operations by Geographic Area*

| | United States | Canada | Inter-geographic Items(a) | Total North America | Europe | Asia, Latin America & Other | Inter-geographic Items | Corporate & Other | Consolidated Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | (Millions of dollars) | | | | |
| **Net Sales** | | | | | | | | | |
| **2009** | **$10,146** | **$ 596** | **$ (322)** | **$10,420** | **$3,220** | **$6,124** | **$ (649)** | **$ —** | **$ 19,115** |
| 2008 | 10,143 | 574 | (256) | 10,461 | 3,679 | 5,942 | (667) | — | 19,415 |
| 2007 | 9,876 | 569 | (253) | 10,192 | 3,469 | 5,252 | (647) | — | 18,266 |
| **Operating Profit(b)** | | | | | | | | | |
| **2009** | **2,059** | **113** | **—** | **2,172** | **171** | **840** | **—** | **(358)** | **2,825** |
| 2008 | 1,730 | 144 | — | 1,874 | 210 | 737 | — | (274)(c) | 2,547 |
| 2007 | 1,853 | 157 | — | 2,010 | 258 | 669 | — | (321)(c) | 2,616 |
| **Net Property** | | | | | | | | | |
| **2009** | **4,174** | **32** | **—** | **4,206** | **1,582** | **2,245** | **—** | **—** | **8,033** |
| 2008 | 4,266 | 29 | — | 4,295 | 1,406 | 1,966 | — | — | 7,667 |
| 2007 | 4,239 | 36 | — | 4,275 | 1,636 | 2,183 | — | — | 8,094 |

(a) Intergeographic net sales include $82 million, $89 million and $98 million by operations in Canada to the U.S. in 2009, 2008 and 2007, respectively.

(b) Geographic operating profit excludes other income and (expense), net and income and expenses not associated with geographic areas.

(c) Corporate & Other includes expenses not associated with geographic areas, including the following amounts of pretax charges for the strategic cost reductions and the related implementation costs in 2007 of $27 million.

| | United States | Europe | Asia, Latin America & Other | Total |
|---|---|---|---|---|
| | | (Millions of dollars) | | |
| *Corporate & Other* | | | | |
| 2008 | $ (47) | $ (22) | $ (3) | $ (72) |
| 2007 | (108) | (32) | (8) | (148) |

*Equity Companies' Data*

| | Net Sales | Gross Profit | Operating Profit | Net Income | Corporation's Share of Net Income |
|---|---|---|---|---|---|
| | | | (Millions of dollars) | | |
| **2009** | **$2,033** | **$ 740** | **$ 505** | **$ 341** | **$ 164** |
| 2008 | 2,286 | 812 | 464 | 349 | 166 |
| 2007 | 2,108 | 768 | 506 | 357 | 170 |

| | Current Assets | Non-Current Assets | Current Liabilities | Non-Current Liabilities | Stockholders' Equity |
|---|---|---|---|---|---|
| | | | (Millions of dollars) | | |
| **2009** | **$1,108** | **$ 867** | **$ 772** | **$ 624** | **$ 579** |
| 2008 | 815 | 819 | 705 | 410 | 519 |
| 2007 | 878 | 996 | 493 | 724 | 657 |

Table of Contents



Equity companies, primarily in Latin America, are principally engaged in operations in the Personal Care and Consumer Tissue businesses.

At December 31, 2009, the Corporation's equity companies and ownership interest were as follows: Kimberly-Clark Lever Private Limited (India) (50%), Kimberly-Clark de Mexico, S.A.B. de C.V. and subsidiaries (47.9%), Olayan Kimberly-Clark Arabia Company (49%), Olayan Kimberly-Clark (Bahrain) WLL (49%) and Tecnosur S.A. (50%).

Kimberly-Clark de Mexico, S.A.B. de C.V. is partially owned by the public and its stock is publicly traded in Mexico. At December 31, 2009, the Corporation's investment in this equity company was $260 million, and the estimated fair value of the investment was $2.3 billion based on the market price of publicly traded shares.

## Note 21. Supplemental Data *(Millions of dollars)*

| Supplemental Income Statement Data | December 31 2009 | 2008 | 2007 |
|---|---|---|---|
| Advertising expense | **$559** | $512 | $468 |
| Research expense | **301** | 297 | 277 |
| Foreign currency transaction losses, net | **110** | 18 | 13 |

*Supplemental Balance Sheet Data*

| Summary of Accounts Receivable, net | December 31 2009 | 2008 |
|---|---|---|
| Accounts Receivable: | | |
| From customers | **$2,290** | $2,203 |
| Other | **365** | 362 |
| Less allowance for doubtful accounts and sales discounts | **(89)** | (73) |
| Total | **$2,566** | $2,492 |

| | December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2009 | | | 2008 | | |
| Summary of Inventories | LIFO | Non-LIFO | Total | LIFO | Non-LIFO | Total |
| Inventories by Major Class: | | | | | | |
| At the lower of cost determined on the FIFO or weighted-average cost methods or market: | | | | | | |
| Raw materials | **$ 137** | **$ 282** | **$ 419** | $ 150 | $ 367 | $ 517 |
| Work in process | **177** | **111** | **288** | 246 | 133 | 379 |
| Finished goods | **573** | **685** | **1,258** | 758 | 832 | 1,590 |
| Supplies and other | **—** | **277** | **277** | — | 262 | 262 |
| | **887** | **1,355** | **2,242** | 1,154 | 1,594 | 2,748 |
| Excess of FIFO or weighted-average cost over LIFO cost | **(209)** | **—** | **(209)** | (255) | — | (255) |
| Total | **$ 678** | **$1,355** | **$2,033** | $ 899 | $1,594 | $2,493 |

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

| Summary of Property, Plant and Equipment, net | December 31 2009 | 2008 |
|---|---|---|
| Property, Plant and Equipment | | |
| Land | **$ 211** | $ 195 |
| Buildings | **2,686** | 2,486 |
| Machinery and equipment | **13,480** | 12,509 |
| Construction in progress | **557** | 533 |
| | **16,934** | 15,723 |
| Less accumulated depreciation | **(8,901)** | (8,056) |
| Total | **$ 8,033** | $ 7,667 |

| Summary of Accrued Expenses | December 31 2009 | 2008 |
|---|---|---|
| Accrued advertising and promotion | **$ 415** | $ 351 |
| Accrued salaries and wages | **411** | 354 |
| Accrued quantity discounts | **345** | 170 |
| Other | **893** | 848 |
| Total | **$ 2,064** | $ 1,723 |

*Supplemental Cash Flow Statement Data*

| Summary of Cash Flow Effects of Decrease (Increase) in Operating Working Capital[(a)] | Year Ended December 31 2009 | 2008 | 2007 |
|---|---|---|---|
| Accounts receivable | **$ (20)** | $ 148 | $(192) |
| Inventories | **523** | (45) | (439) |
| Prepaid expenses | **(1)** | 13 | (35) |
| Trade accounts payable | **278** | (43) | 152 |
| Accrued expenses | **201** | (185) | 185 |
| Accrued income taxes | **(27)** | (96) | (57) |
| Derivatives | **116** | (65) | 9 |
| Currency | **35** | (62) | 47 |
| Decrease (increase) in operating working capital | **$1,105** | $(335) | $(330) |

(a) Excludes the effects of acquisitions and dispositions.

| Other Cash Flow Data | Year Ended December 31 2009 | 2008 | 2007 |
|---|---|---|---|
| Interest paid | **$ 290** | $319 | $239 |
| Income taxes paid | **764** | 538 | 674 |

| Interest Expense | Year Ended December 31 2009 | 2008 | 2007 |
|---|---|---|---|
| Gross interest cost | **$ 288** | $318 | $283 |
| Capitalized interest on major construction projects | **(13)** | (14) | (18) |
| Interest expense | **$ 275** | $304 | $265 |

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

**Note 22. Unaudited Quarterly Data**

| | 2009 | | | | 2008 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fourth | Third | Second | First | Fourth | Third | Second | First |
| | (Millions of dollars, except per share amounts) | | | | | | | |
| Net sales | **$ 4,982** | **$ 4,913** | **$ 4,727** | **$ 4,493** | $ 4,598 | $ 4,998 | $ 5,006 | $ 4,813 |
| Gross profit | **1,666** | **1,727** | **1,573** | **1,454** | 1,455 | 1,463 | 1,484 | 1,456 |
| Operating profit | **717** | **871** | **609** | **628** | 623 | 610 | 650 | 664 |
| Net income attributable to the Corporation | **492** | **582** | **403** | **407** | 419 | 413 | 417 | 441 |
| Per share basis: | | | | | | | | |
| Basic | **1.18** | **1.40** | **.97** | **.98** | 1.01 | .99 | .99 | 1.05 |
| Diluted | **1.17** | **1.40** | **.97** | **.98** | 1.01 | .99 | .99 | 1.04 |
| Cash dividends declared per share | **.60** | **.60** | **.60** | **.60** | .58 | .58 | .58 | .58 |
| Market price per share: | | | | | | | | |
| High | **67.03** | **60.48** | **54.31** | **53.90** | 66.37 | 66.66 | 65.88 | 69.69 |
| Low | **57.67** | **51.71** | **45.19** | **43.05** | 50.27 | 50.42 | 59.53 | 62.16 |
| Close | **63.71** | **58.98** | **52.43** | **46.11** | 52.74 | 64.84 | 59.78 | 64.55 |

**PART II**
(Continued)

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Kimberly-Clark Corporation:

We have audited the accompanying consolidated balance sheets of Kimberly-Clark Corporation and subsidiaries (the "Corporation") as of December 31, 2009 and 2008, and the related consolidated statements of income, stockholders' equity, comprehensive income, and cash flows for each of the three years in the period ended December 31, 2009. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Kimberly-Clark Corporation and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statement schedule, 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.

As discussed in Note 1 to the consolidated financial statements, the Corporation adopted new accounting standards for business combinations and noncontrolling interests in consolidated financial statements effective January 1, 2009. The Corporation also adopted a new accounting standard for fair value measurements effective January 1, 2008.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Corporation's internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 24, 2010, expressed an unqualified opinion on the Corporation's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP
Deloitte & Touche LLP
Dallas, Texas
February 24, 2010

**PART II**
(Continued)

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

None.

## ITEM 9A. CONTROLS AND PROCEDURES

### Disclosure Controls and Procedures

As of December 31, 2009, an evaluation was performed under the supervision and with the participation of the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures. Based on that evaluation, the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Corporation's disclosure controls and procedures were effective as of December 31, 2009.

### Internal Control Over Financial Reporting

*Management's Report on the Financial Statements*

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

As can be expected in a complex and dynamic business environment, some financial statement amounts are based on 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 and an Audit Committee of the Board of Directors that oversees the financial reporting process. The consolidated financial statements have been audited by the independent registered public accounting firm, Deloitte & Touche LLP. During its audits, Deloitte & Touche LLP was given unrestricted access to all financial records, 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 registered public accountants during their audits were valid and appropriate.

*Audit Committee Oversight and the Corporation's Code of Conduct*

The Audit Committee of the Board of Directors, which is composed solely of independent directors, assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the Corporation; the audits of its consolidated financial statements; and internal control over financial reporting. The Audit Committee reviews with the auditors any relationships that may affect their objectivity and independence. The Audit Committee also reviews with management, the internal auditors and the independent registered public accounting firm the quality and adequacy of the Corporation's internal control over financial reporting, including compliance matters related to the Corporation's code of conduct, and the results of the internal and external audits. The Audit Committee has reviewed and recommended that the audited consolidated financial statements included in this report be included in the Form 10-K for filing with the Securities and Exchange Commission.

**PART II**
(Continued)

The Corporation's code of conduct, among other things, contains policies for conducting business affairs in a lawful and ethical manner everywhere 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.

*Management's Report on Internal Control Over Financial Reporting*

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to management and the Board of Directors regarding preparation of reliable published financial statements and safeguarding of the Corporation's assets. This 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 the reliability of financial statement preparation and such asset safeguarding.

The Corporation has assessed the effectiveness of its internal control over financial reporting as of December 31, 2009. In making this assessment, it used the criteria described in *"Internal Control—Integrated Framework"* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as of December 31, 2009, the Corporation's internal control over financial reporting is effective.

Deloitte & Touche LLP has issued its attestation report on the effectiveness of the Corporation's internal control over financial reporting. That attestation report appears below.

| | |
|---|---|
| /s/ Thomas J. Falk | /s/ Mark A. Buthman |
| Thomas J. Falk<br>Chairman of the Board and<br>Chief Executive Officer | Mark A. Buthman<br>Senior Vice President and<br>Chief Financial Officer |

February 24, 2010

**Changes in Internal Control Over Financial Reporting**

There have been no changes in the Corporation's internal control over financial reporting identified in connection with the evaluation described above in "Management's Report on Internal Control Over Financial Reporting" that occurred during the Corporation's fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of
Kimberly-Clark Corporation:

We have audited the internal control over financial reporting of Kimberly-Clark Corporation and subsidiaries (the "Corporation") as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Corporation's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule of the Corporation as of and for the year ended December 31, 2009, and our report dated February 24, 2010, expressed an unqualified opinion on those financial statements and financial statement schedule and included an explanatory paragraph regarding the Corporation's adoption of new accounting standards for business combinations and noncontrolling interests in consolidated financial statements effective January 1, 2009, and for fair value measurements effective January 1, 2008.

/s/ DELOITTE & TOUCHE LLP
Deloitte & Touche LLP
Dallas, Texas
February 24, 2010

**ITEM 9B. OTHER INFORMATION**

None.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following sections of the Corporation's 2010 Proxy Statement for the Annual Meeting of Stockholders (the "2010 Proxy Statement") are incorporated in this Item 10 by reference:

- "Certain Information Regarding Nominees for Director" under "Proposal 1. Election of Directors," which identifies nominees for the Board of Directors of the Corporation.
- "Section 16(a) Beneficial Ownership Reporting Compliance."
- "Corporate Governance Information—Other Corporate Governance Matters – Code of Conduct," which describes the Corporation's Code of Conduct.
- "Corporate Governance Information—Stockholder Nominations for Directors," which describes the procedures by which stockholders may nominate candidates for election to the Board of Directors.
- "Corporate Governance Information—Audit Committee," which identifies members of the Audit Committee of the Board of Directors and an audit committee financial expert.

Pursuant to Instruction 3 to Item 401(b) of Regulation S-K, information regarding the executive officers of the Corporation is reported under the caption "Executive Officers of the Registrant" in Part I of this Report.

### ITEM 11. EXECUTIVECOMPENSATION

The information in the sections of the 2010 Proxy Statement captioned "Executive Compensation," "Compensation of Directors" under "Proposal 1. Election of Directors" and "Corporate Governance Information—Compensation Committee Interlocks and Insider Participation" is incorporated in this Item 11 by reference.

**PART III**
(Continued)

## ITEM 12. SECURITYOWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information in the section of the 2010 Proxy Statement captioned "Security Ownership of Management and Certain Beneficial Owners" is incorporated in this Item 12 by reference.

*Equity Compensation Plan Information*

The following table gives information about the Corporation's common stock that may be issued upon the exercise of options, warrants, and rights under all of the Corporation's equity compensation plans as of December 31, 2009.

| | Number of securities to be issued upon exercise of outstanding options, warrants, and rights (in millions) (a) | Weighted average exercise price of outstanding options, warrants, and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (in millions) (c) |
|---|---|---|---|
| Equity compensation plans approved by stockholders[1] | 24.8[2] | $ 61.27 | 14.2[3] |
| Equity compensation plans not approved by stockholders[4] | .1[5][6] | $ 56.88[6] | .7 |
| Total | 24.9 | $ 61.26 | 14.9 |

(1) Includes the 1992 Equity Participation Plan, as amended (the "1992 Plan"), and the 2001 Equity Participation Plan (the "2001 Plan").

(2) Does not include 2.5 million restricted share units granted under the 2001 Plan. Upon vesting, a share of the Corporation's common stock is issued for each restricted share unit.

(3) Includes 13.3 million shares that may be granted as restricted stock or restricted share units under the 2001 Plan.

(4) Includes the Outside Directors' Compensation Plan and certain acquired equity compensation plans. See below for description of the Outside Directors' Compensation Plan.

(5) Does not include 0.1 million restricted share units granted under the Outside Directors' Compensation Plan. Upon vesting, a share of the Corporation's common stock is issued for each restricted share unit.

(6) Includes less than 2,000 options at a weighted-average exercise price of $60.33 granted under equity compensation plans assumed by the Corporation in connection with acquisitions to honor existing obligations of acquired entities. The Corporation will not make any additional grants or awards under these plans, although the terms of one acquired deferred compensation plan provide for issuance of a de minimis number of shares of the Corporation's common stock for reinvested dividends on deferred amounts.

*Outside Directors' Compensation Plan*

In 2001, the Corporation's Board of Directors approved the Outside Directors' Compensation Plan. A maximum of 1,000,000 shares of the Corporation's common stock is available for grant under this plan. The Board may grant awards in the form of stock options, stock appreciation rights, restricted stock, restricted share units, or any combination of cash, stock options, stock appreciation rights, restricted stock or restricted share units under this plan.

**PART III**
(Continued)

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information in the sections of the 2010 Proxy Statement captioned “Transactions with Related Persons” and “Corporate Governance Information—Director Independence” is incorporated in this Item 13 by reference.

## ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information in the sections of the 2010 Proxy Statement captioned “Principal Accounting Firm Fees” and “Audit Committee Approval of Audit and Non-Audit Services” under “Proposal 2. Ratification of Auditors” is incorporated in this Item 14 by reference.

Table of Contents

## PART IV

### ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) **Documents filed as part of this report.**

1. Financial statements.

The financial statements are set forth under Item 8 of this report on Form 10-K.

2. Financial statement schedules.

The following information is filed as part of this Form 10-K and should be read in conjunction with the financial statements contained in Item 8:

Report of Independent Registered Public Accounting Firm

Schedule for Kimberly-Clark Corporation and Subsidiaries:

Schedule II Valuation and Qualifying Accounts

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

3. Exhibits.

| | |
|---|---|
| Exhibit No. (3)a. | Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K dated May 1, 2009. |
| Exhibit No. (3)b. | By-Laws, as amended April 30, 2009, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated May 1, 2009. |
| Exhibit No. (4). | Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request. |
| Exhibit No. (10)a. | Management Achievement Award Program, as amended and restated November 13, 2008, incorporated by reference to Exhibit No. (10)a of the Corporation's Annual Report on Form 10-K for the year-ended December 31, 2008.* |
| Exhibit No. (10)b. | Executive Severance Plan, as amended and restated as of December 31, 2009, filed herewith.* |
| Exhibit No. (10)c. | Seventh Amended and Restated Deferred Compensation Plan for Directors, effective January 1, 2008, incorporated by reference to Exhibit No. (10)c of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.* |
| Exhibit No. (10)d. | Executive Officer Achievement Award Program as amended November 12, 2008, incorporated by reference to Exhibit No. (10)d of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.* |
| Exhibit No. (10)e. | 1992 Equity Participation Plan, as amended, incorporated by reference to Exhibit No. (10)e of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.* |
| Exhibit No. (10)f. | Deferred Compensation Plan, as amended and restated, dated December 31, 2005, incorporated by reference to Exhibit No. (10)f of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2005.* |

Table of Contents

**PART IV**
(Continued)

| | |
|---|---|
| Exhibit No. (10)g. | Outside Directors' Stock Compensation Plan, as amended, incorporated by reference to Exhibit No. (10)g of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002.* |
| Exhibit No. (10)h. | Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated effective April 17, 2009, filed herewith.* |
| Exhibit No. (10)i. | Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated, effective April 17, 2009, filed herewith.* |
| Exhibit No. (10)j. | Retirement Contribution Excess Benefit Program, as amended and restated, dated December 31, 2008, incorporated by reference to Exhibit No. (10)j of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.* |
| Exhibit No. (10)k. | Kimberly-Clark Corporation Supplemental Retirement 401(k) and Profit Sharing Plan, as amended and restated, effective January 1, 2010, incorporated by reference to Exhibit No. (10)j of the Corporation's Current Report on Form 8-K dated December 21, 2009.* |
| Exhibit No. (10)l. | Outside Directors' Compensation Plan, as amended, dated November 13, 2007, incorporated by reference to Exhibit No. (10)l of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2007.* |
| Exhibit No. (10)m. | 2001 Equity Participation Plan, as amended effective November 17, 2009, filed herewith.* |
| Exhibit No. (10)n. | Form of Award Agreements under 2001 Equity Participation Plan, incorporated by reference to Exhibit No. (10)n of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.* |
| Exhibit No. (10)o. | Summary of Outside Directors' Compensation pursuant to the Outside Directors' Compensation Plan, effective January 1, 2009, incorporated by reference to Exhibit No. (10)o of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.* |
| Exhibit No. (10)p. | Severance Pay Plan, amended and restated, effective November 18, 2009, filed herewith.* |
| Exhibit No. (10)q. | Letter Agreement between Kimberly-Clark Corporation and Robert W. Black, incorporated by reference to Exhibit No. (10)q of the Corporation's Current Report on Form 8-K dated April 10, 2006, as filed on April 13, 2006.* |
| Exhibit No. (10)r. | Letter Agreement between Kimberly-Clark Corporation and Tony Palmer, incorporated by reference to Exhibit No. (10)r of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.* |
| Exhibit No. (10)s. | Letter Agreement between Kimberly-Clark Corporation and Christian A. Brickman, incorporated by reference to Exhibit No. (10)s of the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.* |
| Exhibit No. (10)t. | Summary of Financial Counseling Program for Kimberly-Clark Corporation Executives, dated November 12, 2008, incorporated by reference to Exhibit No. (10)t of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.* |
| Exhibit No. (10)u. | Amendments to the Supplemental Benefit Plan and the Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan and to the Retirement Contribution Excess Benefit Program, incorporated by reference to Exhibit No. (10)u of the Corporation's Current Report on Form 8-K dated April 22, 2009.* |

**PART IV**
(Continued)

| | |
|---|---|
| Exhibit No. (12). | Computation of ratio of earnings to fixed charges for the five years ended December 31, 2009, filed herewith. |
| Exhibit No. (21). | Subsidiaries of the Corporation, filed herewith. |
| Exhibit No. (23). | Consent of Independent Registered Public Accounting Firm, filed herewith. |
| Exhibit No. (24). | Powers of Attorney, filed herewith. |
| Exhibit No. (31)a. | Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith. |
| Exhibit No. (31)b. | Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, filed herewith. |
| Exhibit No. (32)a. | Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith. |
| Exhibit No. (32)b. | Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith. |
| Exhibit No. (101).INS** | XBRL Instance Document |
| Exhibit No. (101).SCH** | XBRL Taxonomy Extension Schema Document |
| Exhibit No. (101).CAL** | XBRL Taxonomy Extension Calculation Linkbase Document |
| Exhibit No. (101).DEF** | XBRL Taxonomy Extension Definition Linkbase Document |
| Exhibit No. (101).LAB** | XBRL Taxonomy Extension Label Linkbase Document |
| Exhibit No. (101).PRE** | XBRL Taxonomy Extension Presentation Linkbase Document |

* A management contract or compensatory plan or arrangement required to be identified pursuant to Item 15(a)(3) of this Annual Report on Form 10-K.

** Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Income Statement for the years ended December 31, 2009, 2008 and 2007, (ii) Consolidated Balance Sheet at December 31, 2009 and 2008, (iii) Consolidated Statement of Stockholders' Equity for the years ended December 31, 2009, 2008 and 2007, (iv) Consolidated Statement of Comprehensive Income for the years ended December 31, 2009, 2008 and 2007, (v) Consolidated Cash Flow Statement for the years ended December 31, 2009 and 2008, and (vi) Notes to Consolidated Financial Statements. Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Table of Contents

## 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

February 24, 2010

By: /s/ MARK A. BUTHMAN

**Mark A. Buthman**
**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/ THOMAS J. FALK<br>**Thomas J. Falk** | Chairman of the Board and Chief Executive Officer and Director<br>(principal executive officer) | February 24, 2010 |
| /s/ MARK A. BUTHMAN<br>**Mark A. Buthman** | Senior Vice President and<br>Chief Financial Officer<br>(principal financial officer) | February 24, 2010 |
| /s/ MICHAEL T. AZBELL<br>**Michael T. Azbell** | Vice President and Controller<br>(principal accounting officer) | February 24, 2010 |

**Directors**

| | |
|---|---|
| John R. Alm | James M. Jenness |
| Dennis R. Beresford | Ian C. Read |
| John F. Bergstrom | Linda Johnson Rice |
| Abelardo E. Bru | Marc J. Shapiro |
| Robert W. Decherd | G. Craig Sullivan |
| Mae C. Jemison | |

By: /s/ THOMAS J. MIELKE — February 24, 2010

**Thomas J. Mielke**
**Attorney-in-Fact**

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**SCHEDULE II**
**VALUATION AND QUALIFYING ACCOUNTS**
**FOR THE YEARS ENDED DECEMBER 31, 2009, 2008 AND 2007**
(Millions of dollars)

| Description | Balance at Beginning Of Period | Additions: Charged to Costs and Expenses | Additions: Charged to Other Accounts[a] | Deductions: Write-Offs and Reclassifications | Balance at End of Period |
|---|---|---|---|---|---|
| **December 31, 2009** | | | | | |
| Allowances deducted from assets to which they apply | | | | | |
| Allowance for doubtful accounts | $ 52 | $ 22 | $ 7 | $ 13[b] | $ 68 |
| Allowances for sales discounts | 21 | 272 | 1 | 273[c] | 21 |
| **December 31, 2008** | | | | | |
| Allowances deducted from assets to which they apply | | | | | |
| Allowance for doubtful accounts | $ 51 | $ 16 | $ (7) | $ 8[b] | $ 52 |
| Allowances for sales discounts | 22 | 269 | (1) | 269[c] | 21 |
| **December 31, 2007** | | | | | |
| Allowances deducted from assets to which they apply | | | | | |
| Allowance for doubtful accounts | $ 39 | $ 15 | $ 4 | $ 7[b] | $ 51 |
| Allowances for sales discounts | 20 | 252 | 1 | 251[c] | 22 |

(a) Includes bad debt recoveries and the effects of changes in foreign currency exchange rates.

(b) Primarily uncollectible receivables written off.

(c) Sales discounts allowed.

| Description | Balance at Beginning of Period | Additions: Charged to Costs and Expenses[a] | Additions: Charged to Other Accounts | Deductions[b] | Balance at End of Period |
|---|---|---|---|---|---|
| **December 31, 2009** | | | | | |
| Deferred Taxes | | | | | |
| Valuation Allowance | $ 319 | $ (84) | $ — | $ (9) | $ 244 |
| **December 31, 2008** | | | | | |
| Deferred Taxes | | | | | |
| Valuation Allowance | $ 319 | $ 13 | $ — | $ 13 | $ 319 |
| **December 31, 2007** | | | | | |
| Deferred Taxes | | | | | |
| Valuation Allowance | $ 371 | $ (63) | $ — | $ (11) | $ 319 |

(a) Includes decreasing foreign tax credit valuation allowances related to taxes provided on equity affiliates' unremitted earnings of $(54) million in 2009.

(b) Includes the net currency effects of translating valuation allowances at current rates of exchange, totaling $(9) million in 2009, $13 million in 2008, and $(12) million in 2007.

EXHIBIT INDEX

| | |
|---|---|
| Exhibit No. (3)a. | Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation’s Current Report on Form 8-K dated May 1, 2009. |
| Exhibit No. (3)b. | By-Laws, as amended April 30, 2009, incorporated by reference to Exhibit No. (3)b of the Corporation’s Current Report on Form 8-K dated May 1, 2009. |
| Exhibit No. (4). | Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request. |
| Exhibit No. (10)a. | Management Achievement Award Program, as amended and restated November 13, 2008, incorporated by reference to Exhibit No. (10)a of the Corporation’s Annual Report on Form 10-K for the year-ended December 31, 2008.* |
| Exhibit No. (10)b. | Executive Severance Plan, as amended and restated as of December 31, 2009, filed herewith.* |
| Exhibit No. (10)c. | Seventh Amended and Restated Deferred Compensation Plan for Directors, effective January 1, 2008, incorporated by reference to Exhibit No. (10)c of the Corporation’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.* |
| Exhibit No. (10)d. | Executive Officer Achievement Award Program as amended November 12, 2008, incorporated by reference to Exhibit No. (10)d of the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2008.* |
| Exhibit No. (10)e. | 1992 Equity Participation Plan, as amended, incorporated by reference to Exhibit No. (10)e of the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2000.* |
| Exhibit No. (10)f. | Deferred Compensation Plan, as amended and restated, dated December 31, 2005, incorporated by reference to Exhibit No. (10)f of the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2005.* |

| | |
|---|---|
| Exhibit No. (10)g. | Outside Directors' Stock Compensation Plan, as amended, incorporated by reference to Exhibit No. (10)g of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002.* |
| Exhibit No. (10)h. | Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated effective April 17, 2009, filed herewith.* |
| Exhibit No. (10)i. | Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated, effective April 17, 2009, filed herewith.* |
| Exhibit No. (10)j. | Retirement Contribution Excess Benefit Program, as amended and restated, dated December 31, 2008, incorporated by reference to Exhibit No. (10)j of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.* |
| Exhibit No. (10)k. | Kimberly-Clark Corporation Supplemental Retirement 401(k) and Profit Sharing Plan, as amended and restated, effective January 1, 2010, incorporated by reference to Exhibit No. (10)j of the Corporation's Current Report on Form 8-K dated December 21, 2009.* |
| Exhibit No. (10)l. | Outside Directors' Compensation Plan, as amended, dated November 13, 2007, incorporated by reference to Exhibit No. (10)l of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2007.* |
| Exhibit No. (10)m. | 2001 Equity Participation Plan, as amended effective November 17, 2009, filed herewith.* |
| Exhibit No. (10)n. | Form of Award Agreements under 2001 Equity Participation Plan, incorporated by reference to Exhibit No. (10)n of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.* |
| Exhibit No. (10)o. | Summary of Outside Directors' Compensation pursuant to the Outside Directors' Compensation Plan, effective January 1, 2009, incorporated by reference to Exhibit No. (10)o of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.* |
| Exhibit No. (10)p. | Severance Pay Plan, amended and restated, effective November 18, 2009, filed herewith.* |
| Exhibit No. (10)q. | Letter Agreement between Kimberly-Clark Corporation and Robert W. Black, incorporated by reference to Exhibit No. (10)q of the Corporation's Current Report on Form 8-K dated April 10, 2006, as filed on April 13, 2006.* |
| Exhibit No. (10)r. | Letter Agreement between Kimberly-Clark Corporation and Tony Palmer, incorporated by reference to Exhibit No. (10)r of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.* |
| Exhibit No. (10)s. | Letter Agreement between Kimberly-Clark Corporation and Christian A. Brickman, incorporated by reference to Exhibit No. (10)s of the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.* |
| Exhibit No. (10)t. | Summary of Financial Counseling Program for Kimberly-Clark Corporation Executives, dated November 12, 2008, incorporated by reference to Exhibit No. (10)t of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.* |
| Exhibit No. (10)u. | Amendments to the Supplemental Benefit Plan and the Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan and to the Retirement Contribution Excess Benefit Program, incorporated by reference to Exhibit No. (10)u of the Corporation's Current Report on Form 8-K dated April 22, 2009.* |

Table of Contents

| | |
|---|---|
| Exhibit No. (12). | Computation of ratio of earnings to fixed charges for the five years ended December 31, 2009, filed herewith. |
| Exhibit No. (21). | Subsidiaries of the Corporation, filed herewith. |
| Exhibit No. (23). | Consent of Independent Registered Public Accounting Firm, filed herewith. |
| Exhibit No. (24). | Powers of Attorney, filed herewith. |
| Exhibit No. (31)a. | Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith. |
| Exhibit No. (31)b. | Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, filed herewith. |
| Exhibit No. (32)a. | Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith. |
| Exhibit No. (32)b. | Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith. |
| Exhibit No. (101).INS** | XBRL Instance Document |
| Exhibit No. (101).SCH** | XBRL Taxonomy Extension Schema Document |
| Exhibit No. (101).CAL** | XBRL Taxonomy Extension Calculation Linkbase Document |
| Exhibit No. (101).DEF** | XBRL Taxonomy Extension Definition Linkbase Document |
| Exhibit No. (101).LAB** | XBRL Taxonomy Extension Label Linkbase Document |
| Exhibit No. (101).PRE** | XBRL Taxonomy Extension Presentation Linkbase Document |

* A management contract or compensatory plan or arrangement required to be identified pursuant to Item 15(a)(3) of this Annual Report on Form 10-K.

** Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Income Statement for the years ended December 31, 2009, 2008 and 2007, (ii) Consolidated Balance Sheet at December 31, 2009 and 2008, (iii) Consolidated Statement of Stockholders' Equity for the years ended December 31, 2009, 2008 and 2007, (iv) Consolidated Statement of Comprehensive Income for the years ended December 31, 2009, 2008 and 2007, (v) Consolidated Cash Flow Statement for the years ended December 31, 2009 and 2008, and (vi) Notes to Consolidated Financial Statements. Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

**Exhibit No. (10)b**

KIMBERLY-CLARK CORPORATION

EXECUTIVE SEVERANCE PLAN
As
Amended and Restated
As of December 31, 2009

1. Preamble and Statement of Purpose. The purpose of this Plan is to assure the Corporation that it will have the continued dedication of, and the availability of objective advice and counsel from, key executives of the Corporation notwithstanding the possibility, threat or occurrence of a change of control of the Corporation.

In the event the Corporation receives any proposal from a third person concerning a possible business combination with the Corporation, or acquisition of the Corporation's equity securities, or otherwise considers or pursues a transaction that could lead to a change of control, the Committee believes it imperative that the Corporation and the Board of Directors of the Corporation (the "Board") be able to rely upon key executives to continue in their positions and be available for advice, if requested, without concern that those individuals might be distracted by the personal uncertainties and risks created by such a possibility.

Should the Corporation receive or consider any such proposal or transaction, in addition to their regular duties, such key executives may be called upon to assist in the assessment of the proposal or transaction, to advise management and the Board as to whether the proposal or transaction would be in the best interest of the Corporation and its stockholders, and to take such other actions as the Board might determine to be appropriate.

2. Definitions. As used in this Plan, the following terms shall have the following respective meanings:

(a) Agreements: Executive Severance Agreements in substantially the forms approved by the Committee and attached hereto as Exhibit A (for Tier I Participants) or Exhibit B (for Tier II Participants) which provide for participation and payment under this Plan.

(b) Annual Bonus Amount: For any Participant, the three year average of the annual awards paid to the Participant under the Kimberly-Clark Corporation Executive Officer Achievement Award Program or the Kimberly-Clark Corporation Management Achievement Award Program, as applicable, or any successor or additional plan (the "Bonus Program"). The three year average of the annual awards paid to the Participant will be determined based on the higher of the three year period consisting of either (i) the year in which the Relevant Date occurred (or, if the bonus is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the bonus is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If a Participant has been paid less than three years of annual awards the Annual Bonus Amount will be determined based on the average dollar amount of the annual awards paid in prior years to the Participant under the Bonus Program. If a Participant has not received any prior payment of annual awards, the Annual Bonus Amount under the Bonus Program will be determined as follows:

(1) For a Participant classified at the Corporation's Grade 1 through 4 level, as defined by the Corporation's compensation department, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the prior three year period to other employees at the same grade level.

(2) For a Participant at the GSLT level (except for the Chief Executive Officer of the Corporation), the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the prior three year period to Participants at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the prior three year period to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Plan to the contrary, this definition may be amended at the discretion of the Committee to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder).

(c) Cause: The term "Cause" shall mean any of the following:

(i) the commission by the Participant of a felony;

(ii) the Participant's dishonesty, habitual neglect or incompetence in the management of the affairs of the Corporation; or

(iii) the refusal or failure by the Participant to act in accordance with any lawful directive or order of the Corporation, or an act or failure to act by the Participant which is in bad faith and which is detrimental to the Corporation.

(d) Change of Control: A "Change of Control" shall be deemed to have taken place upon the first of the following to occur: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, acquires shares of the Corporation having 30% or more of the total number of votes that may be cast for the election of directors of the Corporation; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), the persons who were directors of the Corporation before the Transaction shall cease to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

(e) Code: The Internal Revenue Code of 1986, as amended.

(f) Committee: The Management Development and Compensation Committee of the Board.

(g) Corporation: Kimberly-Clark Corporation and any successor thereto that assumes this Plan and the Agreements pursuant to Section 13 below.

(h) Eligible Executive: Those key executives of the Corporation and its Subsidiaries who are from time to time designated by the Committee as, or who pursuant to criteria established by the Board or the Committee are, eligible to receive an Agreement.

(i) Equity Plans: The Kimberly-Clark Corporation 2001 Equity Participation Plan, the Kimberly-Clark Corporation 1999 Restricted Stock Plan, the Kimberly-Clark Corporation 1992 Equity Participation Plan, and any successor or additional plans under which a Participant receives stock options, restricted stock or other equity-based compensation.

(j) Excise Tax: The excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(k) Fair Market Value: With respect to any publicly traded equity security, the reported closing price of such security on the relevant date as reported on the composite list used by The Wall Street Journal for reporting stock prices, or, if no such sale shall have been made on that day, on the last preceding day on which there was such a sale; and with respect to any other property, the fair market value thereof as determined by the Committee in good faith.

(l) Good Reason: Termination by the Participant for "Good Reason" shall mean the Separation from Service during the two year time period following the initial existence (without the Participant's express written consent) of any one of the following conditions:

(i) A material diminution in the Participant's base compensation.

(ii) A material diminution in the Participant's authority, duties, or responsibilities.

(iii) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Participant is required to report, including a requirement that a Participant report to a corporate officer or employee instead of reporting directly to the board of directors of the Corporation.

(iv) A material diminution in the budget over which the Participant retains authority.

(v) A material change in the geographic location at which the Participant must perform the services.

(vi) Any other action or inaction that constitutes a material breach by the Corporation of any agreement under which the Participant provides services.

The Participant must provide notice to the Corporation of the existence of any of the above conditions within a period not to exceed 90 days of the initial existence of the condition, upon the notice of which the Corporation must be provided a period of at least 30 days during which it may remedy the condition and not be required to pay the amount.

The Participant's right to terminate the Participant's employment for Good Reason shall not be affected by the Participant's incapacity due to physical or mental illness. The Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

(m) Multiplier: For a Tier I Participant, two; and for a Tier II Participant, one.

(n) Net After Tax Receipt: The Value of a Payment, net of all taxes imposed on a Participant with respect thereto under Sections 1 and 4999 of the Code, determined by applying the highest marginal rate under Section 1 of the Code which applied to the Participant's taxable income for the immediately preceding taxable year.

(o) Parachute Value: With respect to a Payment, the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(p) Participant: An Eligible Executive who is a party to an Agreement which has not been terminated in accordance with the terms of this Plan.

(q) Payment: Any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of a Participant, whether paid or payable pursuant to this Plan or otherwise.

(r) Qualified Termination of Employment: The separation of Participant's service with the Corporation and/or its Subsidiaries either (i) within the two (2) year period following a Change of Control of the Corporation (A) by the Corporation without Cause or, (B) by the Participant with Good Reason, or (ii) by the Corporation without Cause before a Change of Control, if a Change of Control occurs within one year after such Separation from Service and it is reasonably demonstrated by the Participant that such Separation from Service was at the request of a third party that had taken steps reasonably calculated to effect a Change of Control or otherwise arose in connection with or in anticipation of a Change of Control. A transfer of employment for administrative purposes among the Corporation and its Subsidiaries shall not be deemed a Qualified Termination of Employment, but if such a transfer results in the occurrence of Good Reason, the affected Participant shall have the right to Separate from Service for Good Reason and such separation shall be a Qualified Termination of Employment.

(s) Reduced Amount: With respect to a Participant, the greatest aggregate amount of Separation Payments which (a) is less than the sum of all Separation Payments and (b) results in aggregate Net After Tax Receipts which are equal to or greater than the Net After Tax Receipts which would result if the Participant were paid the sum of all Separation Payments.

(t) Relevant Date: In the case of a Qualified Termination of Employment as described in clause (ii) of the definition of "Qualified Termination of Employment," the date of such Qualified Termination of Employment and, in all other cases, the date of the Change of Control.

(u) Safe Harbor Amount: The portion of the payment to or for the benefit of a Participant that does not constitute an "excess parachute payment for purposes of Section 280G of the Code.

(v) Separation from Service. Termination of employment with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Participant's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period).

(w) Separation Payment: With respect to a Participant, a Payment paid or payable to the Participant pursuant to this Plan or an Agreement (disregarding Section 9 of this Plan).

(x) Severance Period: For a Tier I Participant, the period of two years beginning on the date of the Qualified Termination of Employment; and for a Tier II Participant, the period of one year beginning on the date of the Qualified Termination of Employment.

(y) Subsidiary: Any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries, provided, however, that "at least fifty percent (50%)" shall replace "at least twenty percent (20%)" where there is not a legitimate business criteria for using such lower percentage.

(z) Tier I Participant: A Participant whose Agreement indicates that he or she is a Tier I Participant.

(aa) Tier II Participant: A Participant whose Agreement indicates that he or she is a Tier II Participant.

(bb) Value: With respect to a Payment, the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

3. Participation; Agreements. Eligible Executives shall be proffered an Agreement and upon execution and delivery thereof by the Eligible Executive evidencing such Eligible Executive's agreement not to voluntarily leave the employ of the Corporation and its Subsidiaries and to continue to render services during the pendency of any threatened Change of Control of the Corporation, such Eligible Executive shall become a Participant. Each Agreement shall indicate whether the Participant to whom it is proffered will be a Tier I Participant or a Tier II Participant. A Participant shall cease to be a Participant in the Plan upon the termination of the Participant's Agreement in accordance with its terms.

4. Separation from Service of Participants. Nothing in this Plan shall be deemed to entitle a Participant to continued employment with the Corporation and its Subsidiaries and the rights of the Corporation to separate a Participant from service shall continue as fully as though this Plan were not in effect, provided that any Qualified Termination of Employment shall entitle the Participant to the benefits herein provided. In addition, nothing in this Plan shall be deemed to entitle a Participant under this Plan to any rights, or to payments under this Plan, with respect to any plan in which the Participant was not a participant prior to a Qualified Termination of Employment.

5. Payments Upon Qualified Termination of Employment. In the event of a Qualified Termination of Employment of a Participant, a lump sum cash payment or payments shall be made to such Participant as compensation for services rendered, in an amount or amounts (subject to any applicable payroll or other taxes required to be withheld) equal to the sum of the amounts specified in subsections (a) through (i) below, such payments to be made within 10 days following the later of the date of Separation from Service or the date of the Change of Control except to the extent not yet calculable, in which case such portions shall be paid as soon as practicable following the ability to calculate the amount. Notwithstanding the

foregoing, except as provided in Sections 9 and 10, all amounts payable under the terms of this plan shall be payable no later than March 15 of the year following the later of the date of Separation from Service or the date of the Change of Control. Notwithstanding anything in this Section 5 to the contrary, any amounts which are payable due to amounts the Executive would have been entitled under a deferred compensation plan required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder, such amounts shall be payable at the date it would have been payable if the Executive were entitled to this amount under the terms of the deferred compensation plan.

(a) Salary Plus Incentive Compensation. A lump sum amount equal to the Multiplier times the sum of (a) the Participant's annual base salary at the rate in effect immediately prior to the Relevant Date or, if higher, immediately before the Qualified Termination of Employment and (b) the Annual Bonus Amount;

(b) Equity Participation Plan - Option Shares (i) Except with respect to incentive stock options outstanding at the effective date of the Participant's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, all stock options that were granted to the Participant under any of the Equity Plans, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), that were outstanding both on the Relevant Date and immediately before the Qualified Termination of Employment, shall vest and become exercisable and the Qualified Termination of Employment of the Participant shall be deemed a retirement for purposes of exercising the stock options under the terms of the Equity Plans, and (ii) notwithstanding the foregoing, with respect to Incentive Stock Options that were outstanding at the effective date of the Participant's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, and which were forfeited upon the Participant's Separation from Service, a lump sum amount equal to the excess of (I) the aggregate Fair Market Value on the date of termination of the shares of common stock of the Corporation or other equity security then subject to such Incentive Stock Options over (II) the aggregate option price for such shares or other equity security;

(c) Restricted Stock. A lump sum amount equal to the sum of (i) with respect to restricted shares and/or restricted share units granted to the Participant under any of the Equity Plans that were outstanding but not vested on the Relevant Date where such vesting of restricted shares and/or restricted share units was not determined by the attainment of performance goals, and which are forfeited as a result of the Participant's Separation from Service, an amount equal to the Fair Market Value of an equivalent number of shares of common stock of the Corporation (or such other equity security into which the restricted shares and/or restricted share units has been converted) on the date of Separation from Service, (ii) in the event the number of restricted shares and/or restricted share units was to be determined by the attainment of performance goals according to a schedule determined by the Committee, with respect to a grant prior to 2010, with a performance period starting on or before January 1, 2009, an amount equal to the Fair Market Value of the number of shares that shall be considered to vest based on the greater of the target level established or the number of shares which would have vested based on the attainment of the Performance Goal as of the end of the prior year, and (iii) an amount equal to the Average PRSU Payout multiplied by the number of annual PRSU grants with a performance period starting after January 1, 2009 which are forfeited due to the Qualified Termination of Employment. With respect to any grants with a performance period starting after January 1, 2009 the forfeited restricted shares and/or restricted share units determined by the attainment of performance goals according to a schedule determined by the Committee will not be paid. For purposes of this subsection (c) the Average PRSU Payout shall mean the three year average of the dollar amount of the restricted shares and/or restricted share units determined by the attainment of performance goals (the "PRSU's") awards paid to the Participant under the Equity Plans, or any successor or additional plan. The three year average of the PRSU's paid to the Participant will be determined based on the higher of two dollar amount averages computed during alternative three year periods consisting of either (i) the year in which the Relevant Date occurred (or, if the award is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the award is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If a Participant has been paid less than three years of PRSU's the three year average of the PRSU's paid to the Participant will be determined based on the average dollar amount of the PRSU's paid in prior years to the Participant under the Equity

Plans, or any successor or additional plan. If a Participant has not received any prior payment of PRSU's, the Average PRSU Payout under the Equity Plans, or any successor or additional plan, will be determined as follows:

(1) For a Participant classified at the Corporation's Grade 1 through 4 level, as defined by the Corporation's compensation department, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to other employees at the same grade level.

(2) For a Participant at the GSLT level (except for the Chief Executive Officer of the Corporation), the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to Participants at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Plan to the contrary, this definition may be amended at the discretion of the Committee to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder);

(d) Successor or Additional Stock Appreciation Right, Incentive Compensation, and Bonus Plan. A lump sum amount equal to the payment to which the Participant would have been entitled had all amounts awarded or granted to the Participant, vested or matured, under any stock appreciation right, incentive compensation, and bonus plans, which are adopted after the effective date of the Participant's Agreement and in which the Participant participates immediately prior to the Relevant Date, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), which had not vested or matured as of the date of Separation from Service and will not vest or mature as a result of the Participant's Separation from Service, such payment to be determined as though such award or grant had vested or matured on the date of termination of the Participant's employment;

(e) 401(k) and Profit Sharing Plan. A lump sum amount equal to (a) in the case of a Tier I Participant, the Participant's maximum matching contribution and an assumed 3% profit sharing contribution under the Kimberly-Clark Corporation 401(k) and Profit Sharing Plan (or any successor or additional plans) and the Kimberly-Clark Corporation Retirement Contribution Excess Benefit Program (or any successor or additional plans) (individually the "EBP" and collectively, the "401(k) and Profit Sharing Plan") to which the Participant would have been entitled if he had remained employed by the Corporation for the Severance Period at the rate of annual compensation specified in Section 5(a) above except that the Annual Bonus Amount shall be treated as earned for the year in which separation occurred and the balance of the Severance Period and no award actually earned in, and paid for, the year in which termination occurred shall be considered, plus (b) for all Participants, the excess of (I) the benefits under the 401(k) and Profit Sharing Plan to which the Participant would be entitled if the Participant were fully vested in all of his or her benefits under the 401(k) and Profit Sharing Plan at the date of Separation from Service, over (II) the value of the benefits to which the Participant is actually entitled at the date of termination of employment, based upon the value of the Participant's account as of the most recent valuation date before the date of the Qualified Termination of Employment. Notwithstanding anything in Section 5 to the contrary, any amounts under subsection (b) of this subparagraph which are payable due to amounts the Participant would have been entitled under the EBP shall be payable at the date such amount would have been payable if the Participant were entitled to this amount under the terms of the EBP; and

(f) Medical and Dental Benefits. A lump sum amount equal to (a) the amount of the monthly premiums that the Participant would be required to pay, if he or she elected "COBRA" continuation coverage under the medical and dental plans of the Corporation in which the Participant was participating immediately before the Qualified Termination of Employment, based upon the premium rates in effect as of the date of the Qualified Termination of Employment, times (b) for a Tier I Participant, 24, and for a Tier II Participant, 12.

6. <u>Other Terms and Conditions</u>. The Agreement to be entered into pursuant to this Plan shall contain such other terms, provisions and conditions not inconsistent with this Plan as shall be determined by the Committee. Where appearing in this Plan or the Agreement, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise.

7. <u>Non-Assignability</u>. Each Participant's rights under this Plan shall be non-transferable except by will or by the laws of descent and distribution.

8. <u>Unfunded Plan</u>. The Plan shall be unfunded. Neither the Corporation nor the Board shall be required to segregate any assets that may at any time be represented by benefits under the Plan. Neither the Corporation nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan. Any liability of the Corporation to any Participant with respect to any benefit shall be based solely upon any contractual obligations created by the Plan and the Agreement; no such obligation shall be deemed to be secured by any pledge or any encumbrance on any property of the Corporation.

9. <u>Certain Reduction of Payments by the Corporation when Payments Do Not Exceed 110% of the Safe Harbor Amount</u>.

(a) This Section 9 shall only be applicable if it shall be determined that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount. Anything in this Plan to the contrary notwithstanding, in the event Deloitte & Touche LLP or such other certified public accounting firm designated by the Corporation (the "Accounting Firm") shall determine that receipt of all Payments would subject a Participant, other than a Participant entitled to a Gross-Up Payment under Section 10 below, to tax under Section 4999 of the Code, it shall determine whether some amount of Separation Payments would meet the definition of a "Reduced Amount." If the Accounting Firm determines that there is a Reduced Amount, the aggregate Separation Payments shall be reduced to such Reduced Amount. All fees payable to the Accounting Firm with respect to this Section 9 shall be paid solely by the Corporation.

(b) If the Accounting Firm determines that aggregate Separation Payments should be reduced to the Reduced Amount, the Corporation shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof, and the Participant may then elect, in his or her sole discretion, which and how much of the Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount), and shall advise the Corporation in writing of his or her election within ten days of his receipt of notice. If no such election is made by the Participant within such ten-day period, the Corporation may elect which of such Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount) and shall notify the Participant promptly of such election. All determinations made by the Accounting Firm under this Section shall be binding upon the Corporation and the Participant and shall be made as promptly as practicable following such determination, the Corporation shall pay to or distribute for the benefit of the Participant such Separation Payments as are then due to the Participant under Section 5 of this Plan and shall promptly pay to or distribute for the benefit of the Participant in the future such Separation Payments as become due to the Participant under this Plan. Notwithstanding the prior sentence, such determination by the Accounting Firm shall be made within 60 days, and the payment by the Corporation shall be made within 90 days, of the later of a Separation from Service of the Executive or the date of the Change of Control.

(c) While it is the intention of the Corporation to reduce the amounts payable or distributable to a Participant hereunder only if the aggregate Net After Tax Receipts to the Participant would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Corporation to or for the benefit of a Participant pursuant to this Plan which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Corporation to or for the benefit of a Participant pursuant to this Plan could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm determines that an Overpayment has been made, based upon the assertion of a deficiency by the Internal Revenue Service against the Corporation or the Participant which the Accounting Firm believes has a high probability of success, any such benefit of a Participant shall be treated for all purposes as a loan to the Participant which the Participant shall repay to the Corporation together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no such loan shall be deemed to have been made and no amount shall be payable by a Participant to the Corporation if and to the extent such deemed loan and payment would not either reduce the amount on which the Participant is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Participant together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. Notwithstanding anything in this Plan or any Agreement to the contrary, the payment will be conditioned upon the Overpayment or Underpayment meeting the requirements of Section 409A of the Code and the regulations promulgated thereunder.

10. Certain Additional Payments by the Corporation to Participants.

(a) Anything in this Plan or any Agreement to the contrary notwithstanding and except as set forth in this paragraph, in the event that it shall be determined that any Payment to a Participant would be subject to the Excise Tax, then the Participant shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that, after payment by the Participant of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Participant retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this Section 10(a), if it shall be determined that the Participant would (absent this sentence) be entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount, then no Gross-Up Payment shall be made to the Participant and the provisions of Section 9 of this Plan shall apply to that Participant. The Corporation's obligation to make Gross-Up Payments under this Section 10 shall not be conditioned upon the Participant's Separation from Service.

(b) Subject to the provisions of Section 10(c), all determinations required to be made under this Section 10, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm. The Accounting Firm shall provide detailed supporting calculations both to the Corporation and the Participant within 15 business days of the receipt of notice from the Participant that there has been a Payment or such earlier time as is requested by the Corporation. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. Any Gross-Up Payment, as determined pursuant to this Section 10 (including any Underpayment under this subsection (b) and any payment under subsection (c), shall be paid by the Corporation to or for the benefit of the applicable Participant by the end of the year following the year in which the Participant remits the related taxes, or, in the case of reimbursed audit or litigation expenses, by the end of the year following the years the taxes are remitted or, if no taxes are remitted, the end of the year following the year the audit, settlement, or litigation is finally completed or resolved. Any determination by the Accounting Firm shall be binding upon the Corporation and the Participant. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Corporation should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Corporation exhausts its remedies pursuant to Section 10(c) and the Participant thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Participant on the later of the date of such determination or after the date payments are due under Section 5 of this Plan.

(c) Each Participant shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after the Participant is informed in writing of such claim. The Participant shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be paid. The Participant shall not pay such claim prior to the expiration of the 30-day period following the date on which the Participant gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Corporation notifies the Participant in writing prior to the expiration of such period that the Corporation desires to contest such claim, the Participant shall:

(1) give the Corporation any information reasonably requested by the Corporation relating to such claim,

(2) take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,

(3) cooperate with the Corporation in good faith in order effectively to contest such claim, and

(4) permit the Corporation to participate in any proceedings relating to such claim;

*provided, however*, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest, and shall indemnify and hold the Participant harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this Section 10(c), the Corporation shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either pay the tax claimed to the appropriate taxing authority on behalf of the Participant and direct the Participant to sue for a refund or contest the claim in any permissible manner, and the Participant agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; *provided, however*, that, if the Corporation directs the Participant to pay such claim and directs the Participant to sue for a refund, the Corporation shall indemnify and hold the Participant harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided*, *further*, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Participant with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Participant shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by a Participant of a Gross-Up Payment or payment by the Corporation of an amount on the Participant's behalf pursuant to Section 10(c), the Participant becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Participant shall (subject to the Corporation's complying with the requirements of Section 10(c), if applicable) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Corporation of an amount on the Participant's behalf pursuant to Section 10(c), a determination is made that the Participant shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Participant in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Notwithstanding any other provision of this Plan, the Corporation may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of a Participant, all or any portion of any Gross-Up Payment, and by signing an Agreement, the Participant shall consent to such withholding.

11. No Duty to Mitigate. In no event shall any Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan, and such amounts shall not be reduced whether or not the Participant obtains other employment.

12. Termination and Amendment of this Plan. The Committee shall have power at any time, in its discretion, to amend, abandon or terminate this Plan, in whole or in part; except that no amendment, abandonment or termination shall impair or abridge the obligations of the Corporation under any Agreements previously entered into pursuant to this Plan except as expressly permitted by the terms of such Agreements.

13. Successors. The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets to assume expressly and agree to perform this Plan and the Agreements in the same manner and to the same extent that the Corporation would be required to perform them if no such succession had taken place.

14. Effective Date. This amended and restated Plan shall become effective on December 31, 2009.

**Exhibit A**

Tier I Agreement

KIMBERLY-CLARK CORPORATION

Executive Severance Agreement

As of December 31, 2009

AGREEMENT made effective as of the 31st day of December 2009 between KIMBERLY-CLARK CORPORATION, a Delaware corporation, and (the "Executive").

W I T N E S S E T H:

WHEREAS, the Committee has approved the Corporation entering into severance agreements with key executives of the Corporation and its subsidiaries pursuant to the Executive Severance Plan (the "Plan"); and

WHEREAS, the Executive is a key executive of the Corporation or one of its subsidiaries and has been selected by the Committee as a key executive to be an Executive under the Plan; and

WHEREAS, should the Corporation receive or learn of any proposal by or from a third person concerning a possible business combination with, or acquisition of equity securities of, the Corporation, or should the Corporation otherwise consider or pursue a transaction that could lead to a change of control, the Committee believes it imperative that the Corporation and the Board be able to rely upon the Executive to continue in the Executive's position, and that they be able to receive and rely upon the Executive's advice, if they request it, as to the best interests of the Corporation and its stockholders, without concern that the Executive might be distracted by the personal uncertainties and risks created by such a possibility; and

WHEREAS, should the Corporation receive or consider any such proposal or transaction, in addition to the Executive's regular duties, the Executive may be called upon to assist in the assessment of the proposal or transaction, advise management and the Board as to whether the proposal or transaction would be in the best interest of the Corporation and its stockholders, and to take such other actions as the Board might determine to be appropriate;

NOW, THEREFORE, to assure the Corporation that it will have the continued dedication of the Executive and the availability of the Executive's advice and counsel notwithstanding the possibility, threat or occurrence of such a proposal or transaction, and to induce the Executive to remain in the employ of the Corporation, and for other good and valuable consideration, the Corporation and the Executive agree as follows:

In the event a third person, in order to effect a Change of Control (as hereinafter defined), begins a tender or exchange offer, circulates a proxy to stockholders, or takes other steps, or in the event the Corporation considers taking, or decides to take, steps that are expected to lead to a Change of Control, the Executive agrees that the Executive will not voluntarily leave the employ of the Corporation, and will render the services contemplated in the recitals to this Agreement and the Plan, until the efforts by the third party or the Corporation to effect a Change of Control are abandoned or until a Change of Control has occurred.

A. Lump-Sum Cash Payment. In the event of a Qualified Termination of Employment (as hereinafter defined) the Corporation will pay to the Executive, as compensation for services rendered to the Corporation a lump-sum cash amount or amounts (subject to any applicable payroll or other taxes required to be withheld) calculated by adding the amounts specified in subparagraphs (i) through (viii) below, such payments to be made within 10 day following the later of the date of Separation from Service or the date of the Change of Control, except to the extent not yet calculable, in which case such portions shall be paid as soon as practicable following the ability to calculate the amount. Notwithstanding the foregoing, except as provided in Paragraphs E and F, all amounts payable under the terms of this plan shall be payable no later than March 15 of the year following the later of the date of Separation from Service or the date of the Change of Control. Notwithstanding anything in this Paragraph A to the contrary, any amounts which are payable due to amounts the Executive would have been entitled under a deferred compensation plan required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder, such amounts shall be payable at the date it would have been payable if the Executive were entitled to this amount under the terms of the deferred compensation plan.

(i) Salary plus Incentive Compensation. A lump sum amount equal to two times the sum of (a) the Executive's annual base salary at the rate in effect immediately prior to the Relevant Date or, if higher, immediately before the Qualified Termination of Employment and (b) the Annual Bonus Amount;

(ii) Equity Participation Plan - Option Shares (a) Except with respect to incentive stock options outstanding at the effective date of the Executive's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, all stock options that were granted to the Executive under any of the Equity Plans, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), that were outstanding both on the Relevant Date and immediately before the Qualified Termination of Employment, shall vest and become exercisable and the Qualified Termination of Employment of the Executive shall be deemed a retirement for purposes of exercising the stock options under the terms of the Equity Plans, and (b) notwithstanding the foregoing, with respect to Incentive Stock Options that were outstanding at the effective date of the Executive's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, and which were forfeited upon the separation of the Executive's service, a lump sum amount equal to the excess of (I) the aggregate Fair Market Value on the date of separation of the shares of common stock of the Corporation or other equity security then subject to such Incentive Stock Options over (II) the aggregate option price for such shares or other equity security;

(iii) Restricted Stock. A lump sum amount equal to the sum of (i) with respect to restricted shares and/or restricted share units granted to the Executive under any of the Equity Plans that were outstanding but not vested on the Relevant Date, where such vesting of restricted shares and/or restricted share units was not determined by the attainment of performance goals, and which are forfeited as a result of the separation of the Executive's service, an amount equal to the Fair Market Value of an equivalent number of shares of common stock of the Corporation (or such other equity security into which the restricted shares and/or restricted share units has been converted) on the date of separation of service, (ii) in the event the number of restricted shares and/or restricted share units was to be determined by the attainment of performance goals according to a schedule determined by the Committee, with respect to a grant prior to 2010, with a performance period starting on or before January 1, 2009, an amount equal to the Fair Market Value of the number of shares that shall be considered to vest based on the greater of the target level established or the number of shares which would have vested based on the attainment of the Performance Goal as of the end of the prior year, and (iii) an amount equal to the Average PRSU Payout multiplied by the number of annual PRSU grants with a performance period starting after January 1, 2009 which are forfeited due to the Qualified Termination of Employment. With respect to any grants with a performance period starting after January 1, 2009 the forfeited restricted shares and/or restricted share units determined by the attainment of performance goals according to a schedule determined by the Committee will not be paid. For purposes of this subsection (c) the Average PRSU Payout shall mean the three year average of the dollar amount of the restricted shares and/or restricted share units determined by the attainment of performance goals (the “PRSU’s”) awards paid to the Executive under the Equity Plans, or any successor or additional plan. The three year average of the PRSU’s paid to the Executive will be determined based on the higher of two dollar amount averages computed during alternative three year periods consisting of either (i) the year in which the Relevant Date occurred (or, if the award is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the award is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If an Executive has been paid less than three years of PRSU’s the three year average of the PRSU’s paid to the Executive will be determined based on the average dollar amount of the PRSU’s paid in prior years to the Executive under the Equity Plans, or any successor or additional plan. If an Executive has not received any prior payment of PRSU’s, the Average PRSU Payout under the Equity Plans, or any successor or additional plan, will be determined as follows:

(1) For an Executive classified at the Corporation’s Grade 1 through 4 level, as defined by the Corporation’s compensation department, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU’s paid to other employees at the same grade level.

(2) For an Executive at GSLT level (except for the Chief Executive Officer of the Corporation), the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU’s paid to Executives at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Plan to the contrary, this definition may be amended at the discretion of the Committee to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder);

(iv) Successor or Additional Stock Appreciation Right, Incentive Compensation, and Bonus Plan. A lump sum amount equal to the payment to which the Executive would have been entitled had all amounts awarded or granted to the Executive, vested or matured, under any stock appreciation right, incentive compensation, and bonus plans, which are adopted after the effective date of the Executive's Agreement and in which the Executive participates immediately prior to the Relevant Date, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), which had not vested or matured as of the date of separation of service and will not vest or mature as a result of the separation of the Executive's service, such payment to be determined as though such award or grant had vested or matured on the date of separation of the Executive's service;

(v) 401(k) and Profit Sharing Plan. A lump sum amount equal to (a) the Executive's maximum matching contribution and an assumed 3% profit sharing contribution under the Kimberly-Clark Corporation 401(k) and Profit Sharing Plan (or any successor or additional plans) and the Kimberly-Clark Corporation Retirement Contribution Excess Benefit Program (or any successor or additional plans) (individually the "EBP" and collectively, the "401(k) and Profit Sharing Plan") to which the Executive would have been entitled if he had remained employed by the Corporation for the Severance Period at the rate of annual compensation specified in subparagraph (i) of Paragraph A above except that the Annual Bonus Amount shall be treated as earned for the year in which separation of service occurred and the balance of the Severance Period and no award actually earned in, and paid for, the year in which separation of service occurred shall be considered, plus (b) the excess of (I) the benefits under the 401(k) and Profit

Sharing Plan to which the Executive would be entitled if the Executive were fully vested in all of his or her benefits under the 401(k) and Profit Sharing at the date of separation of service, over (II) the value of the benefits to which the Executive is actually entitled at the date of separation of service, based upon the value of the Executive's account as of the most recent valuation date before the date of the Qualified Termination of Employment. Notwithstanding anything in the Paragraph A to the contrary, any amounts under subsection (b) of this subparagraph which are payable due to amounts the Executive would have been entitled under the EBP shall be payable at the date such amount would have been payable if the Executive were entitled to this amount under the terms of the EBP; and

(vi) Medical and Dental Benefits. A lump sum amount equal to (a) the amount of the monthly premiums that the Executive would be required to pay, if he or she elected "COBRA" continuation coverage under the medical and dental plans of the Corporation in which the Executive was participating immediately before the Qualified Termination of Employment, based upon the premium rates in effect as of the date of the Qualified Termination of Employment, times (b) 24.

B. Other Matters.

(i) Severance Pay Plan Payments. In the event of a Qualified Termination of Employment, the Executive shall not be entitled to receive any severance benefits that would otherwise be available to the Executive under the Kimberly-Clark Corporation Severance Pay Plan (or any successor or additional plan), or any other severance program sponsored by the Corporation and/or any of its Subsidiaries.

(ii) Participation in Employee Benefit Plans. The Executive's participation in savings, retirement, profit sharing, stock option, and/or stock appreciation rights plans of the Corporation and/or any of its Subsidiaries shall continue only through the last day of the Executive's employment. Any terminating distributions and/or vested rights under such plans shall be governed by the terms of those respective plans. Furthermore, the Executive's participation in any insurance plans of the Corporation and rights to any other fringe benefits shall except as otherwise specifically provided in such plans or corporate policy, terminate as of the close of the Executive's last day of employment, except to the extent specifically provided to the contrary in this Agreement. Nothing in this Agreement shall be deemed to entitle the Executive to any rights, or to payments under this Agreement, with respect to any employee benefit plan which the Executive was not a participant prior to a Qualified Termination of Employment.

(iii) Continuing Obligations. The Executive shall retain in confidence any confidential information known to the Executive concerning the Corporation and its business so long as such information is not publicly disclosed.

(iv) No Guarantee of Employment. Nothing in this Agreement shall be deemed to entitle the Executive to continued employment with the Corporation or any of its Subsidiaries and the rights of the Corporation and its Subsidiaries to terminate the employment of the Executive shall continue as fully as if this Agreement were not in effect; *provided* that any Qualified Termination of Employment shall entitle the Executive to the benefits herein provided.

C. Definition of Change of Control. For the purpose of this Agreement, a “Change of Control” shall be deemed to have taken place upon the first of the following to occur after the date of this Agreement: (i) a third person, including a “group” as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, acquires shares of the Corporation having 30% or more of the total number of votes that may be cast for the election of directors of the Corporation; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a “Transaction”), the persons who were directors of the Corporation before the Transaction shall cease to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

D. Definition of Subsidiary. For purposes of this Agreement, a “Subsidiary” shall mean any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries, provided, however, that “at least fifty percent (50%)” shall replace “at least twenty percent (20%)” where there is not a legitimate business criteria for using such lower percentage.

E. Certain Reduction of Payments by the Corporation when Payments Do Not Exceed 110% of the Safe Harbor Amount.

(i) This Paragraph E shall only be applicable if it shall be determined that the Parachute Value of all Payments does not exceed 110% of the Safe

Harbor Amount. If the Executive is not entitled to a Gross-Up Payment pursuant to Paragraph F below, then anything in this Agreement to the contrary notwithstanding, in the event Deloitte & Touche LLP or such other certified public accounting firm designated by the Corporation (the "Accounting Firm") shall determine that receipt of all Payments would subject the Executive to tax under Section 4999 of the Code, it shall determine whether some amount of Separation Payments would meet the definition of a "Reduced Amount." If the Accounting Firm determines that there is a Reduced Amount, the aggregate Separation Payment shall be reduced to such Reduced Amount. All fees payable to the Accounting Firm with respect to this Paragraph E shall be paid solely by the Corporation.

(ii) If the Accounting Firm determines that aggregate Separation Payments should be reduced to the Reduced Amount, the Corporation shall promptly give the Executive notice to that effect and a copy of the detailed calculation thereof, and the Executive may then elect, in the Executive's sole discretion, which and how much of the Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount), and shall advise the Corporation in writing of the Executive's election within ten days of the Executive's receipt of notice. If no such election is made by the Executive within such ten-day period, the Corporation may elect which of such Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount) and shall notify the Executive promptly of such election. All determinations made by the Accounting Firm under this paragraph shall be binding upon the Corporation and the Executive, and as promptly as practicable following such determination the Corporation shall pay to or distribute for the benefit of the Executive such Separation Payments as are then due to the Executive under this Agreement, and shall promptly pay to or distribute for the benefit of the Executive in the future such Separation Payments as become due to the Executive under this Agreement. Notwithstanding the prior sentence, such determination by the Accounting Firm shall be made within 60 days, and the payment by the Corporation shall be made within 90 days, of the later of a Separation from Service of the Executive or the date of the Change of Control. While it is the intention of the Corporation to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate Net After Tax Receipts to the Executive would thereby be increased as a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment"), or that additional amounts which will have not been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm determines that an Overpayment has been made, based upon the assertion of a deficiency by the Internal Revenue Service against the Corporation or the Executive which the Accounting Firm believes has a high probability of success, any such benefit of the Executive shall be treated for all purposes as a loan to the Executive which the Executive shall repay to the Corporation, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; *provided, however*, that no such loan shall be deemed to have been made and no amount shall be payable by the Executive to the Corporation if and to the extent such deemed loan and payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code, or generate a refund of such taxes. In the event the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. Notwithstanding anything in this Agreement to the contrary payment will be conditioned upon the Overpayment or Underpayment meeting the requirements of Section 409A of the Code and the regulations promulgated thereunder.

F. Certain Additional Payments by the Corporation when Payments Exceed 110% of the Safe Harbor Amount.

(i) Anything in this Agreement to the contrary notwithstanding and except as set forth in this paragraph, in the event that it shall be determined that any Payment to the Executive would be subject to the Excise Tax, then the Executive shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this subparagraph (i) of Paragraph F, if it shall be determined that the Executive would (absent this sentence) be entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount, then no Gross-Up Payment shall be made to the Executive and the provisions of Paragraph E above shall apply to that Executive. The Corporation's obligation to make Gross-Up Payments under this Paragraph F shall not be conditioned upon the Executive's Separation from Service.

(ii) Subject to the provisions of subparagraph (iii) of Paragraph F, all determinations required to be made under this Paragraph F, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm. The Accounting Firm shall provide detailed supporting calculations both to the Corporation and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment or such earlier time as is requested by the Corporation. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. Any Gross-Up Payment, as determined pursuant to this Paragraph F (including any Underpayment under this subparagraph (ii) and any payment under subparagraph (iii), shall be paid by the Corporation to or for the benefit of the Executive by the end of the year following the year in which the Executive remits the related taxes or, in the case of reimbursed audit or litigation expenses, by the end of the year following the years the taxes are remitted or, if no taxes are remitted, the end of the year following the year the audit, settlement, or litigation is finally completed or resolved. Any determination by the Accounting Firm shall be binding upon the Corporation and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Corporation should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Corporation exhausts its remedies pursuant to subparagraph (iii) of Paragraph F and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive on the later of the date of such determination or after the date payments are due under Paragraph A of this Agreement.

(iii) The Executive shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after the Executive is informed in writing of such claim. The Executive shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which the Executive gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Corporation notifies the Executive in writing prior to the expiration of such period that the Corporation desires to contest such claim, the Executive shall:

(1) give the Corporation any information reasonably requested by the Corporation relating to such claim,

(2) take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,

(3) cooperate with the Corporation in good faith in order effectively to contest such claim, and

(4) permit the Corporation to participate in any proceedings relating to such claim;

*provided, however*, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest, and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this subparagraph (iii) of Paragraph F, the Corporation shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either pay the tax claimed to the appropriate taxing authority on behalf of the Executive and direct the Executive to sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; *provided, however*, that, if the Corporation directs the Executive to pay such claim and directs the Executive to sue for a refund, the Corporation shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided*, *further*, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation’s control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(iv) If, after the receipt by the Executive of a Gross-Up Payment or payment by the Corporation of an amount on the Executive's behalf pursuant to subparagraph (iii) of this Paragraph F, the Executive becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of subparagraph (iii) of this Paragraph F, if applicable) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Corporation of an amount on the Executive's behalf pursuant to subparagraph (iii) of this Paragraph F, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(v) Notwithstanding any other provision of this Plan, the Corporation may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of the Executive, all or any portion of any Gross-Up Payment, and by signing this Agreement, the Executive consents to such withholding.

G. Definitions.

(i)Annual Bonus Amount: The three year average of the annual awards paid to the Executive under the Kimberly-Clark Corporation Executive Officer Achievement Award Program or the Kimberly-Clark Corporation Management Achievement Award Program, as applicable, or any successor or additional plan (the "Bonus Program"). The three year average of the annual awards paid to the Executive will be determined based on the higher of the three year period consisting of either (i) the year in which the Relevant Date occurred (or, if the bonus is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the bonus is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If an Executive has been paid less than three years of annual awards the Annual Bonus Amount will be determined based on the average dollar amount of the annual awards paid in prior years to the Executive under the Bonus Program. If an Executive has not received any prior payment of annual awards, the Annual Bonus Amount under the Bonus Program will be determined as follows:

(1) For an Executive classified at the Corporation's Grade 1 through 4 level, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the three year period to other employees at the same grade level.

(2) For an Executive at GSLT level (except for the Chief Executive Officer of the Corporation), the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the three year period to Executives at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over a three year period to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Agreement to the contrary, this definition may be amended at the discretion of the Committee consistent with any amendment of the definition of Annual Bonus Amount under the Plan to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder).

(ii) Board: The Board of Directors of the Corporation.

(iii) Cause: The term "Cause" shall mean any of the following:

(a) the commission by the Executive of a felony;

(b) the Executive's dishonesty, habitual neglect or incompetence in the management of the affairs of the Corporation; or

(c) the refusal or failure by the Executive to act in accordance with any lawful directive or order of the Corporation, or an act or failure to act by the Executive which is in bad faith and which is detrimental to the Corporation.

(iv) Code: The Internal Revenue Code of 1986, as amended.

(v) Committee: The Management Development and Compensation Committee of the Board of Directors of the Corporation.

(vi) Corporation: Kimberly-Clark Corporation and any successor thereto that assumes this Plan and the Agreements pursuant to Paragraph H.(v) below.

(vii) Equity Plans: The Kimberly-Clark Corporation 2001 Equity Participation Plan, the Kimberly-Clark Corporation 1999 Restricted Stock Plan, the Kimberly-Clark Corporation 1992 Equity Participation Plan, and any successor or additional plans under which the Executive receives stock options, restricted stock or other equity-based compensation.

(viii) Excise Tax: The excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ix) Fair Market Value: With respect to any publicly traded equity security, the reported closing price of such security on the relevant date as reported on the composite list used by The Wall Street Journal for reporting stock prices, or, if no such sale shall have been made on that day, on the last preceding day on which there was such a sale; and with respect to any other property, the fair market value thereof as determined by the Committee in good faith.

(x) Good Reason: Termination by the Executive for "Good Reason" shall mean the separation from service during the two year time period following the initial existence (without the Executive's express written consent) of any one of the following conditions:

(a) A material diminution in the Executive's base compensation.

(b) A material diminution in the Executive's authority, duties, or responsibilities.

(c) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Executive is required to report, including a requirement that a Executive report to a corporate officer or employee instead of reporting directly to the board of directors of the Corporation.

(d) A material diminution in the budget over which the Executive retains authority.

(e) A material change in the geographic location at which the Executive must perform the services.

(f) Any other action or inaction that constitutes a material breach by the Corporation of any agreement under which the Executive provides services.

The Executive must provide notice to the Corporation of the existence of any of the above conditions within a period not to exceed 90 days of the initial existence of the condition, upon the notice of which the Corporation must be provided a period of at least 30 days during which it may remedy the condition and not be required to pay the amount.

The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

(xi) Net After Tax Receipt: The Value of a Payment, net of all taxes imposed on the Executive with respect thereto under Sections 1 and 4999 of the Code, determined by applying the highest marginal rate under Section 1 of the Code which applied to the Executive's taxable income for the immediately preceding taxable year.

(xii) Parachute Value: With respect to a Payment, the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(xiii) Qualified Termination of Employment: The separation of the Executive's service with the Corporation and/or its Subsidiaries either (i) within the two (2) year period following a Change of Control of the Corporation (A) by the Corporation without Cause or, (B) by the Executive with Good Reason, or (ii) by the Corporation without Cause before a Change of Control, if a Change of Control occurs within one year after such Separation from Service and it is reasonably demonstrated by the Executive that such Separation from Service was at the request of a third party that had taken steps reasonably calculated to effect a Change of Control or otherwise arose in connection with or in anticipation of a Change of Control. A transfer of employment for administrative purposes among the Corporation and its Subsidiaries shall not be deemed a Qualified Termination of Employment, but if such a transfer results in the occurrence of Good Reason, the Executive shall have the right to terminate employment for Good Reason and such separation shall be a Qualified Termination of Employment.

(xiv) Reduced Amount: The greatest aggregate amount of Separation Payments which (a) is less than the sum of all Separation Payments and (b) results in aggregate Net After Tax Receipts which are equal to or greater than the Net After Tax Receipts which would result if the Executive were paid the sum of all Separation Payments.

(xv) Relevant Date: In the case of a Qualified Termination of Employment as described in clause (ii) of the definition of "Qualified Termination of Employment," the date of such Qualified Termination of Employment and, in all other cases, the date of the Change of Control.

(xvi) Safe Harbor Amount: The portion of the payment to or for the benefit of an Executive that does not constitute an "excess parachute payment for purposes of Section 280G of the Code.

(xvii) Separation from Service. Termination of employment with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Executive's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period).

(xviii) Separation Payment: A Payment paid or payable to the Executive pursuant to this Plan or an Agreement.

(xix) Severance Period: The period of two years beginning on the date of the Qualified Termination of Employment.

(xx) Value: With respect to a Payment, the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

H. General.

(i) No Duty to Mitigate. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Plan, and such amounts shall not be reduced whether or not the Executive obtains other employment.

(ii) Indemnification. If litigation shall be brought to enforce or interpret any provision contained herein, the Corporation hereby agrees to indemnify the Executive for the Executive's reasonable attorney's fees and disbursements incurred in such litigation, and hereby agrees to pay prejudgment interest on any money judgment obtained by the Executive calculated at Citibank's (or any successor entity) prime rate of interest in effect from time to time from the date that payment(s) to the Executive should have been made under this Agreement. The reimbursement of an attorney's fees and disbursements incurred in such litigation will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred.

(iii) Payment Obligations Absolute. The Corporation's obligation to pay the Executive the compensation and to make the arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstances, including without limitation, any set-off, counterclaim, recoupment, defense or other right which the Corporation may have against the Executive or anyone else. All amounts payable by the Corporation hereunder shall be paid without notice or demand. Except as expressly provided herein, the Corporation waives all rights which it may now have or may hereafter have conferred upon it, by statute or otherwise, to terminate, cancel or rescind this Agreement in whole or in part. Each and every payment made hereunder by the Corporation shall be final and the Corporation will not seek to recover all or any part of such payment from the Executive or from whosoever may be entitled thereto, for any reason whatsoever.

(iv) Unfunded Obligation. The obligation of the Corporation under this Agreement shall be unfunded. The Corporation shall not be required to segregate any assets that may at any time be represented by benefits under this Agreement. The Corporation shall not be deemed to be a trustee of any amounts to be paid under this Agreement. Any liability of the Corporation to the Executive with respect to any benefit shall be based solely upon any contractual obligations created hereunder; no such obligation shall be deemed to be secured by any pledge or any encumbrance on any property of the Corporation.

(v) Successors. This Agreement shall be binding upon and inure to the benefit of the Executive and the Executive's estate, and the Corporation and any successor of the Corporation, but neither this Agreement nor any rights arising hereunder may be assigned or pledged by the Executive. The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place.

(vi) Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(vii) Controlling Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware. Where appearing in this Agreement, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise.

(viii) Entire Agreement. The Executive and the Corporation acknowledge that upon its effective date, this Agreement supersedes any and all prior agreements between the Executive and the Corporation under the Plan as in effect at this time or at any prior time. From and after the Relevant Date, except as specifically provided herein, this Agreement shall supersede any other agreement between the parties with respect to severance pay and benefits. Notwithstanding the foregoing, any previously executed noncompetition agreement shall continue in effect following the execution of this Agreement and the Relevant Date.

(ix) Termination. This Agreement shall terminate on the third anniversary of the date hereof unless either (1) a Change of Control occurs on or before such third anniversary or (2) the Committee determines to extend this Agreement for an additional three-year term or such shorter period as it determines to be appropriate. Notwithstanding the foregoing, if at the time when this Agreement would otherwise terminate, a third party has taken steps reasonably calculated to effect a Change of Control or a Change of Control is otherwise under consideration, then this Agreement shall automatically continue in effect until (A) a Change of Control occurs, in which event this Agreement shall thereafter remain in effect in accordance with its terms, or (B) the Board makes a good faith determination that in its opinion, the efforts by the third party or the Corporation to effect a Change of Control have been abandoned, at which time the Agreement shall terminate unless it is extended pursuant to clause (2) of the preceding sentence.

IN WITNESS WHEREOF, the parties have executed this Agreement on the      day of           , 20    .

______________________________
Executive

KIMBERLY-CLARK CORPORATION

By: ______________________________

**Exhibit B**

Tier II Agreement

KIMBERLY-CLARK CORPORATION

Executive Severance Agreement

As of December 31, 2009

AGREEMENT made effective as of the 31st day of December 2009 between KIMBERLY-CLARK CORPORATION, a Delaware corporation, and (the "Executive").

W I T N E S S E T H:

WHEREAS, the Committee has approved the Corporation entering into severance agreements with key executives of the Corporation and its subsidiaries pursuant to the Executive Severance Plan (the "Plan"); and

WHEREAS, the Executive is a key executive of the Corporation or one of its subsidiaries and has been selected by the Committee as a key executive to be an Executive under the Plan; and

WHEREAS, should the Corporation receive or learn of any proposal by or from a third person concerning a possible business combination with, or acquisition of equity securities of, the Corporation, or should the Corporation otherwise consider or pursue a transaction that could lead to a change of control, the Committee believes it imperative that the Corporation and the Board be able to rely upon the Executive to continue in the Executive's position, and that they be able to receive and rely upon the Executive's advice, if they request it, as to the best interests of the Corporation and its stockholders, without concern that the Executive might be distracted by the personal uncertainties and risks created by such a possibility; and

WHEREAS, should the Corporation receive or consider any such proposal or transaction, in addition to the Executive's regular duties, the Executive may be called upon to assist in the assessment of the proposal or transaction, advise management and the Board as to whether the proposal or transaction would be in the best interest of the Corporation and its stockholders, and to take such other actions as the Board might determine to be appropriate;

NOW, THEREFORE, to assure the Corporation that it will have the continued dedication of the Executive and the availability of the Executive's advice and counsel notwithstanding the possibility, threat or occurrence of such a proposal or transaction, and to induce the Executive to remain in the employ of the Corporation, and for other good and valuable consideration, the Corporation and the Executive agree as follows:

In the event a third person, in order to effect a Change of Control (as hereinafter defined), begins a tender or exchange offer, circulates a proxy to stockholders, or takes other steps, or in the event the Corporation considers taking, or decides to take, steps that are expected to lead to a Change of Control, the Executive agrees that the Executive will not voluntarily leave the employ of the Corporation, and will render the services contemplated in the recitals to this Agreement and the Plan, until the efforts by the third party or the Corporation to effect a Change of Control are abandoned or until a Change of Control has occurred.

A. Lump-Sum Cash Payment. In the event of a Qualified Termination of Employment (as hereinafter defined) the Corporation will pay to the Executive, as compensation for services rendered to the Corporation a lump-sum cash amount or amounts (subject to any applicable payroll or other taxes required to be withheld) calculated by adding the amounts specified in subparagraphs (i) through (viii) below, such payments to be made within 10 day following the later of the date of Separation from Service or the date of the Change of Control, except to the extent not yet calculable, in which case such portions shall be paid as soon as practicable following the ability to calculate the amount. Notwithstanding the foregoing, except as provided in Paragraphs E and F, all amounts payable under the terms of this plan shall be payable no later than March 15 of the year following the later of the date of Separation from Service or the date of the Change of Control. Notwithstanding anything in this Paragraph A to the contrary, any amounts which are payable due to amounts the Executive would have been entitled under a deferred compensation plan required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder, such amounts shall be payable at the date it would have been payable if the Executive were entitled to this amount under the terms of the deferred compensation plan.

(i) Salary plus Incentive Compensation. A lump sum amount equal to the sum of (a) the Executive's annual base salary at the rate in effect immediately prior to the Relevant Date or, if higher, immediately before the Qualified Termination of Employment and (b) the Annual Bonus Amount;

(ii) Equity Participation Plan - Option Shares. (a) Except with respect to incentive stock options outstanding at the effective date of the Executive's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, all stock options that were granted to the Executive under any of the Equity Plans, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), that were outstanding both on the Relevant Date and immediately before the Qualified Termination of Employment, shall vest and become exercisable and the Qualified Termination of Employment of the Executive shall be deemed a retirement for purposes of exercising the stock options under the terms of the Equity Plans, and (b) notwithstanding the foregoing, with respect to Incentive Stock Options that were outstanding at the effective date of the Executive's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, and which were forfeited upon the Executive's Separation from Service, a lump sum amount equal to the excess of (I) the aggregate Fair Market Value on the date of termination of the shares of common stock of the Corporation or other equity security then subject to such Incentive Stock Options over (II) the aggregate option price for such shares or other equity security;

(iii) Restricted Stock. A lump sum amount equal to the sum of (i) with respect to restricted shares and/or restricted share units granted to the Executive under any of the Equity Plans that were outstanding but not vested on the Relevant Date, where such vesting of restricted shares and/or restricted share units was not determined by the attainment of performance goals, and which are forfeited as a result of the Executive's Separation from Service, an amount equal to the Fair Market Value of an equivalent number of shares of common stock of the Corporation (or such other equity security into which the restricted shares and/or restricted share units has been converted) on the date of Separation from Service, (ii) in the event the number of restricted shares and/or restricted share units was to be determined by the attainment of performance goals according to a schedule determined by the Committee, with respect to a grant prior to 2010, with a performance period starting on or before January 1, 2009, an amount equal to the Fair Market Value of the number of shares that shall be considered to vest based on the greater of the target level established or the number of shares which would have vested based on the attainment of the Performance

Goal as of the end of the prior year, and (iii) an amount equal to the Average PRSU Payout multiplied by the number of annual PRSU grants with a performance period starting after January 1, 2009 which are forfeited due to the Qualified Termination of Employment. With respect to any grants with a performance period starting after January 1, 2009 the forfeited restricted shares and/or restricted share units determined by the attainment of performance goals according to a schedule determined by the Committee will not be paid. For purposes of this subsection (c) the Average PRSU Payout shall mean the three year average of the dollar amount of the restricted shares and/or restricted share units determined by the attainment of performance goals (the “PRSU’s”) awards paid to the Executive under the Equity Plans, or any successor or additional plan. The three year average of the PRSU’s paid to the Executive will be determined based on the higher of two dollar amount averages computed during alternative three year periods consisting of either (i) the year in which the Relevant Date occurred (or, if the award is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the award is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If an Executive has been paid less than three years of PRSU’s the three year average of the PRSU’s paid to the Executive will be determined based on the average dollar amount of the PRSU’s paid in prior years to the Executive under the Equity Plans, or any successor or additional plan. If an Executive has not received any prior payment of PRSU’s, the Average PRSU Payout under the Equity Plans, or any successor or additional plan, will be determined as follows:

(1) For an Executive classified at the Corporation’s Grade 1 through 4 level, as defined by the Corporation’s compensation department, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU’s paid to other employees at the same grade level.

(2) For an Executive at GSLT level (except for the Chief Executive Officer of the Corporation), the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU’s paid to Executives at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Plan to the contrary, this definition may be amended at the discretion of the Committee to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder);

(iv) Successor or Additional Stock Option, Stock Appreciation Right, Incentive Compensation, and Bonus Plan. A lump sum amount equal to the payment to which the Executive would have been entitled had all amounts awarded or granted to the Executive, vested or matured, under any stock appreciation right, incentive compensation, and bonus plans, which are adopted after the effective date of the Executive's Agreement and in which the Executive participates immediately prior to the Relevant Date, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), which had not vested or matured as of the date of separation from service and will not vest or mature as a result of the Executive's Separation from Service, such payment to be determined as though such award or grant had vested or matured on the date of the Executive's Separation from Service;

(v) 401(k) and Profit Sharing Plan. A lump sum amount equal to the excess of (A) the benefits under the 401(k) and Profit Sharing Plan and the Kimberly-Clark Corporation Retirement Contribution Excess Benefit Program (or any successor or additional plans) (individually the "EBP" and collectively, the "401(k) and Profit Sharing Plan") to which the Executive would be entitled if the Executive were fully vested in all of his or her benefits under 401(k) and Profit Sharing Plan at the date of Separation from Service, over (B) the value of the benefits to which the Executive is actually entitled at the date of Separation from Service, based upon the value of the Executive's account as of the most recent valuation date before the date of the Qualified Termination of Employment. Notwithstanding anything in the Paragraph A to the contrary, any amounts under subsection (b) of this subparagraph which are payable due to amounts the Executive would have been entitled under the EBP shall be payable at the date such amount would have been payable if the Executive were entitled to this amount under the terms of the EBP; and

(vi) Medical and Dental Benefits. A lump sum amount equal to (a) the amount of the monthly premiums that the Executive would be required to pay, if he or she elected "COBRA" continuation coverage under the medical and dental plans of the Corporation in which the Executive was participating immediately before the Qualified Termination of Employment, based upon the premium rates in effect as of the date of the Qualified Termination of Employment, times (b) 12.

B. Other Matters.

(i) Severance Pay Plan Payments. In the event of a Qualified Termination of Employment, the Executive shall not be entitled to receive any severance benefits that would otherwise be available to the Executive under the Kimberly-Clark Corporation Severance Pay Plan (or any successor or additional plan), or any other severance program sponsored by the Corporation and/or any of its Subsidiaries.

(ii) Participation in Employee Benefit Plans. The Executive's participation in savings, retirement, profit sharing, stock option, and/or stock appreciation rights plans of the Corporation and/or any of its Subsidiaries shall continue only through the last day of the Executive's employment. Any terminating distributions and/or vested rights under such plans shall be governed by the terms of those respective plans. Furthermore, the Executive's participation in any insurance plans of the Corporation and rights to any other fringe benefits shall except as otherwise specifically provided in such plans or corporate policy, terminate as of the close of the Executive's last day of employment, except to the extent specifically provided to the contrary in this Agreement. Nothing in this Agreement shall be deemed to entitle the Executive to any rights, or to payments under this Agreement, with respect to any employee benefit plan which the Executive was not a participant prior to a Qualified Termination of Employment.

(iii) Continuing Obligations. The Executive shall retain in confidence any confidential information known to the Executive concerning the Corporation and its business so long as such information is not publicly disclosed.

(iv) No Guarantee of Employment. Nothing in this Agreement shall be deemed to entitle the Executive to continued employment with the Corporation or any of its Subsidiaries and the rights of the Corporation and its Subsidiaries to terminate the employment of the Executive shall continue as fully as if this Agreement were not in effect; *provided* that any Qualified Termination of Employment shall entitle the Executive to the benefits herein provided.

C. Definition of Change of Control. For the purpose of this Agreement, a "Change of Control" shall be deemed to have taken place upon the first of the following to occur after the date of this Agreement: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, acquires shares of the Corporation having 30% or more of the total number of votes that may be cast for the election of directors of the Corporation; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), the persons who were directors of the Corporation before the Transaction shall cease to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

D. Definition of Subsidiary. For purposes of this Agreement, a "Subsidiary" shall mean any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries, provided, however, that "at least fifty percent (50%)" shall replace "at least twenty percent (20%)" where there is not a legitimate business criteria for using such lower percentage.

E. Certain Reduction of Payments by the Corporation when Payments Do Not Exceed 110% of the Safe Harbor Amount.

(i) This Paragraph E shall only be applicable if it shall be determined that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount. If the Executive is not entitled to a Gross-Up Payment pursuant to Paragraph F below, then anything in this Agreement to the contrary notwithstanding, in the event Deloitte & Touche LLP or such other certified public accounting firm designated by the Corporation (the "Accounting Firm") shall determine that receipt of all Payments would subject the Executive to tax under Section 4999 of the Code, it shall determine whether some amount of Separation Payments would meet the definition of a "Reduced Amount." If the Accounting

Firm determines that there is a Reduced Amount, the aggregate Separation Payment shall be reduced to such Reduced Amount. All fees payable to the Accounting Firm with respect to this Paragraph E shall be paid solely by the Corporation.

(ii) If the Accounting Firm determines that aggregate Separation Payments should be reduced to the Reduced Amount, the Corporation shall promptly give the Executive notice to that effect and a copy of the detailed calculation thereof, and the Executive may then elect, in the Executive's sole discretion, which and how much of the Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount), and shall advise the Corporation in writing of the Executive's election within ten days of the Executive's receipt of notice. If no such election is made by the Executive within such ten-day period, the Corporation may elect which of such Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount) and shall notify the Executive promptly of such election. All determinations made by the Accounting Firm under this paragraph shall be binding upon the Corporation and the Executive, and shall be made as promptly as practicable following such determination, the Corporation shall pay to or distribute for the benefit of the Executive such Separation Payments as are then due to the Executive under this Agreement, and shall promptly pay to or distribute for the benefit of the Executive in the future such Separation Payments as become due to the Executive under this Agreement. Notwithstanding the prior sentence, such determination by the Accounting Firm shall be made within 60 days, and the payment by the Corporation shall be made within 90 days, of the later of a Separation from Service of the Executive or the date of the Change of Control.

(iii) While it is the intention of the Corporation to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate Net After Tax Receipts to the Executive would thereby be increased as a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment"), or that additional amounts which will have not been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm determines that an Overpayment has been made, based upon the assertion of a deficiency by the Internal Revenue Service against the Corporation or the Executive which the Accounting Firm believes has a high probability of success, any such benefit of the Executive shall be treated for all purposes as a loan to the Executive which the Executive shall repay to the Corporation, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; *provided*, *however*, that no such loan shall be deemed to have been made and no amount shall be payable by the Executive to the Corporation if and to the extent such deemed loan and payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code, or generate a refund of such taxes. In the event the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. Notwithstanding anything in this Agreement to the contrary, payment will be conditioned upon the Overpayment or Underpayment meeting the requirements of Section 409A of the Code and the regulations promulgated thereunder.

F. Certain Additional Payments by the Corporation when Payments Exceed 110% of the Safe Harbor Amount.

(i) Anything in this Agreement to the contrary notwithstanding and except as set forth in this paragraph, in the event that it shall be determined that any Payment to the Executive would be subject to the Excise Tax, then the Executive shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this subparagraph (i) of Paragraph F, if it shall be determined that the Executive would (absent this sentence) be entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount, then no Gross-Up Payment shall be made to the Executive and the provisions of Paragraph E above shall apply to that Executive. The Corporation's obligation to make Gross-Up Payments under this Paragraph F shall not be conditioned upon the Executive's Separation from Service.

(ii) Subject to the provisions of subparagraph (iii) of Paragraph F, all determinations required to be made under this Paragraph F, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm. The Accounting Firm shall provide detailed supporting calculations both to the Corporation and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment or such earlier time as is requested by the Corporation. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. Any Gross-Up Payment, as determined pursuant to this Paragraph F, (including any Underpayment under this subparagraph (ii) and any payment under subparagraph (iii), shall be paid by the Corporation to or for the benefit of the Executive by the end of the year following the year in which the Executive remits the related taxes or, in the case of reimbursed audit or litigation expenses, by the end of the year following the years the taxes are remitted or, if no taxes are remitted, the end of the year following the year the audit, settlement, or litigation is finally completed or resolved. Any determination by the Accounting Firm shall be binding upon the Corporation and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Corporation should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Corporation exhausts its remedies pursuant to subparagraph (iii) of Paragraph F and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive on the later of the date of such determination or after the date payments are due under Paragraph A of this Agreement.

(iii) The Executive shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after the Executive is informed in writing of such claim. The Executive shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which the Executive gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Corporation notifies the Executive in writing prior to the expiration of such period that the Corporation desires to contest such claim, the Executive shall:

(1) give the Corporation any information reasonably requested by the Corporation relating to such claim,

(2) take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,

(3) cooperate with the Corporation in good faith in order effectively to contest such claim, and

(4) permit the Corporation to participate in any proceedings relating to such claim;

*provided, however*, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest, and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this subparagraph (iii) of Paragraph F, the Corporation shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either pay the tax claimed to the appropriate taxing authority on behalf of the Executive and direct the Executive to sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; *provided, however*, that, if the Corporation directs the Executive to pay such claim and directs the Executive to sue for a refund, the Corporation shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided, further*, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(iv) If, after the receipt by the Executive of a Gross-Up Payment or payment by the Corporation of an amount on the Executive's behalf pursuant to subparagraph (iii) of this Paragraph F, the Executive becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of subparagraph (iii) of this Paragraph F, if applicable) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Corporation of an amount on the Executive's behalf pursuant to subparagraph (iii) of this Paragraph F, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(v) Notwithstanding any other provision of this Plan, the Corporation may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of the Executive, all or any portion of any Gross-Up Payment, and by signing this Agreement, the Executive consents to such withholding.

G. Definitions.

(i) Annual Bonus Amount: The three year average of the annual awards paid to the Executive under the Kimberly-Clark Corporation Executive Officer Achievement Award Program or the Kimberly-Clark Corporation Management Achievement Award Program, as applicable, or any successor or additional plan. The three year average of the annual awards paid to the Executive will be determined based on the higher of the three year period consisting of either (i) the year in which the Relevant Date occurred (or, if the bonus is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the bonus is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If an Executive has been paid less than three years of annual awards the Annual Bonus Amount will be determined based on the average dollar amount of the annual awards paid in prior years to the Executive under the Bonus Program. If an Executive has not received any prior payment of annual awards, the Annual Bonus Amount under the Bonus Program will be determined as follows:

(1) For an Executive classified at the Corporation’s Grade 1 through 4 level, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the three year period to other employees at the same grade level.

(2) For an Executive at GSLT level (except for the Chief Executive Officer of the Corporation), the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the three year period to Executives at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over a three year period to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Agreement to the contrary, this definition may be amended at the discretion of the Committee consistent with any amendment of the definition of Annual Bonus Amount under the Plan to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder).

(ii) Board: The Board of Directors of the Corporation.

(iii) Cause: The term "Cause" shall mean any of the following:

(a) the commission by the Executive of a felony;

(b) the Executive's dishonesty, habitual neglect or incompetence in the management of the affairs of the Corporation; or

(c) the refusal or failure by the Executive to act in accordance with any lawful directive or order of the Corporation, or an act or failure to act by the Executive which is in bad faith and which is detrimental to the Corporation.

(iv) Code: The Internal Revenue Code of 1986, as amended.

(v) Committee: The Management Development and Compensation Committee of the Board of Directors of the Corporation.

(vi) Corporation: Kimberly-Clark Corporation and any successor thereto that assumes this Plan and the Agreements pursuant to Paragraph H.(v) below.

(vii) Equity Plans: The Kimberly-Clark Corporation 2001 Equity Participation Plan, the Kimberly-Clark Corporation 1999 Restricted Stock Plan, the Kimberly-Clark Corporation 1992 Equity Participation Plan, and any successor or additional plans under which the Executive receives stock options, restricted stock or other equity-based compensation.

(viii) Excise Tax: The excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ix) Fair Market Value: With respect to any publicly traded equity security, the reported closing price of such security on the relevant date as reported on the composite list used by The Wall Street Journal for reporting stock prices, or, if no such sale shall have been made on that day, on the last preceding day on which there was such a sale; and with respect to any other property, the fair market value thereof as determined by the Committee in good faith.

(x) Good Reason: Termination by the Executive for "Good Reason" shall mean the separation from service during the two year time period following the initial existence (without the Executive's express written consent) of any one of the following conditions:

(a) A material diminution in the Executive's base compensation.

(b) A material diminution in the Executive's authority, duties, or responsibilities.

(c) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Executive is required to report, including a requirement that a Executive report to a corporate officer or employee instead of reporting directly to the board of directors of the Corporation.

(d) A material diminution in the budget over which the Executive retains authority.

(e) A material change in the geographic location at which the Executive must perform the services.

(f) Any other action or inaction that constitutes a material breach by the Corporation of any agreement under which the Executive provides services.

The Executive must provide notice to the Corporation of the existence of any of the above conditions within a period not to exceed 90 days of the initial existence of the condition, upon the notice of which the Corporation must be provided a period of at least 30 days during which it may remedy the condition and not be required to pay the amount.

The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

(xi) Net After Tax Receipt: The Value of a Payment, net of all taxes imposed on the Executive with respect thereto under Sections 1 and 4999 of the Code, determined by applying the highest marginal rate under Section 1 of the Code which applied to the Executive's taxable income for the immediately preceding taxable year.

(xii) Parachute Value: With respect to a Payment, the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(xiii) Qualified Termination of Employment: The separation of the Executive's service with the Corporation and/or its Subsidiaries either (i) within the two (2) year period following a Change of Control of the Corporation (A) by the Corporation without Cause or (B) by the Executive with Good Reason, or (ii) by the Corporation without Cause before a Change of Control, if a Change of Control occurs within one year after such Separation from Service and it is reasonably demonstrated by the Executive that such Separation from Service was at the request of a third party that had taken steps reasonably calculated to effect a Change of Control or otherwise arose in connection with or in anticipation of a

Change of Control. A transfer of employment for administrative purposes among the Corporation and its Subsidiaries shall not be deemed a Qualified Termination of Employment, but if such a transfer results in the occurrence of Good Reason, the Executive shall have the right to terminate employment for Good Reason and such separation shall be a Qualified Termination of Employment.

(xiv) Reduced Amount: The greatest aggregate amount of Separation Payments which (a) is less than the sum of all Separation Payments and (b) results in aggregate Net After Tax Receipts which are equal to or greater than the Net After Tax Receipts which would result if the Executive were paid the sum of all Separation Payments.

(xv) Relevant Date: In the case of a Qualified Termination of Employment as described in clause (ii) of the definition of "Qualified Termination of Employment," the date of such Qualified Termination of Employment and, in all other cases, the date of the Change of Control.

(xvi) Safe Harbor Amount: The portion of the payment to or for the benefit of an Executive that does not constitute an "excess parachute payment for purposes of Section 280G of the Code.

(xvii) Separation from Service: Termination of employment with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Executive's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period).

(xviii) Separation Payment: A Payment paid or payable to the Executive pursuant to this Plan or an Agreement.

(xix) Severance Period: The period of one year beginning on the date of the Qualified Termination of Employment.

(xx) Value: With respect to a Payment, the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

H. General.

(i) No Duty to Mitigate. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Plan, and such amounts shall not be reduced whether or not the Executive obtains other employment.

(ii) Indemnification. If litigation shall be brought to enforce or interpret any provision contained herein, the Corporation hereby agrees to indemnify the Executive for the Executive's reasonable attorney's fees and disbursements incurred in such litigation, and hereby agrees to pay prejudgment interest on any money judgment obtained by the Executive calculated at Citibank's (or any successor entity) prime rate of interest in effect from time to time from the date that payment(s) to the Executive should have been made under this Agreement. The reimbursement of an attorney's fees and disbursements incurred in such litigation will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred.

(iii) Payment Obligations Absolute. The Corporation's obligation to pay the Executive the compensation and to make the arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstances, including without limitation, any set-off, counterclaim, recoupment, defense or other right which the Corporation may have against the Executive or anyone else. All amounts payable by the Corporation hereunder shall be paid without notice or demand. Except as expressly provided herein, the Corporation waives all rights which it may now have or may hereafter have conferred upon it, by statute or otherwise, to terminate, cancel or rescind this Agreement in whole or in part. Each and every payment made hereunder by the Corporation shall be final and the Corporation will not seek to recover all or any part of such payment from the Executive or from whosoever may be entitled thereto, for any reason whatsoever.

(iv) Unfunded Obligation. The obligation of the Corporation under this Agreement shall be unfunded. The Corporation shall not be required to segregate any assets that may at any time be represented by benefits under this Agreement. The Corporation shall not be deemed to be a trustee of any amounts to be paid under this Agreement. Any liability of the Corporation to the Executive with respect to any benefit shall be based solely upon any contractual obligations created hereunder; no such obligation shall be deemed to be secured by any pledge or any encumbrance on any property of the Corporation.

(v) Successors. This Agreement shall be binding upon and inure to the benefit of the Executive and the Executive's estate, and the Corporation and any successor of the Corporation, but neither this Agreement nor any rights arising hereunder may be assigned or pledged by the Executive. The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place.

(vi) Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(vii) Controlling Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware. Where appearing in this Agreement, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise.

(viii) Entire Agreement. The Executive and the Corporation acknowledge that upon its effective date, this Agreement supersedes any and all prior agreements between the Executive and the Corporation under the Plan as in effect at this time or at any prior time. From and after the Relevant Date, except as specifically provided herein, this Agreement shall supersede any other agreement between the parties with respect to severance pay and benefits. Notwithstanding the foregoing, any previously executed noncompetition agreement shall continue in effect following the execution of this Agreement and the Relevant Date.

(ix) Termination. This Agreement shall terminate on the third anniversary of the date hereof unless either (1) a Change of Control occurs on or before such third anniversary or (2) the Committee or the Chief Executive Officer of the Corporation determines to extend this Agreement for an additional three-year term or such shorter period as he or she determines to be appropriate. Notwithstanding the foregoing, if at the time when this Agreement would otherwise terminate, a third party has taken steps reasonably calculated to effect a Change of Control or a Change of Control is otherwise under consideration, then this Agreement shall automatically continue in effect until (A) a Change of Control occurs, in which event this Agreement shall thereafter remain in effect in accordance with its terms, or (B) the Board makes a good faith determination that in its opinion, the efforts by the third party or the Corporation to effect a Change of Control have been abandoned, at which time the Agreement shall terminate unless it is extended pursuant to clause (2) of the preceding sentence.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day of , 20 .

______________________________

Executive

KIMBERLY-CLARK CORPORATION

By: ______________________________

**Exhibit No. (10)h**

# SUPPLEMENTAL BENEFIT PLAN
# TO THE
# KIMBERLY-CLARK CORPORATION
# PENSION PLAN

**Amended and Restated Effective as of April 17, 2009**

This Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan (the "Plan") is intended to be an unfunded "excess benefit plan" within the meaning of Section 3(36) and 4(b)(5) of the Employee Retirement Income Security Act of 1974. As such, the purpose of this Plan is solely to provide benefits to participants in the Kimberly-Clark Corporation Pension Plan as amended and restated from time to time (the "Retirement Plan"), which exceed the limitation on benefits imposed by Section 415 of the Internal Revenue Code of 1986, or any comparable provision of any future legislation which amends, supplements or supersedes that Section ("Section 415 of the Code").

The terms and provisions of this Plan are as follows:

1. Each term which is used in this Plan and also used in the Retirement Plan shall have the same meaning herein as under the Retirement Plan.

   Notwithstanding the above, for purposes of this Plan, where the following words and phrases appear in this Plan they shall have the respective meanings set forth below unless the context clearly indicates otherwise:

   (a) <u>Benefit</u>: A benefit payable pursuant to, and determined in accordance with the provisions of this Plan.

   (b) <u>Change of Control</u>: A Change of Control shall be deemed to have taken place if: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, acquires shares of the Corporation having 20 percent or more of the total number of votes that may be cast for the election of Directors of the Corporation, or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, the persons who were directors of the Corporation before the transaction shall cease to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

   (c) "Grandfathered Benefit" shall mean the portion of the Benefit considered deferred under this Plan on or before December 31, 2004 as determined in accordance with Section 409A of the Code and the guidance promulgated thereunder.

   (d) <u>Investment Grade</u>: A bond rating of BBB minus, or its equivalent, by one of the nationally recognized rating agencies.

(e) Lump Sum Payment: A form of benefit payable as a lump sum cash payment, actuarially determined based on the rate of interest equivalent to the yield on a 30-year Treasury Bond as published in the Federal Reserve Statistical Release for the week that contains the first business day of the month prior to the date such Lump Sum payment is payable under this Plan, or such other rate as determined pursuant to uniform Committee rules, and the mortality table set forth for determining actuarial equivalent benefits under Section 10.1(a) of the Retirement Plan, and (i) in the case of a lump sum payment pursuant to Section 4(a) or (b) of this Plan, based on the Participant's Benefit payable from this plan and his age at the date of such lump sum payment, and (ii) in the case of a lump sum payment pursuant to Section 4(c) or 4(d) of this Plan, based on the Participant's Benefit payable under this Plan, the earliest age at which his Benefit from the Retirement Plan could commence if he terminated employment, and the early retirement reduction factor applicable at such age of commencement. Notwithstanding the foregoing, the 30-year Treasury Bond yield shall be used in determining a lump sum cash payment so long as such rate is published by the Federal Reserve. In the event that the Federal Reserve ceases to publish the 30-year Treasury Bond rate, a lump sum cash payment will be actuarially determined based on the rate of interest equivalent to the yield on the longest term Treasury Bond published in the Federal Reserve Statistical Release which is no more than 30-years but not less than for a 10-year term.

(f) Participant: A participant in the Retirement Plan who (i) is a "managerial or highly compensated employee" of an Employer, within the meaning of Title I of ERISA, and (ii) is eligible to receive a Benefit upon his termination of employment.

(g) "Timely Elected" shall mean as follows:

(i) For payments which commence under the Retirement Plan prior to January 1, 1996, the Participant has elected to receive such Lump Sum Payment either (aa) in the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan or (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Supplemental Benefit Plan;

(ii) For payments which commence under the Retirement Plan on or after January 1, 1996 and prior to February 18, 2002, the Participant has elected to receive such Lump Sum Payment no later than the earlier of (aa) the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan, (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Supplemental Benefit Plan or (cc) for Participants who terminate employment prior to having attained age 55, the calendar year in which the Participant attained age 54.

(iii) For payments which commence under the Retirement Plan on or after February 18, 2002 the Participant has elected to receive such Lump Sum Payment no later than the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan.

(iv) In the event of the death of the Participant who has not commenced payments under this Supplemental Benefit Plan, the Participant's surviving spouse or designated beneficiary, as the case may be may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty (30) days after the Participant's date of death.

(v) In the event that a Participant terminates service due to a Disability as described in Section 4.5, the Participant may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty (30) days after the date the Participant is determined to be disabled by the Committee for the Pension Plan.

(h) "Termination of employment" and "terminates service" with respect to a Benefit that is not a Grandfathered Benefit under this Plan means Separation from Service with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Participant's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period). Subsidiary for this subsection means any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries, provided, however, that "at least fifty percent (50%)" shall replace "at least twenty percent (20%)" where there is not a legitimate business criteria for using such lower percentage.

2. So long as a Pensioner (or the spouse or designated beneficiary, as the case may be of a former Employee) shall be entitled to receive benefits under the Retirement Plan, there shall be paid under this Plan to such Pensioner (or such spouse or designated beneficiary, as the case may be) such amounts of Disability Benefit, Basic Benefit, Optional Joint and Survivor Benefit, Pensioners Benefit, Survivors Benefit, Optional Years Certain and Life Benefit, Deferred Benefit, Automatic Survivor's Benefit, and any other benefits including benefits distributed upon termination of the Plan (as the case may be) as would have been paid to such person under the Retirement Plan without regard to the limitation on benefits imposed by Section 415 of the Code, but only to the extent that the amount of such benefits exceeds such limitation. Except as provided in Section 4, such amounts relating to Grandfathered Benefits shall be paid to such

person on the same terms and conditions, at the same times, and pursuant to the same elections made by the Employee, as they would have been if paid under the Retirement Plan, were it not for such limitation on benefits. Any portion of a Participant's Benefit which is not a Grandfathered Benefit shall be paid as a Lump Sum Payment pursuant to Section 4.

3. The Employer may enter into a contract with any Employee who it is projected will be entitled to receive benefits under this Plan, or with any Pensioner (or any spouse or designated beneficiary) who is entitled to receive benefits under this Plan, stipulating the terms and manner of payments to be made under this Plan, but the entitlement of a Pensioner (or spouse or designated beneficiary) to receive benefits under this Plan shall not be conditioned upon the entering into of such a contract prior to the entitlement to benefits under this Plan.

4. Notwithstanding any other provision of the Retirement Plan, a Participant (or surviving spouse or designated beneficiary, as the case may be) shall be entitled to elect to receive his Grandfathered Benefit payable under Section 2 as a Lump Sum Payment (subject to any applicable payroll or other taxes required to be withheld) under the following circumstances:

(a) The Participant (or surviving spouse or designated beneficiary, as the case may be) has Timely Elected to receive such Lump Sum Payment;

(b) the Corporation experiences a Change in Control; or

(c) the Corporation's long-term credit rating falls below Investment Grade.

If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsection 4(a) above, such election is subject to approval by the Retirement Trust Committee in its sole discretion. In addition, the Lump Sum Payment shall be payable at the same time as the payments are eligible to commence under the Retirement Plan.

If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsections 4(b) or 4(c) above, the Lump Sum Payment shall be reduced for active Employees by a penalty equal to ten percent (10%) of the Grandfathered Benefit otherwise payable and for former Employees (or spouses or designated beneficiaries) by a penalty equal to five percent (5%) of the Grandfathered Benefit otherwise payable. Such penalty shall be permanently forfeited and shall not be paid to, or in respect of, the Employee, former Employee, or spouse or designated beneficiary. In addition, such election must be made within two years after a Change in Control or within 90 days after the date the Corporation's long-term credit rating falls below Investment Grade. Such Lump Sum Payment shall be paid within thirty days of the date of election.

Notwithstanding any other provisions of this Plan to the contrary, except where waived by the Participant's spouse as required under the provisions of the Retirement Plan, all Grandfathered Benefits payable to a Participant shall be paid in the same form as the benefits would be payable under the Retirement Plan. Provided, however, for each Participant whose employment terminates after February 18, 2002, if the amount of the Lump Sum Distribution, calculated as if such Participant (or surviving spouse or designated beneficiary, as the case may be) had made an election to receive a Lump Sum Distribution at the earliest time that such person could have made an election under subsection 4(a), does not exceed $25,000, then such Lump Sum Distribution shall be paid at the earliest time such person could have made an election under subsection 4(a).

Notwithstanding any other provision in this Plan, any portion of a Participant's Benefit which is not a Grandfathered Benefit shall automatically be paid as a Lump Sum Payment. Such payment shall be made following the date which is six months after the Participant's separation from service (or, if earlier the date of death of the Participant).

Notwithstanding any other provisions of this Supplemental Benefit Plan to the contrary, (i) in the event that a portion of the Lump Sum Payment of a Grandfathered Benefit due a Participant pursuant to this Section 4 would not be deductible by the Company pursuant to Section 162(m) of the Code, the Company, at its discretion, may postpone payment of such amounts to the Participant until such time that the payments would be deductible by the Company, (ii) in the event that a portion of the Lump Sum Payment of a Participant's Benefit which is not a Grandfathered Benefit due a Participant pursuant to this Section 4 would not be deductible by the Company pursuant to Section 162(m) of the Code, the payment will be delayed where the Company reasonably anticipates that the Company's deduction with respect to such payment otherwise would be limited or eliminated by application of section 162(m); provided that the payment shall be made either at the earliest date at which the Company reasonably anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of section 162(m). Provided, however, that no payment postponed pursuant to this subsection 4 shall be postponed beyond the first anniversary of the date such Participant terminated employment. Any Lump Sum Payment postponed pursuant to this subsection 4 shall include interest for the period such Lump Sum Payment is postponed at a per annum rate equal to the six-month U.S. Treasury Bill secondary market rate as published by the Federal Reserve Board for the calendar week ending prior to January 1 (for terminations of employment in either of the two subsequent fiscal quarters ending March 31 or June 30) or prior to July 1 (for terminations of employment in either of the two subsequent fiscal quarters ending on September 30 or December 31), or such other rate as determined pursuant to uniform Committee rules.

5. If a Participant has received a Lump Sum Payment pursuant to Section 4 above, such Participant may accrue an additional Benefit under this Plan after the date of such Lump Sum Payment, provided, however, that such future participation shall not result in duplication of benefits. Accordingly, if he has received a distribution of a Benefit under the Plan by reason of prior participation, his Benefit shall be reduced by the actuarial equivalent (at the date of the later distribution) of the present value of the Benefit previously paid hereunder.

6. This Plan shall not be a funded plan, and the Corporation shall be under no obligation to set aside any funds for the purpose of making payments under this Plan. Any payments hereunder shall be made out of the general assets of the Employer.

7. The Corporation by action of the Board of Directors, shall have the right at any time to amend this Plan in any respect, or to terminate this Plan; provided, however, that no such amendment or termination shall be effective to the extent it eliminates or reduces any “Section 411(d)(6) protected benefit” or adds or modifies conditions relating to “Section 411(d)(6) protected benefits” the result of which is a further restriction on such benefit unless such protected benefits are preserved with respect to benefits accrued as of the later of the adoption date or effective date of the amendment. “Section 411(d)(6) protected benefits” are benefits described in Section 411(d)(6)(A) of the Internal Revenue Code of 1986, early retirement benefits and retirement-type subsidies, and optional forms of benefit.

8. The Committee under the Retirement Plan, as constituted from time to time, shall administer this Plan and shall have the same powers and duties, and shall be subject to the same limitations as are set forth in the Retirement Plan.

9. Subject to the provisions of Section 5, this Plan shall terminate when the Retirement Plan terminates.

10. Notwithstanding any other provision of this Plan, no additional benefit shall accrue under this Plan with respect to any compensation and benefit service accruals under the Retirement Plan with respect to plan years beginning after December 31, 2009. An Employee who commences employment with an Employer after December 31, 2009 will not be eligible to participate or to accrue a benefit under this Plan.

# SECOND SUPPLEMENTAL BENEFIT PLAN
# TO THE
# KIMBERLY-CLARK CORPORATION
# PENSION PLAN

**Amended and Restated Effective as of April 17, 2009**

1. Use of Defined Terms. Capitalized terms used herein have the respective meanings ascribed to such terms as set forth in Section 6 below.

2. Purpose. The Second Supplemental Benefit Plan is for the purpose of providing Participants and their Beneficiaries with such benefits, in addition to the Retirement Plan and the Supplemental Plan, as are necessary to fulfill the intent of the Retirement Plan without regard to Section 415 of the Code or any dollar limit imposed by the Code on the amount of compensation considered under the Retirement Plan. It is intended that the Second Supplemental Benefit Plan constitute an unfunded plan of deferred compensation for a select group of management or highly compensated employees, within the meaning of Title I of ERISA.

3. Benefit. The Benefit of a Participant or a Survivor under the Second Supplemental Benefit Plan shall be the difference between:

    (a) the monthly amount payable under the Retirement Plan, which monthly amount shall be calculated (i) without regard to Article XI of the Retirement Plan and (ii) using the term Earnings defined as set forth in Section 6(f) of the Second Supplemental Benefit Plan below; less

    (b) the sum of (i) the monthly amount payable under the Retirement Plan and (ii) the monthly amount payable under the Supplemental Plan.

4. Lump Sum Payments.

    (a) Notwithstanding any other provision of the Retirement Plan, a Participant (or surviving spouse or designated beneficiary, as the case may be) shall be entitled to elect to receive his Grandfathered Benefit payable under Section 3 as a Lump Sum Payment (subject to any applicable payroll or other taxes required to be withheld) under the following circumstances:

        (i) The Participant (or surviving spouse or designated beneficiary, as the case may be) has Timely Elected to receive such Lump Sum Payment;

        (ii) the Corporation experiences a Change of Control; or

        (iii) the Corporation's long-term credit rating falls below Investment Grade.

(b) If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsection 4(a)(i) above, such election is subject to approval by the Retirement Trust Committee in its sole discretion. In addition, the Lump Sum Payment shall be payable at the same time as the payments are eligible to commence under the Retirement Plan.

(c) If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsections 4(a)(ii) or 4(a)(iii) above, the Lump Sum Payment shall be reduced for active employee Participants by a penalty equal to ten percent (10%) of the Benefit otherwise payable and for a former employee, or a surviving spouse or designated beneficiary, by a penalty equal to five percent (5%) of the Grandfathered Benefit otherwise payable. Such penalty shall be permanently forfeited and shall not be paid to or in respect of, the Participant or surviving spouse or designated beneficiary. In addition, such election must be made within two years after a Change of Control or within 90 days after the date the Corporation's long-term credit rating falls below Investment Grade. Such Lump Sum Payment shall be made within thirty days of the date of election.

(d) Notwithstanding any other provision in this Plan, any portion of a Participant's Benefit which is not a Grandfathered Benefit shall automatically be paid as a Lump Sum Payment. Such payment shall be made following the date which is six months after the Participant's separation from service (or, if earlier the date of death of the Participant).

(e) If a Participant has received a Lump Sum Payment pursuant to this Section 4, such Participant may accrue an additional Benefit under this Plan after the date of such Lump Sum Payment, provided, however, that such future participation shall not result in duplication of benefits. Accordingly, if he has received a distribution of a Benefit under the Plan by reason of prior participation, his Benefit shall be reduced by the actuarial equivalent (at the date of the later distribution) of the present value of the Benefit previously paid hereunder.

(f) Notwithstanding any other provisions of this Second Supplemental Benefit Plan to the contrary, (i) in the event that a portion of the Lump Sum Payment of a Grandfathered Benefit due a Participant pursuant to this Section 4 would not be deductible by the Company pursuant to Section 162(m) of the Code, the Company, at its discretion, may postpone payment of such amounts to the Participant until such time that the payments would be deductible by the Company, (ii) in the event that a portion of the Lump Sum Payment of a Participant's Benefit which is not a Grandfathered Benefit due a Participant pursuant to this Section 4 would not be deductible by the Company pursuant to Section 162(m) of the Code, the payment will be delayed where the Company reasonably anticipates that the Company's deduction with respect to such payment otherwise would be limited or eliminated by application of section 162(m); provided that the payment shall be made either at the earliest date at which the Company reasonably anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of section 162(m). Provided, however, that no payment postponed pursuant to this subsection 4(f) shall be postponed beyond the first anniversary of the date such Participant terminated employment. Any Lump Sum Payment postponed pursuant to subsection 4(d) or 4(f) shall include interest for the period such Lump Sum Payment is postponed at a per annum rate equal to the six-month U.S. Treasury Bill secondary market rate as published by the Federal Reserve Board for the calendar week ending prior to January 1 (for terminations of employment in either of the two subsequent fiscal quarters ending March 31 or June 30) or prior to July 1 (for terminations of employment in either of the subsequent fiscal quarters ending on September 30 or December 31), or such other rate as determined pursuant to uniform Committee rules.

(g) Notwithstanding any other provisions of this Plan to the contrary, except where waived by the Participant's spouse as required under the provisions of the Retirement Plan, all Grandfathered Benefits payable to a Participant shall be paid in the same form as the benefits would be payable under the Retirement Plan. Provided, however, for each Participant whose employment terminates after February 18, 2002, if the amount of the Lump Sum Distribution, calculated as if such Participant (or surviving spouse or designated beneficiary, as the case may be) had made an election to receive a Lump Sum Distribution at the earliest time that such person could have made an election under subsection 4(a)(i), does not exceed $25,000, then such Lump Sum Distribution shall be paid at the earliest time such person could have made an election under subsection 4(a)(i).

5. Amendment and Termination. The Corporation, by action of its Board of Directors, may amend the Second Supplemental Benefit Plan in any respect, or terminate the Second Supplemental Benefit Plan; provided, however, that no such amendment or termination shall be effective to the extent it eliminates or reduces any "Section 411(d)(6) protected benefit" or adds or modifies conditions relating to "Section 411(d)(6) protected benefits" the result of which is a further restriction on such benefit unless such protected benefits are preserved with respect to benefits accrued as of the later of the adoption date or effective date of the amendment. "Section 411(d)(6) protected benefits" are benefits described in Section 411(d)(6)(A) of the Internal Revenue Code of 1986, early retirement benefits and retirement-type subsidies, and optional forms of benefit.

6. Definitions. The following capitalized terms shall have the respective meanings set forth below:

(a) "Benefit" shall mean a benefit payable pursuant to, and determined in accordance with the provisions of the Second Supplemental Benefit Plan.

(b) "Change of Control" shall mean that: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, has acquired shares of the Corporation having 20 percent or more of the total number of votes that may be cast for the election of Directors of the Corporation, or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, the persons who were directors of the Corporation before the transaction have ceased to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

(c) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(d) “Corporation” shall mean Kimberly-Clark Corporation, and any successor corporation.

(e) “Committee” shall mean the Committee named under the Retirement Plan.

(f) “Earnings” shall mean compensation paid by one or more of the designated affiliated companies shown in Appendix B of the Retirement Plan for personal services rendered to one or more of such companies (before any withholding required by law or authorized by the person to whom such compensation is payable), including overtime, bonuses, incentive compensation, Regular Deferred Deposits and special Deferred Deposits under the Kimberly-Clark Corporation Salaried Employees’ Incentive Investment Plan, and any salary or bonus, or both, deferred under the Kimberly-Clark Corporation Deferred Compensation Plan, but excluding any payments in lieu of vacation, severance payments, compensation paid in a form other than cash (such as goods, services, and, except as otherwise provided herein, contributions to employee benefit programs), service or suggestion awards, and all other special or unusual compensation of any kind.

Notwithstanding the above, for Plan Years of the Retirement Plan beginning on or after January 1, 1980, in the case of a Participant on foreign assignment, as determined by the Employer pursuant to rules adopted by the Committee, earnings shall be base salary, as determined by the Participant’s Employer pursuant to rules adopted by the committee (without regard to any limitation under Section 401(a)(17) of the Code) plus overtime, bonuses, incentive compensation, and Regular Deferred Deposits and Special Deferred Deposits under the Kimberly-Clark Corporation Salaried Employees’ Incentive Investment Plan, and any salary or bonus, or both, deferred under the Kimberly-Clark Corporation Deferred Compensation Plan, but shall exclude foreign service premium, cost of living adjustments, housing payments, tax equalization payments, payments in lieu of vacation, severance payments, compensation in a form other than cash (such as goods, services, and, except as otherwise provided herein, contributions to employee benefit programs), service or suggestion award and all other special or unusual compensation of any kind.

(g) “Employer” shall mean a participating employer shown in Appendix A of the Retirement Plan.

(h) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

(i) "Grandfathered Benefit" shall mean the portion of the Benefit considered deferred under this Plan on or before December 31, 2004 as determined in accordance with Section 409A of the Code and the guidance promulgated thereunder.

(j) "Investment Grade" shall mean a bond rating of BBB minus, or its equivalent, by one of the nationally recognized rating agencies.

(k) "Lump Sum Payment" shall mean a form of benefit payable as a lump sum cash payment, actuarially determined based on the rate of interest equivalent to the yield on a 30-year Treasury Bond as published in the Federal Reserve Statistical Release for the week that contains the first business day of the month prior to the date such Lump Sum payment is payable under this Second Supplemental Benefit Plan, or such other rate as determined pursuant to uniform Committee rules, and the mortality table set forth for determining actuarial equivalent benefits under Section 10.1(a) of the Retirement Plan, and (i) in the case of a lump sum payment pursuant to subsection 4(a)(i) of this Plan, based on the Participant's Benefit payable from this Plan and his age at the date of such lump sum payment, and (ii) in the case of a lump sum payment pursuant to subsections 4(a)(ii) or 4(a)(iii) of this Plan, based on the Participant's Benefit payable under this plan, the earliest age at which his Benefit from the Retirement Plan could commence if he terminated employment, and the early retirement reduction factor applicable at such age of commencement. Notwithstanding the foregoing, the 30-year Treasury Bond yield shall be used in determining a lump sum cash payment so long as such rate is published by the Federal Reserve. In the event that the Federal Reserve ceases to publish the 30-year Treasury Bond rate, a lump sum cash payment will be actuarially determined based on the rate of interest equivalent to the yield on the longest term Treasury Bond published in the Federal Reserve Statistical Release which is no more than 30-years but not less than for a 10-year term.

(l) "Participant" shall mean a participant in the Retirement Plan who (i) is a "managerial or highly compensated employee" of an Employer, within the meaning of Title I of ERISA, and (ii) has earnings in excess of the limit provided under Section 401(a)(17) of the Code for any calendar year in which the Participant participates in the Retirement Plan, except that no individual shall be a participant herein to the extent that such participation is precluded by an agreement between the Corporation and such individual or such individual is subject to a separate agreement regarding deferred compensation which provides for similar benefits.

(m) “Retirement Plan” shall mean the Kimberly-Clark Corporation Pension Plan, or any successor defined benefit pension plan.

(n) “Second Supplemental Benefit Plan” shall mean the Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan.

(o) “Supplemental Plan” shall mean the Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, or any successor to such plan.

(p) “Survivor” shall refer to any of a Designated Beneficiary, surviving spouse or Surviving Minor Children of a Participant, within the meaning of the Retirement Plan.

(q) “Terminations of employment”, “terminated employment”, “terminates service” and “separation from service” with respect to a Benefit that is not a Grandfathered Benefit under this Plan means Separation from Service with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Participant’s services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period). Subsidiary for this subsection means any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries, provided, however, that “at least fifty percent (50%)” shall replace “at least twenty percent (20%)” where there is not a legitimate business criteria for using such lower percentage.

(r) “Timely Elected” shall mean as follows:

(i) For payments which commence under the Retirement Plan prior to January 1, 1996, the Participant has elected to receive such Lump Sum Payment either (aa) in the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan or (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Second Supplemental Benefit Plan;

(ii) For payments which commence under the Retirement Plan on or after January 1, 1996 and prior to February 18, 2002 the Participant has elected to receive such Lump Sum Payment no later than the earlier of (aa) the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan, (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Second Supplemental Benefit Plan or (cc) for Participants who terminate employment prior to having attained age 55, the calendar year in which the Participant attained age 54.

(iii) For payments which commence under the Retirement Plan on or after February 18, 2002 the Participant has elected to receive such Lump Sum Payment no later than the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan.

(iv) In the event of the death of the Participant who has not commenced payments under this Second Supplemental Benefit Plan, the Participant's surviving spouse or designated beneficiary, as the case may be may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty (30) days after the Participant's date of death.

(v) In the event that a Participant terminates service due to a Disability as described in Section 4.5 of the Retirement Plan, the Participant may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty (30) days after the date the Participant is determined to be disabled by the Committee for the Pension Plan.

7. Miscellaneous

(a) The Corporation is the Plan Sponsor and Named Fiduciary of the Second Supplemental Benefit Plan, within the meaning of ERISA.

(b) The Committee shall administer the Second Supplemental Benefit Plan and shall have the same power and duties, and shall be subject to the same limitations, as are set forth in the Retirement Plan.

(c) An application or claim for a benefit under the Retirement Plan, or an election to receive his benefit in a Lump Sum Payment, shall constitute a claim for a Benefit under the Second Supplemental Benefit Plan.

8. Cessation of Future Compensation and Benefit Service Accruals

Notwithstanding any other provision of this Second Supplemental Pension Plan, no additional Benefit shall accrue under this Second Supplemental Pension Plan with respect to any compensation and benefit service accruals under the Retirement Plan with respect to plan years beginning after December 31, 2009. An Employee who commences employment with an Employer after December 31, 2009 will not be eligible to participate or to accrue a benefit under this Second Supplemental Pension Plan.

**KIMBERLY-CLARK CORPORATION**
**2001 EQUITY PARTICIPATION PLAN**
**(as amended effective November 17, 2009)**

1. PURPOSE

This 2001 Equity Participation Plan (the "Plan") of Kimberly-Clark Corporation (the "Corporation") is intended to aid in attracting and retaining highly qualified personnel and to encourage those employees who materially contribute, by managerial, scientific or other innovative means to the success of the Corporation or of an Affiliate, to acquire an ownership interest in the Corporation, thereby increasing their motivation for and interest in the Corporation's or Affiliate's long-term success.

2. EFFECTIVE DATE

The Plan was originally adopted effective as of April 26, 2001, upon approval by the stockholders of the Corporation at the 2001 Annual Meeting. The Plan is amended and restated effective as of November 17, 2009.

3. DEFINITIONS

"Affiliate" means any domestic or foreign corporation at least fifty percent (50%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or other Affiliates (collectively, the "Affiliates"), provided, however, that "at least twenty percent (20%)" shall replace "at least fifty percent (50%)" where there is a legitimate business criteria for using such lower percentage.

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

"Award Agreement" means an agreement entered into between the Corporation and a Participant setting forth the terms and conditions applicable to the Award granted to the Participant.

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

"Cause" means any of the following: (i) the commission by the Participant of a felony; (ii) the Participant's dishonesty, habitual neglect or incompetence in the management of the affairs of the Corporation; or (iii) the refusal or failure by the Participant to act in accordance with any lawful directive or order of the Corporation, or an act or failure to act by the Participant which is in bad faith and which is detrimental to the Corporation.

"Change of Control" means an event deemed to have taken place if: (i) a third person, including a "group" as defined for purposes of Code Section 409A, acquires shares of the Corporation having 30% or more of the total number of votes that may be cast for the election of directors of the Corporation; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), within a twelve month period, the persons who were directors of the Corporation before the Transaction shall cease to constitute a majority of the Board of the Corporation or any successor to the Corporation.

"Code" means the Internal Revenue Code of 1986 and the regulations thereunder, as amended from time to time.

"Committee" means the Compensation Committee of the Board, provided that if the requisite number of members of the Compensation Committee are not Disinterested Persons, the Plan shall be administered by a committee, all of whom are Disinterested Persons, appointed by the Board and consisting of two or more directors with full authority to act in the matter. The term "Committee" shall mean the Compensation Committee or the committee appointed by the Board, as the case may be. Furthermore, the term "Committee" shall include any delegate to the extent authority is delegated pursuant to Section 4 hereunder.

"Committee Rules" means the interpretative guidelines approved by the Committee providing the foundation for administration of this Plan.

"Common Stock" means the common stock, par value $1.25 per share, of the Corporation and shall include both treasury shares and authorized but unissued shares and shall also include any security of the Corporation issued in substitution, in exchange for, or in lieu of the Common Stock.

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

"Exchange Act" means the Securities Exchange Act of 1934 and the rules and regulations thereunder, as amended from time to time.

"Fair Market Value" means the reported closing price of the Common Stock, on the relevant date as reported on the composite list used by The Wall Street Journal for reporting stock prices, or if no such sale shall have been made on that day, on the last preceding day on which there was such a sale.

"Incentive Stock Option" means an Option which is so defined for purposes of section 422 of the Code or any successor section.

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

"Option" means a right to purchase a specified number of shares of Common Stock at a fixed option price equal to no less than 100% of the Fair Market Value of the Common Stock on the date the Award is granted.

"Option Price" has the meaning set forth in subsection 7(b) of this Plan.

"Participant" means an employee who the Committee selects to participate in and receive Awards under the Plan (collectively, the "Participants").

"Performance Goal" means the specific performance objectives as established by the Committee, which, if achieved, will result in the amount of payment, or the early payment, of the Award. The Performance Goal may consist of one or more or any combination of the following criteria: return on invested capital, stock price, market share, sales revenue, cash flow, earnings per share, return on equity, total shareholder return, gross margin, and/or costs. The performance goals may be described in terms that are related to the individual Participant, to the Company as a whole, or to a subsidiary, division, department, region, function or business unit of the Company in which the Participant is employed. The Committee, in its discretion, may change or modify these criteria; however, at all times the criteria must meet the requirements of Section 162(m) of the Code, or any successor section, to the extent applicable.

"Qualified Termination of Employment" means the termination of a Participant's employment with the Corporation and/or its Affiliates within the two (2) year period following a Change of Control of the Corporation for any reason unless such termination is by reason of death or disability or unless such termination is (i) by the Corporation for Cause or (ii) by the Participant without Good Reason. Subject to the definition of "Termination by the Participant for Good Reason," transfers of employment for administrative purposes among the Corporation and its Affiliates shall not be deemed a Qualified Termination of Employment.

"Restricted Period" shall mean the period of time during which the Transferability Restrictions applicable to Awards will be in force.

"Restricted Share" shall mean a share of Common Stock which may not be traded or sold, until the date the Transferability Restrictions expire.

"Restricted Share Unit" means the right, as described in Section 9, to receive an amount, payable in either cash or shares of Common Stock, equal to the value of a specified number of shares of Common Stock. No certificates shall be issued with respect to such Restricted Share Unit, except as provided in subsection 9(d), and the Corporation shall maintain a bookkeeping account in the name of the Participant to which the Restricted Share Unit shall relate.

"Retirement" and "Retires" for Awards granted after December 31, 2003 means the termination of employment on or after the date the Participant has attained age 55. For Awards granted prior to January 1, 2004 "Retirement" and "Retires" means the termination of employment on or after the date the Participant is entitled to receive immediate payments under a qualified retirement plan of the Corporation or an Affiliate; provided, however, if the Participant is not eligible to participate under a qualified retirement plan of the Corporation or its Affiliates then such Participant shall be deemed to have retired if his termination of employment is on or after the date such Participant has attained age 55.

"Stock Appreciation Right (SAR)" has the meaning set forth in subsection 7(i)(i) of this Plan.

"Termination by the Participant for Good Reason" shall mean the separation from service during the two year time period following the initial existence (without the Participant's express written consent) of any one of the following conditions:

(a) A material diminution in the Participant's base compensation;

(b) A material diminution in the Participant's authority, duties, or responsibilities;

(c) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Participant is required to report, including a requirement that a Participant report to a corporate officer or employee instead of reporting directly to the board of directors of the Corporation;

(d) A material diminution in the budget over which the Participant retains authority;

(e) A material change in the geographic location at which the Participant must perform the services; or

(f) Any other action or inaction that constitutes a material breach by the Corporation of any agreement under which the Participant provides services.

The Participant must provide notice to the Corporation of the existence of any of the above conditions within a period not to exceed 90 days of the initial existence of the condition, upon the notice of which the Corporation must be provided a period of at least 30 days during which it may remedy the condition and not be required to pay the amount.

The Participant's right to terminate the Participant's employment for Good Reason shall not be affected by the Participant's incapacity due to physical or mental illness. The Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

"Total and Permanent Disability" means Totally and Permanently Disabled as defined in the Kimberly-Clark Corporation Pension Plan.

"Transferability Restrictions" means the restrictions on transferability imposed on Awards of Restricted Shares or Restricted Share Units.

4. ADMINISTRATION

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

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

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

The Committee may authorize persons other than its members to carry out its policies and directives subject to the limitations and guidelines set by the Committee, and may delegate its authority under the Plan, provided, however, the delegation of authority to grant Awards shall be limited to grants by the Chief Executive Officer to newly hired employees, or to respond to special recognition or retention needs, and any such grants shall be limited to eligible Participants who are not subject to section 16 of the Exchange Act. The delegation of authority shall be limited as follows: (a) with respect to persons who are subject to section 16 of the Exchange Act, the authority to grant Awards, the selection for participation, decisions concerning the timing, pricing and amount of a grant or Award and authority to administer Awards shall not be delegated by the Committee; (b) the maximum number of shares of Common Stock covered by Awards which may be granted by the Chief Executive Officer within any calendar year period shall not exceed 200,000; (c) any delegation shall satisfy all applicable requirements of rule 16b-3 of the Exchange Act, or any successor provision; and (d) no such delegation shall result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section. Any person to whom such authority is granted shall continue to be eligible to receive Awards under the Plan.

5. ELIGIBILITY

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

6. FORM OF GRANTS

All Awards under the Plan shall be made in the form of Options, Restricted Shares or Restricted Share Units, or any combination thereof. Notwithstanding anything in this Plan to the contrary, any Awards shall contain the restriction on assignability in subsection 16(g) of this Plan to the extent required under rule 16b-3 of the Exchange Act.

7. STOCK OPTIONS

The Committee or its delegate shall determine and designate from time to time those Participants to whom Options are to be granted and the number of shares of Common Stock to be optioned to each and the periods the Option shall be exercisable. Such Options may be in the form of Incentive Stock Options or in the form of Nonqualified Stock Options. The Committee in its discretion at the time of grant may establish performance goals that may affect the grant, exercise and/or settlement of an Option. After granting an Option to a Participant, the Committee shall cause to be delivered to the Participant an Award Agreement evidencing the granting of the Option. The Award Agreement shall be in such form as the Committee shall from time to time approve. The terms and conditions of all Options granted under the Plan need not be the same, but all Options must meet the applicable terms and conditions specified in subsections 7(a) through 7(h).

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

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

(c) Limitations on Exercise. The Option shall not be exercisable until at least one year has expired after the granting of the Option, during which time the Participant shall have been in the continuous employ of the Corporation or an Affiliate; provided, however, that the Option shall become exercisable immediately in the event of a Qualified Termination of Employment of a Participant, without regard to the limitations set forth below in this subsection 7(c). Unless otherwise determined by the Committee or its delegate at the time of grant, at any time during the period of the Option after the end of the first year, the Participant may purchase up to 30 percent of the shares covered by the Option; after the end of the second year, an additional 30 percent; and after the end of the third year, the remaining 40 percent of the total number of shares covered by the Option; provided, however, that if the Participant’s employment is terminated for any reason other than death, Retirement or Total and Permanent Disability, the Option shall be exercisable only for three months following such termination and only for the number of shares of Common Stock which were exercisable on the date of such termination. In no event, however, may an Option be exercised more than 10 years after the date of its grant.

(d) Exercise after Death, Retirement, or Disability. Unless otherwise determined by the Committee or its delegate at the time of grant, if a Participant dies, becomes Totally and Permanently Disabled, or Retires without having exercised the Option in full, the remaining portion of such Option may be exercised, without regard to the limitations in subsection 7(c), as follows. If a Participant dies or becomes Totally and Permanently Disabled the remaining portion of such Option may be exercised within (i) three years from the date of any such event or (ii) the remaining period of the Option, whichever is earlier. Upon a Participant's death, the Option may be exercised by the person or persons to whom such Participant's rights under the Option shall pass by will or by applicable law or, if no such person has such rights, by his executor or administrator. If a Participant Retires the remaining portion of such Option may be exercised within (i) five years from the date of any such event or (ii) the remaining period of the Option, whichever is earlier.

(e) Non-transferability. During the Participant's lifetime, Options shall be exercisable only by such Participant. Options shall not be transferable other than by will or the laws of descent and distribution upon the Participant's death. Notwithstanding anything in this subsection 7(e) to the contrary, the Committee may grant to designated Participants the right to transfer Nonqualified Stock Options, to the extent allowed under rule 16b-3 of the Exchange Act, subject to the terms and conditions of the Committee Rules.

(f) Exercise; Notice Thereof. Options shall be exercised by delivering to the Corporation, or an agent designated by the Corporation, written notice of the number of shares with respect to which Option rights are being exercised and by paying in full the Option Price of the shares at the time being acquired. As determined by the Committee, payment may be made in cash, a check payable to the Corporation or in shares of Common Stock transferable to the Corporation and having a fair market value on the transfer date equal to the amount payable to the Corporation. A Participant shall have none of the rights of a stockholder with respect to shares covered by such Option until the Participant becomes the record holder of such shares.

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

(h) Limitations on Incentive Stock Option Grants.

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

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

(i) Election to Receive Cash Rather than Stock.

(i) At the same time as Nonqualified Stock Options are granted the Committee may also grant to designated Participants the right to convert a specified number of shares of Common Stock covered by such Nonqualified Stock Options to cash, subject to the terms and conditions of this subsection 7(i). For each such Option so converted, the Participant shall be entitled to receive cash equal to the difference between the Participant's Option Price and the Fair Market Value of the Common Stock on the date of conversion. Such a right shall be referred to herein as a Stock Appreciation Right ("SAR"). Participants to whom an SAR has been granted shall be notified of such grant and of the Options to which such SAR pertains. An SAR may be revoked by the Committee, in its sole discretion, at any time, provided, however, that no such revocation may be taken hereunder if such action would result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section.

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

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

8. RESTRICTED SHARES

The Committee or its delegate may from time to time designate those Participants who shall receive Restricted Share Awards. Each grant of Restricted Shares under the Plan shall be evidenced by an agreement which shall be executed by the Corporation and the Participant. The agreement shall contain such terms and conditions, not inconsistent with the Plan, as shall be determined by the Committee and shall indicate the number of Restricted Shares awarded and the following terms and conditions of the award.

(a) Grant of Restricted Shares. The Committee shall determine the number of Restricted Shares to be included in the grant and the period or periods during which the Transferability Restrictions applicable to the Restricted Shares will be in force (the "Restricted Period"). Unless otherwise determined by the Committee at the time of grant, the Restricted Period shall be for a minimum of three years and shall not exceed ten years from the date of grant, as determined by the Committee at the time of grant. The Restricted Period may be the same for all Restricted Shares granted at a particular time to any one Participant or may be different with respect to different Participants or with respect to various of the Restricted Shares granted to the same Participant, all as determined by the Committee at the time of grant.

(b) Transferability Restrictions. During the Restricted Period, Restricted Shares may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. Furthermore, a Participant's right, if any, to receive Common Stock upon termination of the Restricted Period may not be assigned or transferred except by will or by the laws of descent and distribution. In order to enforce the limitations imposed upon the Restricted Shares the Committee may (i) cause a legend or legends to be placed on any such certificates, and/or (ii) issue "stop transfer" instructions as it deems necessary or appropriate. Holders of Restricted Shares limited as to sale under this subsection 8(b) shall have rights as a shareholder with respect to such shares to receive dividends in cash or other property or other distribution or rights in respect of such shares, and to vote such shares as the record owner thereof. With respect to each grant of Restricted Shares, the Committee shall determine the Transferability Restrictions which will apply to the Restricted Shares for all or part of the Restricted Period. By way of illustration but not by way of limitation, the Committee may provide (i) that the Participant will not be entitled to receive any shares of Common Stock unless he or she is still employed by the Corporation or its Affiliates at the end of the Restricted Period, (ii) that the Participant will become vested in Restricted Shares according to a schedule determined by the Committee, or under other terms and conditions determined by the Committee, and (iii) how any Transferability Restrictions will be applied, modified or accelerated in the case of the Participant's death or Total and Permanent Disability.

(c) Manner of Holding and Delivering Restricted Shares. Each certificate issued for Restricted Shares shall be registered in the name of the Participant and deposited with the Corporation or its designee. These certificates shall remain in the possession of the Corporation or its designee until the end of the applicable Restricted Period or, if the Committee has provided for earlier termination of the Transferability Restrictions following a Participant's death, Total and Permanent Disability or earlier vesting of the shares of Common Stock, such earlier termination of the Transferability Restrictions. At whichever time is applicable, certificates representing the number of shares to which the Participant is then entitled shall be delivered to the Participant free and clear of the Transferability Restrictions; provided that in the case of a Participant who is not entitled to receive the full number of Shares evidenced by the certificates then being released from escrow because of the application of the Transferability Restrictions, those certificates shall be returned to the Corporation and canceled and a new certificate representing the shares of Common Stock, if any, to which the Participant is entitled pursuant to the Transferability Restrictions shall be issued and delivered to the Participant, free and clear of the Transferability Restrictions.

9. RESTRICTED SHARE UNITS

The Committee or its delegate shall from time to time designate those Participants who shall receive Restricted Share Unit Awards. The Committee shall advise such Participants of their Awards by a letter indicating the number of Restricted Share Units awarded and the following terms and conditions of the award.

(a) Restricted Share Units may be granted to Participants as of the first day of a Restricted Period. The number of Restricted Share Units to be granted to each Participant and the Restricted Period shall be determined by the Committee in its sole discretion.

(b) Transferability Restrictions. During the Restricted Period, Restricted Share Units may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. Furthermore, a Participant's right, if any, to receive cash or Common Stock upon termination of the Restricted Period may not be assigned or transferred except by will or by the laws of descent and distribution. With respect to each grant of Restricted Share Units, the Committee shall determine the Transferability Restrictions which will apply to the Restricted Share Units for all or part of the Restricted Period. By way of illustration but not by way of limitation, the Committee may provide (i) that the Participant will forfeit any Restricted Share

Units unless he or she is still employed by the Corporation or its Subsidiaries at the end of the Restricted Period, (ii) that the Participant will forfeit any or all Restricted Share Units unless he or she has met the Performance Goals according to the schedule determined by the Committee, (iii) that the Participant will become vested in Restricted Share Units according to a schedule determined by the Committee, or under other terms and conditions determined by the Committee, and (iv) how any Transferability Restrictions will be applied, modified or accelerated in the case of the Participant's death or Total and Permanent Disability.

(c) Unless otherwise determined by the Committee, during the Restricted Period, Participants will be credited with dividends, equivalent in value to those declared and paid on shares of Common Stock, on all Restricted Share Units granted to them, and these dividends will be regarded as having been reinvested in Restricted Share Units on the date of the Common Stock dividend payments based on the then Fair Market Value of the Common Stock thereby increasing the number of Restricted Share Units held by a Participant. Holders of Restricted Share Units under this subsection 9(c) shall have none of the rights of a shareholder with respect to such shares. Holders of Restricted Share Units are not entitled to receive distribution of rights in respect of such shares, nor to vote such shares as the record owner thereof.

(d) Payment of Restricted Share Units. The payment of Restricted Share Units shall be made in cash or shares of Common Stock, or a combination of both, as determined by the Committee at the time of grant. The payment of Restricted Share Units shall be made within 90 days following the end of the Restricted Period.

10. GOVERNMENT SERVICE, LEAVES OF ABSENCE AND OTHER TERMINATIONS

(a) In the event the Participant's employment with the Corporation or an Affiliate is terminated by reason of a shutdown or divestiture of all or a portion of the Corporation's or its Affiliate's business, a proportion of the Restricted Shares or Restricted Share Unit Award shall be considered to vest as of the Participant's termination of employment. The number of shares that shall vest shall be prorated for the number of full years of employment during the Restricted Period prior to the Participant's termination of employment. In the event the number of Restricted Shares or Restricted Share Units was to be determined by the attainment of Performance Goals according to a schedule determined by the Committee the number of shares that are considered to vest shall be determined at the end of the Restricted Period, prorated for the number of full years of employment during the Restricted Period prior to the Participant's termination of employment, and shall be paid within 90 days following the end of the Restricted Period.

(b) In the event of a Qualified Termination of Employment of a Participant, all of the Options, Restricted Shares or Restricted Share Unit Awards that were not subject to Performance Goals shall be considered to vest immediately. In the event the number of Restricted Shares or Restricted Share Units was to be determined by the attainment of Performance Goals according to a schedule determined by the Committee, (i) with respect to either a grant prior to 2010, with a performance period starting on or before January 1, 2009, the number of shares that shall be considered to vest shall be the greater of the target level established or the number of shares which would have vested based on the attainment of the Performance Goal as of the end of the prior calendar year, and (ii) a severance amount equal to the Average PRSU Payout multiplied by the number of annual PRSU grants with a performance period starting after January 1, 2009 which are forfeited due to the Qualified Termination of Employment. With respect to any grants with a performance period starting after January 1, 2009 the forfeited restricted shares and/or restricted share units determined by the attainment of performance goals according to a schedule determined by the Committee will not be paid. For purposes of this subsection (c) the Average PRSU Payout shall mean the three year average of the dollar amount of the restricted shares and/or restricted share units determined by the attainment of performance goals (the "PRSU's") awards paid to the Participant under the Plan. The three year average of the PRSU's paid to the Participant will be determined based on the higher of two dollar amount averages computed during alternative three year periods consisting of either (i) the year in which the Relevant Date occurred (or, if the award is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the award is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If a Participant has been paid less than three years of PRSU's the three year average of the PRSU's paid to the Participant will be determined based on the average dollar amount of the PRSU's paid in prior years to the Participant under the Plan. If a Participant has not received any prior payment of PRSU's, the Average PRSU Payout will be determined as follows:

(1) For a Participant classified at the Corporation's Grade 1 through 6 level, as defined by the Corporation's compensation department, the Average PRSU Payout shall be calculated based on the prior three year average PRSU payment to other employees at the same grade level.

(2) For a Participant at the GSLT level (except for the Chief Executive Officer of the Corporation), the Average PRSU Payout shall be calculated based on the prior three year average PRSU payment to Participants at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Average PRSU Payout shall be calculated based on the prior three year average PRSU payment to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding the foregoing, no severance amount shall be paid to any Participant with respect to any PRSU grants to the extent that the Participant is entitled to receive payment under the Kimberly-Clark Executive Severance Plan. Notwithstanding anything in this Plan to the contrary, this definition may be amended at the discretion of the Committee to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder).

(c) If, pending a Change of Control, the Committee determines the Common Stock will cease to exist without an adequate replacement security that preserves Participants' economic rights and positions, then, by action of the Committee, the following shall occur:

(i) All Stock Options and SARs, except for Incentive Stock Options, shall become exercisable immediately prior to the consummation of the Change of Control in such manner as is deemed fair and equitable by the Committee.

(ii) The restrictions on all Restricted Shares shall lapse and Restricted Share Units shall vest immediately prior to consummation of the Change of Control and shall be settled upon the Change of Control in cash equal to the Fair Market Value of the Restricted Share Units at the time of the Change of Control. Provided, however, that any Restricted Share Units that are required to meet the requirements of Section 409A of the Code and the regulations thereunder shall be settled in a manner that complies with Section 409A of the Code and the regulations thereunder.

(d) A termination of employment shall not be deemed to have occurred while a Participant is on military leave or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Participant retains a right to reemployment with the Corporation or an Affiliate under an applicable statute or by contract. For purposes of this subparagraph, a leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Corporation or an Affiliate. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period. Notwithstanding the foregoing sentence, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29-month period of absence is substituted for such six-month period in determining whether a termination of employment shall be deemed to have occurred. A termination of employment with the Corporation or an Affiliate to accept immediate reemployment with the Corporation or an Affiliate likewise shall not be deemed to be a termination of employment for purposes of the Plan. A Participant who is classified as an intermittent employee shall be deemed to have a termination of employment for purposes of the Plan. Notwithstanding anything in this Plan to the contrary, a termination of employment with respect to any Restricted Share Units that are required to meet the requirements of Section 409A of the Code and the regulations thereunder shall not be deemed to be a termination of employment for purposes of the Plan if it is anticipated that the level of bona fide services the Participant would perform after such date would continue at a rate equal to more than 20 percent of the average level of bona fide services performed over the immediately preceding 36-month period (or the full period of services to the Corporation or an Affiliate if the Participant has been providing such services less than 36 months).

(e) If any amounts payable under this Plan would constitute a parachute payment under Section 280G(b)(2) then such amounts shall be reduced to the extent necessary to provide the Participant with the greatest aggregate net after tax receipt as determined by applying the procedures set forth in the Committee Rules.

## 11. SHARES SUBJECT TO THE PLAN

The number of shares of Common Stock available with respect to all Awards granted under this Plan shall not exceed 50,000,000 in the aggregate, of which not more than 50,000,000 shall be available for option and sale, and of which not more than 18,000,000 shall be available for grant as Restricted Shares and Restricted Share Units, subject to the adjustment provision set forth in Section 13 hereof. The shares of Common Stock subject to the Plan may consist in whole or in part of authorized but unissued shares or of treasury shares, as the Board may from time to time determine. Shares subject to Options which become ineligible for purchase, Restricted Share Units which are retired through forfeiture or maturity, other than those Restricted Share Units which are retired through the payment of Common Stock, and Restricted Shares which are forfeited during the Restricted Period due to any applicable Transferability Restrictions will be available for Awards under the Plan to the extent permitted by section 16 of the Exchange Act (or the rules and regulations promulgated thereunder) and to the extent determined to be appropriate by the Committee.

## 12. INDIVIDUAL LIMITS

The maximum number of shares of Common Stock covered by Awards which may be granted to any Participant within any two consecutive calendar year period shall not exceed 1,500,000 in the aggregate. If an Option which had been granted to a Participant is canceled, the shares of Common Stock which had been subject to such canceled Option shall continue to be counted against the maximum number of shares for which Options may be granted to the Participant. In the event that the number of Options which may be granted is adjusted as provided in the Plan, the above limits shall automatically be adjusted in the same ratio which reflects the adjustment to the number of Options available under the Plan.

## 13. CHANGES IN CAPITALIZATION

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

14. EFFECT ON OTHER PLANS

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

15. TERM OF THE PLAN

The term of the Plan shall be ten years, beginning April 26, 2001, and ending April 25, 2011, unless the Plan is terminated prior thereto by the Committee. No Award may be granted or awarded after the termination date of the Plan, but Awards theretofore granted or awarded shall continue in force beyond that date pursuant to their terms.

16. GENERAL PROVISIONS

(a) Designated Beneficiary. Each Participant who shall be granted Restricted Shares and/or Restricted Share Units under the Plan may designate a beneficiary or beneficiaries with the Committee; provided that no such designation shall be effective unless so filed prior to the death of such Participant.

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

(c) Binding Effect. Any decision made or action taken by the Corporation, the Board or by the Committee arising out of or in connection with the construction, administration, interpretation and effect of the Plan shall be conclusive and binding upon all persons. Notwithstanding anything in section 3 to the contrary, the Committee may determine in its sole discretion whether a termination of employment for purposes of this Plan is caused by disability, retirement or for other reasons.

(d) Modification of Awards. The Committee may in its sole and absolute discretion, by written notice to a Participant, (i) limit the period in which an Incentive Stock Option may be exercised to a period ending at least three months following the date of such notice, (ii) limit or eliminate the number of shares subject to an Incentive Stock Option after a period ending at least three months following the date of such notice, and/or (iii) accelerate the Restricted Period with respect to the Restricted Share and Restricted Share Unit Awards granted under this Plan. Notwithstanding anything in this subsection 16(d) to the contrary, the Committee may not take any action to the extent that such action would result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section. Provided however, that any Restricted Share Units that are required to meet the requirements of Section 409A of the Code and the regulations thereunder shall be settled in a manner that complies with Section 409A of the Code and the regulations thereunder. Except as provided in this subsection and in subsection 16(e) no amendment, suspension, or termination of the Plan or any Awards under the Plan shall, without the consent of the Participant, adversely alter or change any of the rights or obligations under any Awards or other rights previously granted the Participant.

(e) Nonresident Aliens. In the case of any Award granted to a Participant who is not a resident of the United States or who is employed by an Affiliate other than an Affiliate that is incorporated, or whose place of business is, in a State of the United States, the Committee may (i) waive or alter the terms and conditions of any Awards to the extent that such action is necessary to conform such Award to applicable foreign law, (ii) determine which Participants, countries and Affiliates are eligible to participate in the Plan, (iii) modify the terms and conditions of any Awards granted to Participants who are employed outside the United States, (iv) establish subplans, each of which shall be attached as an appendix hereto, modify Option exercise procedures and other terms and procedures to the extent such actions may be necessary or advisable, and (v) take any action, either before or after the Award is made, which is deemed advisable to obtain approval of such Award by an appropriate governmental entity; provided, however, that no action may be taken hereunder if such action would (i) materially increase any benefits accruing to any Participants under the Plan, (ii) increase the number of securities which may be issued under the Plan, (iii) modify the requirements for eligibility to participate in the Plan, (iv) result in a failure to comply with applicable provisions of the Securities Act of 1933, the Exchange Act or the Code or (v) result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section.

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

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

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

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

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

(k) Deferral of Award Payment. The Committee may establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of consideration upon exercise of an Award or other event that absent the election would entitle the Participant to payment or receipt of Common Stock or other consideration under an Award. The Committee may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts so deferred, and such other terms, conditions, rules and procedures that the Committee deems advisable for the administration of any such deferral program. Notwithstanding anything in the Plan to the contrary, no Participant may elect after 2004 to defer receipt of consideration upon exercise of an Award or other event that absent the election would entitle the Participant to payment or receipt of Common Stock or other consideration under an Award.

(l) Withholding. The Committee shall require the withholding of all taxes as required by law. In the case of exercise of an Option or payments of Awards whether in cash or in shares of Common Stock or other securities, withholding shall be as required by law and in the Committee Rules.

(m) Amendments. The Committee may at any time amend, suspend, or discontinue the Plan or alter or amend any or all Awards and Award Agreements under the Plan to the extent (1) permitted by law, (2) permitted by the rules of any stock exchange on which the Common Stock or any other security of the Corporation is listed, (3) permitted under applicable provisions of the Securities Act of 1933, as amended, the Exchange Act (including rule 16b-3 thereof) and (4) that such action would not result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder); and (5) that no Option may be re-priced, replaced, re-granted though cancellation, or modified without shareholder approval (except in connection with a change in the Common Stock or the capitalization of the Corporation as provided in Section 13 hereof) if the effect would be to reduce the exercise price for the shares underlying such Option; provided, however, that if any of the foregoing requires the approval by stockholders of any such amendment, suspension or discontinuance, then the Committee may take such action subject to the approval of the stockholders. Except as provided in subsections 16(d) and 16(e) no such amendment, suspension, or termination of the Plan shall, without the consent of the Participant, adversely alter or change any of the rights or obligations under any Awards or other rights previously granted the Participant.

**Exhibit No. (10)p**

# KIMBERLY-CLARK CORPORATION
# SEVERANCE PAY PLAN

Amended and restated as of November 18, 2009

TABLE OF CONTENTS

## ARTICLE I

## NAME, PURPOSE AND EFFECTIVE DATE OF PLAN

1.1 Name of the Plan. Kimberly-Clark Corporation (the "Corporation") hereby establishes a severance pay plan for its Employees, to be known as the Kimberly-Clark Corporation Severance Pay Plan (the "Plan") as set forth in this document. The Plan is intended to qualify as an employee welfare benefit plan within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

1.2 Purpose of the Plan. The purpose of the Plan is to provide Eligible Employees a severance benefit in the event of involuntary termination of employment. The Plan is not intended as a replacement or substitution for any confidentiality or noncompete agreement between an Employee and Employer executed prior or subsequent to the effective date of the Plan.

1.3 Effective Date. The Plan is effective as of January 1, 1998 and is amended and restated to apply to involuntary Separations of Service after November 17, 2009.

## ARTICLE II

## DEFINITIONS AND CONSTRUCTION

2.1 Definitions. When the following words and phrases appear in this Plan, they shall have the respective meanings set forth below unless the context clearly indicates otherwise:

(a) Average MAAP: The three year average of the annual awards paid to the Participant under MAAP. The three year average of the annual awards paid to the Participant will be determined based on the three year period consisting of the year of the termination of employment (or, if the award for that year has not yet paid for the year of severance, for the preceding year) and the two preceding years. If a Participant has been paid less than three years of annual awards the Average MAAP will be determined based on the average dollar amount of the annual awards paid in prior years to the Participant under MAAP. If a Participant has not received any prior payment of annual awards, the Average MAAP will be determined as follows:

(i) For a Participant classified at the Corporation's Grade 1 through 4 level, as defined by the Corporation's compensation department, the Average MAAP shall be calculated based on the prior three year average MAAP payment to other employees at the same grade level.

(ii) For a Participant at the GSLT level (except for the Chief Executive Officer of the Corporation), the Average MAAP shall be calculated based on the prior three year average MAAP payment to Participants at GSLT level.

(iii) For the Chief Executive Officer of the Corporation, the Average MAAP shall be calculated based on the prior three year average MAAP payment to the previous Chief Executive Officer(s) of the Corporation.

(b) Board: The Board of Directors of the Corporation.

(c) Cause: Any termination of employment which is classified by the Employer as for cause, including but not limited to: (i) unsatisfactory performance of duties, or inability to meet the requirements of the position; (ii) any habitual neglect of duty or misconduct of the Employee in discharging any of his duties and responsibilities; (iii) excessive unexcused, or statutorily unprotected absenteeism or inattention to duties; (iv) failure or refusal to comply with the provisions of the Employer's personnel manual or any other rule or policy of the Employer; (v) misconduct, including but not limited to, engaging in conduct which the Committee reasonably determines to be detrimental to the Employer; (vi) disloyal, dishonest or illegal conduct by the Employee; (vii) theft, fraud, embezzlement or other criminal activity involving the Employee's relationship with the Employer; (viii) violation of any applicable statute, regulation, or rule, or provision of any applicable code of professional ethics; (ix) suspension, revocation, or other restriction of the Participant's professional license, if applicable; or (x) the Employer's inability to confirm, to its sole satisfaction, the references and/or credentials which the Participant provided with respect to any professional license, educational background and employment history.

(d) COBRA: Medical continuation coverage elected under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985. Participants shall be eligible to receive medical continuation coverage under COBRA for the number of months provided under Article IV without payment of the applicable premium if the Participant is otherwise eligible for, and timely elects, COBRA medical continuation coverage. The Participant shall be responsible for any additional months of COBRA coverage elected beyond the months of COBRA provided by the Corporation under this Plan. The Participant may also enroll in other applicable COBRA coverage (e.g. dental and/or the health care spending accounts); however, the Participant shall be responsible for and must pay the COBRA premium for such coverage.

(e) Code: The Internal Revenue Code of 1986, as amended from time to time, and as construed and interpreted by valid regulations or rulings issued thereunder.

(f) Committee: The Benefits Administration Committee appointed to administer and regulate the Plan as provided in Article V.

(g) Comparable Position: A position offered to an employee will be considered a Comparable Position under this Plan unless the Committee determines in its sole discretion that any of the following apply (i) there is a material diminution in the Employee's Earnings on the date of such offer, (ii) a material change in the geographic location at which the Employee must perform the services, (iii) the position offered to the Employee is a material diminution of the Employee's authority, duties or responsibilities. The Employee must provide notice to the Corporation of the existence of any of the above conditions within a period not to exceed 90 days of the initial offer of the non-Comparable Position to the employee, upon the notice of which the Corporation must be provided a period of at least 30 days during which it may remedy the offer and not be required to pay the severance amount. The determination whether a position offered will be considered a Comparable Position under this Plan shall be in the Committee's sole discretion and the Committee shall have the power to promulgate Committee Rules and other guidelines in connection with this determination. Any such determination by the Committee whether a Participant is offered a Comparable Position shall be final and conclusive as to all Eligible Employees and other persons claiming rights under the Plan.

(h) Earnings: The base salary of an Eligible Employee at his or her current stated hourly, weekly, monthly or annual rate on his Termination Date. If Eligible Employee is a full-time Employee, Earnings are the hourly pay rate (excluding shift differential) times 40 (hours). If Eligible Employee is an Employee who works less than 40 hours per week, Earnings are the hourly pay rate (excluding shift differential) times the Employee's regularly scheduled hours per week. Earnings do not include overtime pay, MAAP, bonus or other remuneration for all Eligible Employees. The calculation of a week of Earnings shall be made subject to any applicable Committee rule.

(i) Effective Date: January 1, 1998, or with respect to a particular Subsidiary, such later date as of which the Committee deems such Subsidiary to be an Employer, or as set forth in Appendix A. The Plan is amended and restated to apply to involuntary Separations of Service after November 17, 2009.

(j) Eligible Employee: An hourly Employee not covered by a collective bargaining unit, or salaried Employee, on the regular payroll of an Employer. For purposes of this subsection, "on the regular payroll of an Employer" shall mean paid through the payroll department of such Employer, and shall exclude employees classified by an Employer as intermittent or temporary, and persons classified by an Employer as independent contractors, regardless of how such employees may be classified by any federal, state, or local, domestic or foreign, governmental agency or instrumentality thereof, or court.

(k) Employee: A person employed by an Employer.

(l) Employer: The Corporation and each Subsidiary which the Committee shall from time to time designate as an Employer for purposes of the Plan. A list of Employers is set forth in Appendix A.

(m) MAAP: The Management Achievement Award Program, the Executive Officer Achievement Award Program or any successor plans.

(n) MAAP Eligible: Eligible Employees who as of their date of termination of employment meet the eligibility requirements to participate under MAAP.

(o) Participant: An individual who has met the eligibility requirements to receive Severance Pay pursuant to Article III.

(p) Plan Year: A twelve calendar month period beginning January 1 through December 31.

(q) Separation from Service. Termination of employment with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Employee's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period). The Committee shall have the power to promulgate Committee Rules and other guidelines in connection with the determination of a Separation from Service and any such determination by the Committee shall be final and conclusive as to all Eligible Employees and other persons claiming rights under the Plan.

(r) Severance Pay: Payment made to a Participant pursuant to Article IV hereof.

(s) Subsidiary: Any corporation, 50% or more of the voting shares of which are owned directly or indirectly by the Corporation, which is incorporated under the laws of one of the States of the United States.

(t) Termination Date: The date of an Employee's Separation from Service.

(u) Years of Service: An Employee shall be credited with a Year of Service for each year commencing with the Employee's vacation eligibility date as maintained by the payroll department of such Employer until the Employee's Termination Date, rounded to the nearest whole year of service. Notwithstanding any provision in the Plan to the contrary, an Employee's credited Years of Service shall be reduced to the extent such Years of Service have previously been used to calculate a prior severance payment to the Employee.

2.2 Construction: Where appearing in the Plan the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan and not to any particular Section or subsection.

## ARTICLE III

## ELIGIBILITY AND PARTICIPATION

3.1 Participation. An Eligible Employee shall become a Participant on the later of the Effective Date or the first day actively employed by an Employer.

3.2 Eligibility. Each Participant whose employment is involuntarily terminated shall receive Severance Pay; provided, however, that Severance Pay shall not be paid to any Participant who:

(a) is terminated for Cause;

(b) is terminated during a period in which such Participant is not actively at work (i.e. has been on leave) for more than 25 weeks, except to the extent otherwise required by law;

(c) voluntarily quits or retires;

(d) dies;

(e) is offered a Comparable Position as defined in Section 3.5 below.

3.3 Duration. A Participant remains a Participant under the Plan until the earliest of:

(a) the date the Participant is no longer an Eligible Employee;

(b) the Participant's Termination Date; or

(c) the date the Plan terminates.

3.4 Severance Agreement and Release. No Participant shall be entitled to receive Severance Pay hereunder unless such Participant executes a Separation Agreement and Full and Final Release of Claims, in the form required by the Corporation, within the period specified for such individual therein and such Participant does not revoke such Separation Agreement and Full and Final Release of Claims in writing within the 7-day period following the date on which it is executed.

3.5 Comparable Position. Severance Pay shall not be paid to any Employee whose employment is involuntarily terminated related to

(a) any separation or reorganization of the Corporation including, but not limited to, a sale, spin-off or shutdown of a portion of the Corporation, including but not limited to a portion of a mill or other location, if such Employee is offered a Comparable Position with the successor entity,

(b) the outsourcing of an Employee to a company other than an Employer, in which such Employee is offered or continues in a Comparable Position, or

(c) any elimination of a job function, or transfer of an Employee's position to another location, in which such Employee is offered a Comparable Position with the Corporation.

ARTICLE IV

SEVERANCE BENEFITS

4.1 Severance Pay. Whether any Severance Pay is payable under this Plan, or any increase or decrease in the amount of Severance Pay, shall be in the sole discretion and as authorized pursuant to subsection 5.7(b) below. Any such increase or decrease in the amount of Severance Pay shall be final and conclusive as to all Eligible Employees and other persons claiming rights under the Plan. Subject to the exercise of such discretion, a Participant's Severance Pay shall be determined as follows:

(a) Each individual who is eligible as provided in Article III above, shall receive, the Severance Pay, COBRA, outplacement assistance services and Employee Assistance Program services set forth below.

| **Provision** | **GSLT** | **Grades 1-4** | **Other MAAP-Eligible** | **Salaried Exempt** | **Salaried Non-Exempt** | **Production Non-Union** |
|---|---|---|---|---|---|---|
| Severance -Termination on or after 12 months employment | 2 x the sum of annual Earnings plus Average MAAP | The sum of annual Earnings plus Average MAAP | 2 weeks of Earnings per Year of Service (26 weeks Earnings minimum) | 2 weeks of Earnings per Year of Service (12 weeks Earnings minimum) | 1 week of Earnings per Year of Service (6 weeks Earnings minimum) | 1 week of Earnings per Year of Service (6 weeks Earnings minimum) |
| Severance – Termination within first 12 months employment | 3 months Earnings | 3 months Earnings | 3 months Earnings | 3 months Earnings | 6 weeks Earnings | 6 weeks Earnings |
| Current Year MAAP | Pro-rated based on actual performance if Separation from Service is after March 31 of the performance year | Pro-rated based on actual performance if Separation from Service is after March 31 of the performance year | Pro-rated based on actual performance if Separation from Service is after March 31 of the performance year | | | |
| COBRA | 6 months | 6 months | 6 months | 6 months | 6 months | 6 months |
| Outplacement | 6 months | 6 months | 6 months | 3 months | 2 weeks | 2 weeks |
| EAP | 3 months | 3 months | 3 months | 3 months | 3 months | 3 months |

(b) Severance Pay shall be paid as a lump sum cash payment no later than 60 days following the Participant's Termination Date, provided, however, should any payments under this Plan be delayed no interest will be owed to the Participant with respect to such late payment. Notwithstanding the foregoing, any current year MAAP that is payable shall be paid at the same time as it was payable under the provisions of MAAP but no later than 60 days following the calendar year of the Separation from Service.

(c) The Severance Pay determined pursuant to subsection 4.1(a) above will be offset by any amount paid to a Participant (but not less than zero) pursuant to the Worker Adjustment and Retraining Notification Act ("WARN"), or any similar state law, in lieu of notice thereunder. The benefits provided under this Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination, and the Committee shall so construe and implement the terms of the Plan.

(d) If, at the time Severance Pay is to be made hereunder, a Participant is indebted or obligated to an Employer or any affiliate, then such Severance Pay shall be reduced by the amount of such indebtedness or obligation to the extent allowable under applicable federal or state law; provided that the Corporation may in its sole discretion elect not to reduce the Severance Pay by the amount of such indebtedness or obligation and provided that any such election by the Corporation shall not constitute a waiver of its claim of such indebtedness or obligation, in accordance with applicable law.

(e) Notwithstanding any provision in the Plan to the contrary, Severance Pay shall be reduced by the amount of any other severance payments, whether under any severance plan or offer letter or other individual agreement, made by an Employer.

(f) Severance Pay hereunder shall not be considered "compensation" for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by an Employer.

4.2 Withholding. A Participant shall be responsible for payment of any federal, Social Security, state, local or other taxes on Severance Pay under the Plan. The Employer shall deduct from Severance Pay any federal, Social Security, state, local or other taxes which are subject to withholding, as determined by the Employer.

4.3 Recovery of Overpayments. If it is determined that any amount paid to an individual under this Plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be given and such individual shall promptly repay the amount of the overpayment to the Plan. Notwithstanding the foregoing, the Plan in all cases reserves the right to pursue collection of any remaining overpayments if the above recovery efforts under this paragraph have failed.

## ARTICLE V

## PLAN ADMINISTRATION

### BENEFITS ADMINISTRATION COMMITTEE

5.1 Membership. The Committee shall consist of at least three persons who shall be officers or directors of the Corporation or Eligible Employees. Members of the Committee shall be appointed from time to time by, and shall serve at the pleasure of, the Chief Human Resources Officer of the Corporation (the "CHRO"). The CHRO shall appoint one of the members of the Committee to serve as chairman. If the CHRO does not appoint a chairman, the Committee, in its discretion, may elect one of its members as chairman. The Committee shall appoint a Secretary who may be but need not be, a member of the Committee. The Committee shall not receive compensation for its services. Committee expenses shall be paid by the Corporation.

5.2 Powers. The Committee shall have all such powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the power to construe or interpret the Plan, to determine all questions of eligibility hereunder, to adopt rules relating to coverage, and to perform such other duties as may from time to time be delegated to it by the Board. Any interpretations of this Plan by persons other than the Committee or individuals or organizations to whom the Committee has delegated administrative duties shall have no effect hereunder. The Committee may prescribe such forms and systems and adopt such rules and methods and tables as it deems advisable. It may employ such agents, attorneys, accountants, actuaries, medical advisors, or clerical assistants (none of whom need be members of the Committee) as it deems necessary for the effective exercise of its duties, and may delegate to such agents any power and duties, both ministerial and discretionary, as it may deem necessary and appropriate. Notwithstanding the foregoing, any claim which arises under any other plan shall not be subject to review under this Plan, and the Committee's authority under this Article V shall not extend to any matter as to which an Administrator under such Program is empowered to make determinations under such plan. In administering the Plan, the Committee will be entitled, to the extent permitted by law, to rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by, or in accordance with the instructions of, the Committee of each of the Programs, or by accountants, counsel or other experts employed or engaged by the Committee.

5.3 Procedures. The Committee may take any action upon a majority vote at any meeting at which all members are present, and may take any action without a meeting upon the unanimous written consent of all members. All action by the Committee shall be evidenced by a certificate signed by the chairperson or by the secretary to the Committee. The Committee shall appoint a secretary to the Committee who need not be a member of the Committee, and all acts and determinations of the Committee shall be recorded by the secretary, or under his supervision. All such records, together with such other documents as may be necessary for the administration of the Plan, shall be preserved in the custody of the secretary.

5.4 Rules and Decisions. All rules and decisions of the Committee shall be uniformly and consistently applied to all Eligible Employees and Participants under this Plan in similar circumstances and shall be conclusive and binding upon all persons affected by them.

5.5 Books and Records. The records of the Employers shall be conclusive evidence as to all information contained therein with respect to the basis for participation in the Plan and for the calculation of Severance Pay.

5.6 Claim Procedure. The Committee procedure for handling all claims hereunder and review of denied claims shall be consistent with the provisions of ERISA. If a claim for Plan benefits is denied, the Committee shall provide a written notice within 90 days to the person claiming the benefits that contains the specific reasons for the denial, specific references to Plan provisions on which the Committee based its denial and a statement that the claimant may (a) request a review upon written application to the Committee within 60 days, (b) may review pertinent Plan documents and (c) may submit issues and comments in writing. If a claim is denied because of incomplete information, the notice shall also indicate what additional information is required. If additional time is required to make a decision on the claim, the Committee shall notify the claimant of the delay within the original 90 day period. This notice will also indicate the special circumstances requiring the extension and the date by which a decision is expected. This extension period may not exceed 90 days beyond the end of the first 90-day period.

The claimant may request a review of a denied claim by writing the Committee in care of the Plan Administrator. The appeal must, however, be made within 60 days after the claimant's receipt of notice of the denial of the claim. Pertinent documents may be reviewed in preparing an appeal, and issues and comments may be submitted in writing. An appeal shall be given a complete review by the Committee, and a written decision, including reasons, shall be provided within 60 days. If there are special circumstances requiring an extensive review, the Committee shall notify the claimant in a written notice within the original 60 day period of its receipt of the appeal and indicating that the decision will be delayed. A final decision on the appeal shall be made within 120 days of the Committee's receipt of the appeal.

The Committee shall have all of the authority with respect to all aspects of claims for benefits under the Plan, and it shall administer this authority in its sole discretion.

5.7 Committee Discretion.

(a) Any action on matters within the discretion of the Committee, including but not limited to, the amount of Severance Pay conferred upon a Participant, shall be final and conclusive as to all Eligible Employees and other persons claiming rights under the Plan. The Committee shall exercise all of the powers, duties and responsibilities set forth hereunder in its sole discretion. Notwithstanding anything in this Plan to the contrary, the Committee shall have the sole discretion to interpret the terms of the Plan included but not limited to, whether a termination is voluntarily or involuntary, whether a Participant's termination is for Cause, whether a Participant is offered a Comparable Position, and whether Severance Pay shall be payable to any Participant under this Plan.

(b) Any increase or decrease in the amount of Severance Pay different than the amount set forth in 4.1(a) above may be authorized in their sole discretion by (i) the Committee, (ii) a Group President or Senior Vice President of the Corporation with the endorsement of either the Senior Vice President Global Human Resources or the Vice President Compensation and Benefits or (iii) the Chief Executive Officer. Any such increase or decrease in the amount of Severance Pay shall be final and conclusive as to all Eligible Employees and other persons claiming rights under the Plan.

5.8 Plan Amendments. The Board may from time to time modify, alter, amend or terminate the Plan. Any action permitted to be taken by the Board under the foregoing provision may be taken by the CHRO if such action:

(a) is required by law, or

(b) is estimated not to increase the annual cost of the Plan by more than $5,000,000, or

(c) is estimated not to increase the annual cost of the Plan by more than $25,000,000 provided such action is approved and duly executed by the CEO.

Any action taken by the Board or CHRO shall be made by or pursuant to a resolution duly adopted by the Board or CHRO and shall be evidenced by such resolution or by a written instrument executed by such persons as the Board or CHRO shall authorize for that purpose.

The Board or CHRO also shall have the right to make any amendment retroactively which is necessary to bring the Plan into conformity with the Code or which is otherwise permitted by applicable law. Any such amendment will be binding and effective for the Employer.

Any action which is required or permitted to be taken by the Board under the provisions of this Plan may be taken by the Management and Development Compensation Committee of the Board or any other duly authorized committee of the Board designated under the By-Laws of the Corporation.

The Board, the Management and Development Compensation Committee or any duly authorized committee of the Board, the CEO or the CHRO may authorize persons to carry out its policies and directives subject to the limitations and guidelines set by it, and delegate its authority under the Plan.

5.9 Annual Reporting to the CEO. The CHRO shall report to the CEO before January 31 of each year all action taken by such position hereunder during the preceding calendar year.

5.10 Annual Reporting to the Board. The CEO shall report to the Board before January 31 of each year all action taken by such position hereunder during the preceding calendar year.

5.11 Delegation of Duties. This Plan is sponsored by Kimberly-Clark Corporation. The Committee reserves the right to delegate any and all administrative duties to one or more individuals or organizations. Any reference herein to any other entity or person, other than the Committee or any of its members, which is performing administrative services shall also include any other third party administrators. The responsibilities of any third party administrator may be governed, in part, by a separate administrative services contract.

5.12 Funding. Benefits shall be paid from the general assets of the Corporation.

## ARTICLE VI

## LIMITATIONS AND LIABILITIES

6.1 Non-Guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between an Employer and a Participant, or as a right of any Participant to be continued in the employment of his Employer, or as a limitation of the right of an Employer to discharge any Participant with or without Cause. Nor shall anything contained in this Plan affect the eligibility requirements under any other plans maintained by the Employer, nor give any person a right to coverage under any other Plan.

6.2 Non-Alienation. Except as otherwise provided herein, no right or interest of any Participant or Beneficiary in the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, attachment, garnishment, execution, levy, bankruptcy, or any other disposition of any kind, either voluntary or involuntary, prior to actual receipt of payment by the person entitled to such right or interest under the provisions hereof, and any such disposition or attempted disposition shall be void.

6.3 Applicable Law. This Plan is construed under, to the extent not preempted by Federal law, enforced in accordance with and governed by, the laws of the State of Wisconsin. If any provision of this Plan is found to be invalid, such provision shall be deemed modified to comply with applicable law and the remaining terms and provisions of this Plan will remain in full force and effect.

6.4 Notice. Any notice given hereunder is sufficient if given to the Employee by the Employer, or if mailed to the Employee to the last known address of the Employee as such address appears on the records of the Employer.

6.5 Service of Process. The Plan Administrator shall be the designated recipient of the services of process with respect to legal actions regarding the Plan.

6.6 No Guarantee of Tax Consequences. The Employer makes no commitment or guarantee that any amounts paid to or for the benefit of a Participant under this Plan will be excludable from the Participant’s gross income for Federal, Social Security, or state income tax purposes, or that any other Federal, Social Security, or state income tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under this Plan is excludable from the Participant’s gross income for Federal, Social Security, and state income tax purposes, and to notify the Plan Administrator if the Participant has reason to believe that any such payment is not so excludable. This Plan is intended to be compliant with Section 409A of the Code and the guidance promulgated thereunder. Notwithstanding any other provision of this Plan, the Corporation and the Committee shall administer and interpret the Plan, and exercise all authority and discretion under the Plan, to satisfy the requirements of Code Section 409A and the guidance promulgated thereunder and any noncompliant provisions of this Plan will either be void or deemed amended to comply with Section 409A of the Code and the guidance promulgated thereunder.

6.7 Limitation of Liability. Neither the Employer, the Plan Administrator, nor the Committee shall be liable for any act or failure to act which is made in good faith pursuant to the provisions of the Plan, except to the extent required by applicable law. It is expressly understood and agreed by each Eligible Employee who becomes a Participant that, except for its or their willful misconduct or gross neglect, neither the Employer, the Plan Administrator nor the Committee shall be subject to any legal liability to any Participant, for any cause or reason whatsoever, in connection with this Plan, and each such Participant hereby releases the Employer, its officers and agents, and the Plan Administrator, and its agents, and the Committee, from any and all liability or obligation except as provided in this paragraph.

6.8 Indemnification of the Committee. The Employer shall indemnify the Committee and each of its members and hold them harmless from the consequences of their acts or conduct in their official capacity, including payment for all reasonable legal expenses and court costs, except to the extent that such consequences are the result of their own willful misconduct or breach of good faith.

APPENDIX A

EMPLOYERS COVERED BY THE KIMBERLY-CLARK CORPORATION
SEVERANCE PAY PLAN

| Employers | Participating Units |
|---|---|
| American Allsafe Company | All salaried and hourly non-organized employees* |
| Avent, Inc. | All salaried and hourly non-organized employees, and hourly non-organized employees at former Tecnol, Inc. facilities* |
| I-Flow Corporation | All salaried and hourly non-organized employees* |
| Jackson Products, Inc. | All salaried and hourly non-organized employees* |
| Jackson Safety LLC | All salaried and hourly non-organized employees* |
| Jackson-Wilson LLC | All salaried and hourly non-organized employees* |
| Kimberly-Clark Corporation | All salaried and hourly non-organized employees* |
| Kimberly-Clark Financial Services, Inc. | All salaried and hourly non-organized employees* |
| Kimberly-Clark Global Sales, LLC | All salaried employees* |
| Kimberly-Clark International Services Corporation | All salaried and hourly non-organized employees except those who transfer to a 50% or less owned foreign subsidiary on a non-temporary basis* |
| Kimberly-Clark Michigan, Inc. | All salaried employees* |
| Kimberly-Clark Pennsylvania, LLC | All salaried employees* |
| Kimberly-Clark Worldwide, Inc. | All salaried and hourly non-organized employees* |

* including those on temporary assignment at other employers or in other classifications, but excluding employees on temporary assignment from another Employer or classification.

**APPENDIX B**

**2009 VOLUNTARY**
**SEVERANCE PROGRAM**

1. In General. Notwithstanding the requirement under Section 3.2 of the Plan that Severance Pay is only payable upon involuntary termination, a Participant who voluntarily terminates employment shall receive Severance Pay if they otherwise qualify under the terms of the Plan and meet the requirements of Section 2 below, except to the extent otherwise limited in accordance with the terms approved by the Corporation for this 2009 Voluntary Severance Program (the "Program"). A Participant will no longer be eligible under this Program if their separation from service is after December 31, 2009.

2. Voluntary Severance Election. A Participant qualifies under this Section 2 if such Participant is a salaried exempt or non-exempt nonproduction employee who submits an election to participate in the Program on or after April 21, 2009 and prior to May 23, 2009 and who

   (a) is employed by the Corporation as of April 22, 2009, and separates from service with their Employer on June 30, 2009 unless the Chief Executive Officer of the Corporation exercises his discretion to require such Participant to remain employed until a later release date, but no later than December 31, 2009;

   (b) separates from service with their Employer during the period April 1, 2009 through April 21, 2009; or

   (c) separates from service with their Employer during the period April 1 through May 31 and on or after the date the Participant has attained age 55.

3. Severance Agreement and Release. No Participant shall be entitled to receive any of the benefits provided under the Plan hereunder unless such Participant executes a Separation Agreement and Full and Final Release of Claims, in the form required by the Corporation, within the period specified for such individual therein and such Participant does not revoke such Separation Agreement and Full and Final Release of Claims in writing within the 7-day period following the date on which it is executed.

4. Excluded Participants. Notwithstanding any provision in this Appendix B to the contrary, the following Participants, and groups of Participants are excluded from participation in this Program:

   (a) members of the Corporation's Global Strategic Leadership Team;

   (b) a Participant who was granted an Equity Participation Plan Retention Grant at the meeting of the Management and Development Compensation Committee on April 29, 2009;

   (c) employees of Kimberly-Clark Professional Global Safety Business;

   (d) U.S. employees in the Corporation's compensation department;

   (e) Health Care Medical Devices Research and Engineering (Roswell based);

   (f) Health Care Regulatory Affairs (Roswell based);

(g) HC Quality Engineers (Roswell);

(h) employees of MEA Sparktak; and

(i) other excluded employees and groups as designated by the CHRO pursuant to a resolution duly adopted by the CHRO.

Exhibit No. (12)

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**
**Computation of Ratio of Earnings to Fixed Charges**
**(Dollar amounts in millions)**

| | Year Ended December 31 | | | | |
|---|---|---|---|---|---|
| | **2009** | **2008** | **2007** | **2006** | **2005** |
| Consolidated Companies | | | | | |
| Income from continuing operations before income taxes | **$2,576** | $2,289 | $2,318 | $1,845 | $1,969 |
| Interest expense | **275** | 304 | 265 | 220 | 190 |
| Interest factor in rent expense | **90** | 102 | 88 | 75 | 66 |
| Amortization of capitalized interest | **14** | 13 | 15 | 16 | 7 |
| Equity Affiliates | | | | | |
| Share of 50%-owned: | | | | | |
| Income before income taxes | **—** | 1 | 2 | 3 | 2 |
| Interest expense | **—** | — | — | — | — |
| Interest factor in rent expense | **—** | — | — | — | — |
| Amortization of capitalized interest | **—** | — | — | — | — |
| Distributed income of less than 50%-owned | **114** | 131 | 130 | 244 | 113 |
| Earnings | **$3,069** | $2,840 | $2,818 | $2,403 | $2,347 |
| Consolidated Companies | | | | | |
| Interest Expense | **$ 275** | $ 304 | $ 265 | $ 220 | $ 190 |
| Capitalized interest | **13** | 14 | 18 | 15 | 8 |
| Interest factor in rent expense | **90** | 102 | 88 | 75 | 66 |
| Equity Affiliates | | | | | |
| Share of 50%-owned: | | | | | |
| Interest and capitalized interest | **—** | — | — | — | — |
| Interest factor in rent expense | **—** | — | — | — | — |
| Fixed Charges | **$ 378** | $ 420 | $ 371 | $ 310 | $ 264 |
| Ratio of earnings to fixed charges | **8.12** | 6.76 | 7.60 | 7.75 | 8.89 |

Note: The Corporation is liable for certain obligations of S.D. Warren Company, which was sold in December 1994. The buyer provided the Corporation with a letter of credit from a major financial institution guaranteeing repayment of these obligations. No losses are expected from these arrangements and they have not been included in the computation of earnings to fixed charges.

**Exhibit No. (21)**

KIMBERLY-CLARK CORPORATION
CONSOLIDATED SUBSIDIARIES

The following list includes certain companies that were owned directly or indirectly by Kimberly-Clark Corporation, a Delaware corporation, Dallas, Texas, as of December 31, 2009. The place of incorporation or organization is next to the name of the company.

*Consolidated Subsidiaries*

1194127 Ontario Inc., Ontario, Canada
*3700 Orleans, LLC, Louisiana
*700 Tchoupitoulas LLC (Arts Hotel), Louisiana
*900 E. Walnut, LLC, Missouri
Abdelia Comercial Ltda., Brazil
AcryMed Incorporated, Oregon
*Arabian Medical Products Manufacturing Company, Saudi Arabia
Aria Aesthetics, Inc., Delaware
Avent, Inc., Delaware
Avent de Honduras, S.A. de C.V., Honduras
Avent Holdings, LLC, Delaware
Avent S. de R.L. de C.V., Mexico
Avent Slovakia, Inc., Delaware
Avent Slovakia s.r.o., Slovakia
Bacraft S.A. Indústria de Papel, Brazil
*Badgers LLC, Delaware
*Badgers II LLC, Delaware
Ballard Medical Products (Canada) Inc., Ontario, Canada
Beco, Inc., Wisconsin
Block Medical de Mexico, S.A. de C.V., Mexico
*Bonster, S.A., Luxembourg
Boxer Acquisition, Inc., Delaware
*Carriage LP, South Carolina
*Central High Associates, LLC, Wisconsin
*City Hall Square LLC, Wisconsin
Colombiana Kimberly Colpapel S.A., Colombia
Delaware Overseas Finance, Inc., Delaware
Durafab, Inc., Texas
Excell Paper Sales Co., Pennsylvania
Excell Paper Sales LLC, Delaware
Fisbra Indústria e Comércio de Produtos Higiênicos Ltda., Brazil
*Genpar AP, LLC, Texas
*Genpar CM, LLC, Texas
*Genpar CM II, LLC, Delaware
*Genpar RI II, LLC, Delaware
Gerinconfort Indústria e Comercio de Produtos Higienicos Ltd., Brazil

*H-K Overseas Holland B.V., Netherlands
Hakle Kimberly Deutschland GmbH, Germany
Hakle Kimberly Papiervertriebs GmbH, Austria
Hercules Global Investments, Cayman Islands
*Hogla Kimberly Limited, Israel
*Hogla Kimberly Marketing Limited, Israel
Housing Horizons, LLC, Texas
*Humble AP Partners LP, Texas
*Humble CM Partners LP, Texas
*Humble RI Partners LP, Texas
I-Flow Corporation, Delaware
Industrial Mimosa S.A., Uruguay
Jackson International Holdings, Inc., Delaware
Jackson Products, Inc., Delaware
Jackson Products, Ltd, United Kingdom
Jackson Safety Canada, Inc., Ontario
Jackson Safety Limited, Hong Kong
*Janesville School Apartments LLC, Wisconsin
K-C Advertising, Inc., Delaware
*K-C Antioquia Global Ltda., Colombia
K-C Equipment Finance L.P., United Kingdom
K-C Financial Services Investment Company, Delaware
K-C Guernsey I Ltd., Isle of Guernsey
K-C Guernsey II Ltd., Isle of Guernsey
K-C Investment Partnership, Ontario
K-C Nevada, Inc., Nevada
K-C Worldwide, LLC, Delaware
Kalayaan Land Corporation, Philippines
KC Tower Corporation, Delaware
KCA Super Pty. Limited, Australia
K.C.S.A. Holdings (Proprietary) Limited, South Africa
Kimberly Bolivia S.A., Bolivia
Kimberly-Clark (Barbados) Holding Ltd., Barbados
Kimberly-Clark (China) Company Ltd., China
Kimberly-Clark (Cyprus) Ltd., Cyprus
Kimberly-Clark (Hong Kong) Ltd., Hong Kong
Kimberly-Clark (Singapore) Finance Ltd., Singapore
Kimberly-Clark (Trinidad) Limited, Trinidad & Tobago
Kimberly-Clark Argentina S.A., Argentina
Kimberly-Clark Argentina Holdings S.A., Argentina
Kimberly-Clark Amsterdam Holdings, B.V., Netherlands
Kimberly-Clark Asia Holdings Pte. Ltd., Singapore
Kimberly-Clark Asia Pacific Pte. Ltd., Singapore
Kimberly-Clark Australia Consolidated Holdings Pty. Limited, Australia
Kimberly-Clark Australia Holdings Pty. Limited, Australia
Kimberly-Clark Australia Pty. Limited, Australia

Kimberly-Clark B.V., Netherlands
Kimberly-Clark Bahrain Holding Company S.P. C., Bahrain
Kimberly-Clark Brasil Holdings Limitada, Brazil
Kimberly-Clark Brasil Indústria e Comércio de Produtos de Hygiene Ltda., Brazil
Kimberly-Clark Canada Holdings, Inc., Ontario, Canada
Kimberly-Clark Canada Inc., Ontario, Canada
Kimberly-Clark Canada Inc. Kanadischen Rechts & Company KG, Germany
Kimberly-Clark Canada International Holdings, Inc., Canada
Kimberly-Clark Canada Investment Incorporated, Nova Scotia, Canada
Kimberly-Clark Canada Services Corporation, Ontario, Canada
Kimberly-Clark Canada U.K. Holding Limited, United Kingdom
Kimberly-Clark Cayman Islands Company, Cayman Islands
Kimberly-Clark Cayman Islands Finance Company, Cayman Islands
Kimberly-Clark Cayman Islands Holding Company, Cayman Islands
*Kimberly-Clark Central American Holdings, S.A., Panama
Kimberly-Clark Chile S.A., Chile
Kimberly-Clark Colombia Limitada, Colombia
Kimberly-Clark Costa Rica Limitada, Costa Rica
Kimberly-Clark de Centro America, S.A., El Salvador
Kimberly-Clark Denmark Holdings ApS, Denmark
Kimberly-Clark Dominican Republic S.A., Dominican Republic
Kimberly-Clark Dominicana, S.A., Dominican Republic
Kimberly-Clark Dublin Finance Limited, United Kingdom
Kimberly-Clark Dutch Holdings B.V., Netherlands
Kimberly-Clark Ecuador, S.A., Ecuador
Kimberly-Clark Europe Limited, United Kingdom
Kimberly-Clark European Investment B.V., Netherlands
Kimberly-Clark European Services Limited, United Kingdom
Kimberly-Clark Far East Pte. Limited, Singapore
Kimberly-Clark Finance Ltd., United Kingdom
Kimberly-Clark Financial Services, Inc., Tennessee
Kimberly-Clark Forestal S.A., Spain
Kimberly-Clark Foundation, Inc., Wisconsin
Kimberly-Clark Global Finance Ltd., Bermuda
Kimberly-Clark Global Sales, LLC, Delaware
Kimberly-Clark GmbH, Switzerland
Kimberly-Clark Guatemala, Limitada, Guatemala
Kimberly-Clark Health Care Inc., Delaware
Kimberly-Clark Hellas EPE, Greece
Kimberly-Clark Holding Limited, United Kingdom
Kimberly-Clark Holding s.r.l. Unipersonale, Italy
Kimberly-Clark Holland Holdings B.V., Netherlands
Kimberly-Clark Honduras, S. de R.L. de C.V., Honduras
Kimberly-Clark Hygiene Products Private Ltd., India
Kimberly-Clark Inc., Ontario, Canada
Kimberly-Clark Innovation Corporation, Korea

Kimberly-Clark Integrated Services Corporation, Delaware
Kimberly-Clark International Services Corporation, Delaware
Kimberly-Clark International, S.A., Panama
Kimberly-Clark Investering Finance Corporation Limited, United Kingdom
Kimberly-Clark Kft Trading Limited Liability Company, Hungary
Kimberly-Clark Latin America, Inc., Delaware
Kimberly-Clark Latin America Inc. y Cia, S.C., Spain
Kimberly-Clark Latin America Investments, Inc., Delaware
Kimberly-Clark Lda., Portugal
Kimberly-Clark Limited, United Kingdom
Kimberly-Clark Luxembourg S.a.r.l., Luxembourg
Kimberly-Clark Luxembourg Finance S.a.r.l., Luxembourg
Kimberly-Clark Luxembourg Holdings S.a.r.l., Luxembourg
*Kimberly-Clark Malta Holding Co. Ltd., Malta
*Kimberly-Clark Malta Investment Company Limited, Malta
Kimberly-Clark Manufacturing (Thailand) Limited, Thailand
Kimberly-Clark Mediterranean Finance Company Ltd., Malta
Kimberly-Clark N.V., Belgium
Kimberly-Clark Netherlands Holdings B.V., Netherlands
Kimberly-Clark North Asia Co., Ltd, South Korea
Kimberly-Clark North Asia (HK) Limited, Hong Kong
Kimberly-Clark OOO, Russia
Kimberly-Clark Pacific Finance Company, Cayman Islands
Kimberly-Clark Pacific Holdings Pty Limited, Australia
Kimberly-Clark Paper (Guangzhou) Company Limited, People’s Republic of China
Kimberly-Clark Paper (Shanghai) Company Limited, People’s Republic of China
Kimberly-Clark Paraguay S.A., Paraguay
Kimberly-Clark Patriot Holdings, Inc., Cayman Islands
Kimberly-Clark Pennsylvania, LLC, Delaware
Kimberly-Clark Pension Trusts Ltd., United Kingdom
Kimberly-Clark Personal Hygienic Products (Nanjing) Co. Ltd., People’s Republic of China
Kimberly-Clark Personal Hygienic Products Company Limited, Beijing, People’s Republic of China
Kimberly-Clark Peru S.R.L., Peru
Kimberly-Clark Philippines Inc., Philippines
Kimberly-Clark Philippine Holdings, Inc., Philippines
Kimberly-Clark Products (Malaysia) Sdn. Bdh., Malaysia
Kimberly-Clark Produtos Para Saúde Limitada, Brazil
Kimberly-Clark Puerto Rico, Inc., Delaware
Kimberly-Clark S.L., Spain
Kimberly-Clark S.A.S., France
Kimberly-Clark s.r.l., Italy
Kimberly-Clark s.r.o., Czech Republic
Kimberly-Clark Sales Corporation B.V., Netherlands
Kimberly-Clark Scandinavia ApS, Denmark
Kimberly-Clark Services Asia-Pacific, Australia
Kimberly-Clark Services, Inc., Delaware

Kimberly-Clark Singapore Pte. Ltd., Singapore
Kimberly-Clark of South Africa (Pty.) Limited, South Africa
Kimberly-Clark Southern Africa (Holdings) (Pty) Ltd., South Africa
Kimberly-Clark Sp. z.o.o., Poland
Kimberly-Clark Taiwan, Cayman Islands
Kimberly-Clark Thailand Limited, Thailand
Kimberly-Clark Trading (Malaysia) Sdn. Bhd., Malaysia
Kimberly-Clark Treasury Asia-Pacific, Australia
*Kimberly-Clark Tuketim Mallari Sanayi Ve Ticaret Anonim Sirketi, Turkey
Kimberly-Clark Tulip Holdings, B.V., Netherlands
Kimberly-Clark U.K. Operations Limited, United Kingdom
Kimberly-Clark Ukraine LLC, Ukraine
Kimberly-Clark Venezuela, C.A., Venezuela
Kimberly-Clark Ventures, LLC, Delaware
Kimberly-Clark Vietnam Co., Ltd., Vietnam
Kimberly-Clark West Indies Finance Company, Cayman Islands
Kimberly-Clark Worldwide Australia Holdings Pty. Limited, Australia
Kimberly-Clark Worldwide Taiwan Investment Limited, Taiwan
Kimberly-Clark Worldwide, Inc., Delaware
KIMNICA, S.A., Nicaragua
KS&J Indústria e Comercio Ltda., Brazil
La Ada de Acuña, S. de R. L., Mexico
*Lafayette-Lahr LLC, Indiana
*LaSalle Apartments LLC, Wisconsin
*LeClaire Apartments LLC, Wisconsin
*Limpar AP, LLC, Delaware
*Limpar CM II, LLC, Delaware
*Limpar RI, LLC, Delaware
*Main Lake Apartments LLC, Wisconsin
Manlak Investments (Pty.) Limited, South Africa
Microcuff GmbH, Germany
Mimo Brasil Limitada, Brazil
*Mineral Point School Apartments, Wisconsin
Minnetonka Limitada, Brazil
Minnetonka Overseas Investments Limited, Cayman Islands
*Molett Marketing Limited, Israel
*National Terminal Apartments LLC, Ohio
*New Glarus School Apartments LLC, Wisconsin
Nueva Arizona, S.A., Argentina
*Olayan Kimberly-Clark (Bahrain) W.L.L., Bahrain
*Olayan Kimberly-Clark Arabia Company, Saudi Arabia
Papeles del Cauca S.A., Colombia
P.T. Kimberly-Clark Indonesia, Indonesia
*Providence Leasing LLC, Delaware
Ridgeway Insurance Company Limited, Bermuda
Ropers LLC, Delaware

Ropers II LLC, Delaware
Safemaster Oy, Finland
Safeskin (B.V.I.) Limited, British Virgin Islands
Safeskin Corporation (Thailand) Limited, Thailand
Safeskin Industries (Thailand) Limited, Thailand
Safeskin Latex (Thailand) Limited, Thailand
Safeskin Medical & Scientific (Thailand) Limited, Thailand
Scott CB Holding Company, Delaware
Scott S.A., France
Scott Executive Pension Trustees Limited, United Kingdom
Scott Paper Eastern China Inc., Delaware
SK Corporation, Taiwan
*Stephenson Mill Associates LLC, Wisconsin
*Stephenson Mill Managers, LLC, Indiana
Syzygy, Inc., Delaware
Taiwan Scott Paper Corporation, Taiwan
*TCB Genpar, LLC, Texas
*TCB Limpar, LLC, Texas
Technology Systems S.A., Argentina
*Tecnosur S.A., Colombia
Texans LLC, Delaware
Texans II LLC, Delaware
Texas Company Building, LP, Texas
Three Rivers Timber Company, Washington
Tiscorp, L.P., United Kingdom
Tri-Med Specialties, Inc., Kansas
*YuHan-Kimberly, Limited, Korea

* Indicates a company that is not wholly owned directly or indirectly by the Corporation.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 33-49050, 33-58402, 33-64689, 333-02607, 333-06996, 333-17367, 333-43647, 333-94139, 333-51922, 333-61010, 333-62358, 333-89314, 333-104099, 333-115347, 333-155380, 333-161986, and 333-163891 all on Form S-8 and No. 333-144828 on Form S-3 of our reports dated February 24, 2010, relating to the consolidated financial statements and financial statement schedule of Kimberly-Clark Corporation and subsidiaries (the "Corporation") (which report expresses an unqualified opinion on those financial statements and financial statement schedule and includes an explanatory paragraph regarding the Corporation's adoption of new accounting standards for business combinations and noncontrolling interests in consolidated financial statements effective January 1, 2009, and for fair value measurements effective January 1, 2008) and the effectiveness of the Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Corporation for the year ended December 31, 2009.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Dallas, Texas
February 24, 2010

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 this 23rd day of February, 2010.

/s/ John R. Alm

John R. Alm

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 this 23rd day of February, 2010

/s/ Dennis R. Beresford

Dennis R. Beresford

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 this 23rd day of February, 2010.

/s/ John F. Bergstrom

John F. Bergstrom

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 this 23rd day of February, 2010.

/s/ Abelardo E. Bru

Abelardo E. Bru

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 this 23rd day of February, 2010

/s/ Robert W. Decherd

Robert W. Decherd

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ Mae C. Jemison

Mae C. Jemison

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 this 23rd day of February, 2010.

/s/ James M. Jenness

James M. Jenness

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 this 23rd day of February, 2010.

/s/ Ian C. Read

Ian C. Read

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ Linda Johnson Rice
Linda Johnson Rice

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 this 23rd day of February, 2010.

/s/ Marc J. Shapiro
Marc J. Shapiro

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, 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, 2009, 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 this 23rd day of February, 2010.

/s/ G. Craig Sullivan

G. Craig Sullivan

**Exhibit No. (31)a**

**CERTIFICATIONS**

I, Thomas J. Falk, certify that:

1. I have reviewed this annual report on Form 10-K of Kimberly-Clark Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 24, 2010

/s/ Thomas J. Falk
Thomas J. Falk
Chief Executive Officer

**Exhibit No. (31)b**

**CERTIFICATIONS**

I, Mark A. Buthman, certify that:

1. I have reviewed this annual report on Form 10-K of Kimberly-Clark Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 24, 2010

/s/ Mark A. Buthman
Mark A. Buthman
Chief Financial Officer

**Exhibit No. (32)a**

**Certification of Chief Executive Officer**

**Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code**

I, Thomas J. Falk, Chief Executive Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

(1) the Form 10-K, filed with the Securities and Exchange Commission on February 24, 2010 (“accompanied report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Thomas J. Falk
Thomas J. Falk
Chief Executive Officer
February 24, 2010

**Exhibit No. (32)b**

**Certification of Chief Financial Officer**

**Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code**

I, Mark A. Buthman, Chief Financial Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

(1) the Form 10-K, filed with the Securities and Exchange Commission on February 24, 2010 ("accompanied report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Mark A. Buthman

Mark A. Buthman
Chief Financial Officer
February 24, 2010