FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

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

For the quarterly period ended SEPTEMBER 30, 2001

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)

(972) 281-1200
(Registrant's telephone number, including area code)

NO CHANGE
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No
------. ------.

AS OF NOVEMBER 5, 2001, THERE WERE 525,152,502 SHARES OF THE CORPORATION'S COMMON STOCK OUTSTANDING.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

CONSOLIDATED INCOME STATEMENT
KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

	Three Months Ended September 30		Nine Months Ended September 30	
(Millions of dollars except per share amounts)	2001	2000	2001	2000
~~NET SALES . . . .~~	~~$3,710.0~~	~~$3,529.5~~	~~$10,852.6~~	~~$10,381.2~~
~~Cost of products sold . . . .~~	~~2,161.8~~	~~2,098.1~~	~~6,416.5~~	~~6,111.1~~
~~GROSS PROFIT~~	~~1,548.2~~	~~1,431.4~~	~~4,436.1~~	~~4,270.1~~
~~Advertising, promotion and selling expenses . . . . .~~	~~616.1~~	~~515.2~~	~~1,723.7~~	~~1,601.4~~

~~Research expense~~	~~73.9~~	~~67.4~~	~~215.8~~	~~197.0~~
~~General expense~~	~~189.0~~	~~174.0~~	~~551.2~~	~~540.5~~
~~Goodwill amortization~~	~~22.7~~	~~21.6~~	~~67.0~~	~~60.6~~
~~Other (income) expense, net~~	~~17.4~~	~~11.1~~	~~27.6~~	~~(88.5)~~
~~OPERATING PROFIT~~	~~629.1~~	~~642.1~~	~~1,850.8~~	~~1,959.1~~
~~Interest income~~	~~4.1~~	~~4.4~~	~~12.8~~	~~19.4~~
~~Interest expense~~	~~(46.5)~~	~~(58.8)~~	~~(145.4)~~	~~(162.2)~~
~~INCOME BEFORE INCOME TAXES~~	~~586.7~~	~~587.7~~	~~1,718.2~~	~~1,816.3~~
~~Provision for income taxes~~	~~173.7~~	~~181.0~~	~~512.9~~	~~566.1~~
~~INCOME BEFORE EQUITY INTERESTS~~	~~413.0~~	~~406.7~~	~~1,205.3~~	~~1,250.2~~
~~Share of net income of equity companies~~	~~30.2~~	~~52.4~~	~~122.3~~	~~141.1~~
~~Minority owners' share of subsidiaries' net income~~	~~(23.8)~~	~~(18.7)~~	~~(59.4)~~	~~(46.4)~~
~~NET INCOME~~	~~$ 419.4~~	~~$ 440.4~~	~~$ 1,268.2~~	~~$ 1,344.9~~
~~NET INCOME PER SHARE:~~				
~~Basic~~	~~$ .79~~	~~$ .82~~	~~$ 2.39~~	~~$ 2.48~~
~~Diluted~~	~~$ .79~~	~~$ .81~~	~~$ 2.37~~	~~$ 2.46~~
~~CASH DIVIDENDS DECLARED~~	~~$ .28~~	~~$ .27~~	~~$ .84~~	~~$ .81~~

~~Unaudited~~

~~See Notes to Consolidated Financial Statements.~~

CONDENSED CONSOLIDATED BALANCE SHEET
KIMBERLY CLARK CORPORATION AND SUBSIDIARIES

(Millions of dollars)	SEPTEMBER 30, 2001	December 31, 2000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.	$ 336.4	$ 206.5
Accounts receivable.	1,811.0	1,809.6
Inventories.	1,473.8	1,390.4
Other current assets	355.0	383.4
TOTAL CURRENT ASSETS	3,976.2	3,789.9
PROPERTY	12,858.0	12,014.8
Less accumulated depreciation.	5,539.4	5,096.3
NET PROPERTY	7,318.6	6,918.5
INVESTMENTS IN EQUITY COMPANIES.	695.5	798.8
GOODWILL, NET OF ACCUMULATED AMORTIZATION.	2,008.8	2,009.9
OTHER ASSETS	1,118.2	962.7
	$15,117.3	$14,479.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Debt payable within one year	$ 1,244.9	$ 1,490.5
Accounts payable	1,040.2	1,175.9
Accrued expenses	1,169.0	1,239.8
Other current liabilities.	778.3	667.7
TOTAL CURRENT LIABILITIES.	4,232.4	4,573.9
LONG TERM DEBT	2,113.8	2,000.6
NONCURRENT EMPLOYEE BENEFIT AND OTHER OBLIGATIONS. .	904.5	869.2
DEFERRED INCOME TAXES.	1,049.5	987.5
MINORITY OWNERS' INTERESTS IN SUBSIDIARIES	347.6	281.3
PREFERRED SECURITIES OF SUBSIDIARY	533.6	
STOCKHOLDERS' EQUITY	5,935.9	5,767.3
	$15,117.3	$14,479.8

Unaudited

See Notes to Consolidated Financial Statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
KIMBERLY CLARK CORPORATION AND SUBSIDIARIES

	Nine Months Ended September 30	
(Millions of dollars)	2001	2000
OPERATIONS		
Net income.	$1,268.2	$ 1,344.9
Depreciation.	475.4	444.3
Goodwill amortization	67.0	60.6
Changes in operating working capital.	(197.2)	(323.1)
Other	51.6	(8.6)
CASH PROVIDED BY OPERATIONS	1,665.0	1,518.1
INVESTING		
Capital spending.	(799.8)	(770.6)
Acquisitions of businesses, net of cash acquired. .	(97.6)	(169.3)
Proceeds from investments	25.7	38.9
Investments in marketable securities.	(19.7)	
Proceeds from notes receivable.		220.0
Other	(40.2)	(22.4)
CASH USED FOR INVESTING	(931.6)	(703.4)
FINANCING		
Cash dividends paid	(442.2)	(435.4)
Changes in debt payable within one year	(23.4)	541.4
Increases in long term debt	60.4	336.8
Decreases in long-term debt	(252.6)	(316.2)
Issuance of preferred securities of subsidiary. . .	516.5	-
Proceeds from exercise of stock options	87.2	45.6
Acquisitions of common stock for the treasury . . .	(547.7)	(1,087.5)
Other	(1.7)	.9
CASH USED FOR FINANCING	(603.5)	(914.4)
INCREASE(DECREASE)IN CASH AND CASH EQUIVALENTS. . . .	$ 129.9	$ (99.7)

Unaudited

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
KIMBERLY CLARK CORPORATION AND SUBSIDIARIES

1. The unaudited consolidated financial statements of Kimberly Clark Corporation (the "Corporation") have been prepared on a basis consistent with that used in the Annual Report on Form 10 K for the year ended December 31, 2000, and include all normal recurring adjustments necessary to present fairly the condensed consolidated balance sheet, consolidated income statement and condensed consolidated cash flow statement for the periods indicated.

Statements of Financial Accounting Standards ("SFAS") 141, Business Combinations, and 142, Goodwill and Other Intangible Assets, were issued in June 2001. SFAS 141 became effective July 1, 2001 and SFAS 142 is effective for fiscal years beginning after December 15, 2001. Under these new standards, goodwill and intangible assets having indefinite lives will no longer be amortized but will be subject to annual impairment tests. Other intangible assets will continue to be amortized over their estimated useful lives.

SFAS 142 will be adopted beginning in the first quarter of 2002. Application of the nonamortization provisions of SFAS 142 would have increased reported net income for the full year 2000 by approximately $88.3 million, or $.16 per share. During 2002, the Corporation will perform the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002.

SFAS 143, Accounting for Asset Retirement Obligations, was issued in June 2001 and is effective for fiscal years beginning after June 15, 2002. SFAS 143 requires that any legal obligation related to the retirement of long lived assets be quantified and recorded as a liability with the associated asset retirement cost capitalized on the balance sheet in the period it is incurred when a reasonable estimate of the fair value of the liability can be made.

SFAS 144, Accounting for the Impairment or Disposal of Long Lived Assets, was issued in August 2001 and is effective for fiscal years beginning after December 15, 2001. SFAS 144 provides a single, comprehensive accounting model for impairment and disposal of long lived assets and discontinued operations.

SFAS 143 and SFAS 144 will be adopted on their effective dates, and adoption is not expected to result in any material effects on the Corporation's financial statements.

In April 2001, the Emerging Issues Task Force ("EITF") of the Financial Accounting Standards Board issued EITF 00 25, Accounting for Consideration from a Vendor to a Retailer in Connection with the Purchase or Promotion of the Vendor's Products. Under EITF 00 25, the cost of promotion activities offered to customers will be classified as a reduction in sales revenue. The Corporation is currently reviewing the rule and plans to adopt EITF 00 25, as required, in the first quarter of 2002. Adoption is not expected to change reported earnings.

Also in April 2001, the EITF delayed implementation of EITF 00 14, Accounting for Certain Sales Incentives, to coincide with the implementation date for EITF 00 25. Under EITF 00 14, the estimated redemption value of consumer coupons must be recorded at the time the coupons are issued and classified as a reduction in sales revenue. The Corporation will adopt EITF 00 14 in the first quarter of 2002 and will reclassify the face value of coupons and similar discounts ("Discounts") as a reduction in revenue for all periods presented. Discounts recorded as promotion expense during the third quarter and nine months ended September 30, 2001 were approximately $48 million and $143 million, respectively. Discounts recorded as promotion expense during the third quarter and nine months ended September 30, 2000 were approximately $37 million and $132 million, respectively. Upon adoption of EITF 00 14, the Corporation will report a cumulative effect of a change in accounting principle, resulting from a change in the period for recognizing the face value of coupons, which at December 31, 2000 was estimated to be an after tax charge equal to approximately $.02 per share.

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

	Average Common Shares Outstanding			
	Third Quarter Ended Sept. 30		Nine Months Ended Sept. 30	
(Millions)	2001	2000	2001	2000
Basic	529.0	537.0	531.4	541.5
Dilutive effect of stock options	3.0	3.3	3.7	3.6
Dilutive effect of deferred compensation plan shares	.2	.2	.2	.1
Dilutive effect of shares issued for participation share awards				.4
Diluted	532.2	540.5	535.3	545.6

Options outstanding during the third quarter and nine months ended September 30, 2001 to purchase 5.9 million and 4.9 million shares of common stock, respectively, were not included in the computation of diluted EPS because the exercise prices of the options were greater than the average market price of the common shares.

Options outstanding during both the third quarter and nine months ended September 30, 2000 to purchase .6 million shares of common stock were not included in the computation of diluted EPS because the exercise prices of the options were greater than the average market price of the common shares.

The number of common shares outstanding as of September 30, 2001 and 2000 was 526.2 million and 533.6 million, respectively.

3. Details of inventories by major class as of September 30, 2001 and December 31, 2000 are as follows:

(Millions of dollars)	SEPTEMBER 30, 2001	December 31, 2000
At lower of cost on the First In, First Out (FIFO) method or market:		
Raw materials	$ 359.1	$ 387.2
Work in process	172.3	159.1
Finished goods	891.9	840.1
Supplies and other	224.7	220.0
	1,648.0	1,606.4
Excess of FIFO cost over Last In, First Out (LIFO) cost	(174.2)	(216.0)
Total	$1,473.8	$1,390.4

========	========

4. Detail of accrued consumer coupon redemption costs is as follows:

(Millions of dollars)	Third Quarter Ended Sept. 30		Nine Months Ended Sept.30	
	2001	2000	2001	2000
Beginning balance	$ 51.8	$ 53.9	$ 54.0	$ 58.7
Additions charged to expense.	40.1	43.0	117.9	121.5
Payments.	(38.3)	(29.6)	(116.4)	(106.4)
Changes in estimates.	(2.3)	(17.3)	(3.8)	(23.4)
Currency rate changes	-	(.3)	(.4)	(.7)
Ending balance.	$ 51.3	$ 49.7	$ 51.3	$ 49.7

5. Detail of comprehensive income is as follows:

(Millions of dollars)	Nine Months Ended Sept. 30	
	2001	2000
Net income.	$1,268.2	$1,344.9
Unrealized currency translation adjustments	(190.0)	(212.3)
Deferred gains on cash flow hedges, net of tax.	(1.2)	
Unrealized holding gains on securities.	.4	
Comprehensive income.	$1,077.4	$1,132.6

6. Information concerning consolidated operations by business segment is as follows:

(Millions of dollars)	Third Quarter Ended Sept.30		Nine Months Ended Sept.30	
	2001	2000	2001	2000
NET SALES:				
Tissue	$1,918.7	$1,845.3	$ 5,619.3	$ 5,423.3
Personal Care.	1,473.6	1,374.9	4,264.4	4,034.0
Health Care and Other.	327.0	322.3	999.7	962.0
Intersegment Sales	(9.3)	(13.0)	(30.8)	(38.1)
Consolidated	$3,710.0	$3,529.5	$10,852.6	$10,381.2
OPERATING PROFIT (reconciled to income before taxes):				
Tissue	$ 331.4	$ 335.4	$ 975.6	$ 961.0

Personal Care	289.1	287.5	816.9	836.9
Health Care and Other	47.9	46.4	143.1	137.1
Other income (expense), net	(17.4)	(11.1)	(27.6)	88.5
Unallocated items - net	(21.9)	(16.1)	(57.2)	(64.4)
Total Operating Profit	629.1	642.1	1,850.8	1,959.1
Interest income	4.1	4.4	12.8	19.4
Interest expense	(46.5)	(58.8)	(145.4)	(162.2)
Income Before Income Taxes	$ 586.7	$ 587.7	$ 1,718.2	$ 1,816.3

~~Description of Business Segments:~~

~~The Tissue segment manufactures and markets facial and bathroom tissue, paper towels, wipers and napkins for household and away from home use; wet wipes; printing, premium business and correspondence papers; and related products. Products in this segment are sold under the Kleenex, Scott, Kimberly-Clark, Kleenex Cottonelle, Kleenex Viva, Huggies, Kimwipes, WypAll, Surpass and other brand names.~~

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

~~The Health Care and Other segment manufactures and markets health care products such as surgical gowns, drapes, infection control products, sterilization wraps, disposable face masks and exam gloves, respiratory products and other disposable medical products; specialty and technical papers; and other products. Products in this segment are sold under the Kimberly-Clark, Safeskin, Tecnol, Ballard and other brand names.~~

~~Unaudited~~

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS:

THIRD QUARTER OF 2001 COMPARED WITH THIRD QUARTER OF 2000

By Business Segment
(Millions of dollars)

Net Sales	2001	2000
Tissue	$1,918.7	$1,845.3
Personal Care	1,473.6	1,374.9
Health Care and Other	327.0	322.3
Intersegment Sales	(9.3)	(13.0)
Consolidated	$3,710.0	$3,529.5

Commentary:

Consolidated net sales for the quarter increased 5.1 percent over 2000. Excluding currency effects, net sales increased about 8 percent, with improvement in each business segment. Sales volumes were approximately 6 percent higher and selling prices increased about 2 percent. Net sales in the third quarter of 2001 included approximately $120 million as a result of the Corporation's acquisition of an additional 5 percent of Kimberly-Clark Australia Pty. Limited ("KCA"), increasing ownership of its former equity affiliate to 55 percent. Consequently, effective July 1, KCA became a consolidated subsidiary.

- Worldwide net sales of tissue products rose 4.0 percent compared with the third quarter of 2000. Excluding currency effects, the sales gain was more than 6 percent. The consolidation of KCA made a significant contribution to the improvement and selling prices were approximately 2 percent higher, mainly due to price increases implemented in North America and Europe over the past year. In North America, sales of consumer tissue products climbed 10 percent, led by higher sales of Cottonelle and Scott bathroom tissue, Viva and Scott paper towels and Huggies baby wipes. In total, sales volumes increased 6 percent and prices were 4 percent higher. Sales volumes for away-from-home products in North America were more than 2 percent lower, with a sharp decline in sales following September 11. In other regions, sales volumes of tissue products rose more than 50 percent in Asia (8 percent excluding KCA), highlighted by continued good growth in Korea, but were lower by about 4 percent in Europe and 7 percent in Latin America.

- Worldwide net sales of personal care products rose 7.2 percent compared with the third quarter of 2000, and were up over 10 percent before currency effects. Sales volumes advanced about 10 percent, with increases in every region of the world, and selling prices were 1 percent higher. The sales volume gains were highlighted by continued double-digit growth in volumes of Huggies diapers in Europe, including the benefit of the January 2001 acquisition of Linostar Spa. ("Linostar") in Italy, and strong sales of Pull-Ups training pants, GoodNites youth pants and Little Swimmers swimpants in North America. Sales volumes also rose more than 40 percent in Asia (7 percent excluding KCA), with continuing market share gains in Korea, and were 11 percent higher in Latin America, despite difficult market conditions in Brazil.

- Worldwide net sales of health care and other products increased 1.5 percent. Sales of health care products were up about 6 percent, driven by growth in sales volumes of nearly 8 percent. The improvement, however, was largely offset by soft demand for other products in the segment.

Unusual Items:

During the third quarter and first nine months of 2001 and 2000, the Corporation recorded the following unusual items ("Unusual Items"), which for the purpose of facilitating a meaningful discussion of ongoing operations have been excluded in the "Excluding Unusual Items" columns in the Operating Profit tables.

	Third Quarter Ended September 30		Nine Months Ended September 30	
(Millions of dollars)	2001	2000	2001	2000
Charges (credits) to operating profit:				
Business improvement charges.	$ 6.5	$ 5.5	$48.8	$ 21.0
Business integration and other costs.	5.1	5.7	19.4	23.1
Litigation settlement		14.6		14.6
Patent settlement and accrued liability reversal. . . .				(75.8)
Total charges (credits)	$11.6	$25.8	$68.2	$(17.1)

Income Statement Classification of Unusual Items:

	Third Quarter Ended September 30		Nine Months Ended September 30	
(Millions of dollars)	2001	2000	2001	2000
Cost of products sold	$ 7.0	$ 4.3	$50.8	$ 23.3
Advertising, promotion and selling expenses	.7	2.0	2.7	5.5
Research expense.	-	.1	-	.1
General expense	3.9	4.8	14.2	15.2
Other (income) expense, net	-	14.6	.5	(61.2)
Total pretax charge (credit).	$11.6	$25.8	$68.2	$(17.1)

The 2001 business improvement charges primarily relate to workforce severance and asset consolidation programs to streamline personal care operations in North America and China. The 2000 charges primarily were for accelerated depreciation stemming from business improvement programs announced in 1998.

Costs to integrate acquired businesses into the Corporation's existing operations were recorded in both 2001 and 2000. Also in 2000, a downward revision in the estimated market value of certain nonproductive assets was recorded.

In the third quarter of 2000, the Corporation reached an agreement to settle litigation and accordingly recorded a charge related to this settlement.

In 2000, as part of a patent settlement, the Corporation was compensated for royalty income related to prior years. The settlement, together with the reversal of certain estimated accrued liabilities, related to the 1997 sale of a pulp and newsprint mill that ceased to be required, was recorded in other income.

Operating Profit	2001 AS REPORTED	2001 EXCLUDING UNUSUAL ITEMS	2000 As Reported	2000 Excluding Unusual Items
Tissue	$ 331.4	$334.0	$335.4	$340.2
Personal Care.	289.1	294.5	287.5	288.4
Health Care and Other.	47.9	51.5	46.4	51.9
Other income (expense), net. . .	(17.4)	(17.4)	(11.1)	3.5
Unallocated items - net.	(21.9)	(21.9)	(16.1)	(16.1)
Consolidated	$ 629.1	$640.7	$642.1	$667.9

Note: Unallocated items - net, consists of expenses not associated with the business segments.

Commentary:

Excluding Unusual Items, operating profit declined 4.1 percent to $640.7 million in the third quarter of 2001 compared with $667.9 million in 2000. Increased sales volumes and higher selling prices contributed positively. However, weakness of key currencies, including the Australian dollar, the euro, the British pound, the Brazilian real and the South Korean won reduced operating profit approximately $42 million compared with the third quarter of 2000. In addition, the third quarter of 2001 included net costs of $27 million related to the Corporation's new Cottonelle Fresh rollwipes operations and the start-up of three new tissue machines. Lower fiber costs of approximately $60 million were more than offset by a step up in advertising and promotion expenses for both new product introductions and increased levels of competitive activity.

- Operating profit for the tissue segment declined 1.8 percent from 2000, as higher costs, primarily for marketing support, equipment start-ups and energy, offset the combined benefits from higher sales, lower fiber costs and the consolidation of KCA.

- Operating profit for the personal care segment increased 2.1 percent compared with the third quarter of 2000. Segment results benefited from the sales volume increases and higher selling prices for diapers in North America and Europe. Operating profit in Latin America was below year-ago levels primarily due to the continued difficult operating environment in Brazil, where the decline in the value of the real has negatively affected market conditions and pricing.

- Operating profit for health care products increased approximately 20 percent from last year, but lower earnings for other products in the segment resulted in a .8 percent decline in operating profit for the health care and other segment.

- The change in other income (expense), net is primarily due to currency transactions, including losses in 2001 on forward contracts that hedge the currency exposure for the purchase of the remaining 45 percent interest of KCA.

By Geography
(Millions of dollars)

Net Sales	2001	2000
North America.	$2,445.3	$2,369.3
Outside North America.	1,419.4	1,256.7
Intergeographic Sales.	(154.7)	(96.5)
Consolidated	$3,710.0	$3,529.5

	2001		2000	
Operating Profit	AS REPORTED	EXCLUDING UNUSUAL ITEMS	As Reported	Excluding Unusual Items
North America	$538.0	$546.1	$560.0	$567.7
Outside North America	130.4	133.9	109.3	112.8
Other income (expense), net . .	(17.4)	(17.4)	(11.1)	3.5
Unallocated items net	(21.9)	(21.9)	(16.1)	(16.1)
Consolidated.	$629.1	$640.7	$642.1	$667.9

Note: Unallocated items - net, consists of expenses not associated with the geographic areas.

Commentary:

- - Net sales in North America increased 3.2 percent compared with 2000 principally due to the higher sales volumes and selling prices for consumer tissue and personal care products, and the higher sales volumes for health care products, tempered by the lower sales volumes for away-from-home products.

- - Net sales outside of North America rose 12.9 percent because of the increased diaper sales in Europe, the higher sales volumes in Korea and the consolidation of KCA, tempered by the negative currency effects.

Excluding the Unusual Items, operating profit in North America declined 3.8 percent because the higher start up, energy and marketing costs exceeded the effect of increased selling prices and sales volumes and lower fiber costs. Also, fringe benefit costs increased in 2001 compared with the prior year, primarily due to a decline in returns on pension assets.

Excluding the Unusual Items, operating profit outside of North America increased 18.7 percent primarily due to the improved results in Korea and the consolidation of KCA.

Additional Income Statement Commentary:

Interest expense decreased primarily due to lower interest rates.

Excluding the Unusual Items from both years, the effective tax rate was 29.8 percent in the third quarter of 2001 compared with 31.1 percent in 2000. The lower tax rate was primarily because the mix of the Corporation's income continues to shift to jurisdictions with lower effective tax rates and resolution of certain prior years' income tax matters.

~~The Corporation's share of net income of equity companies in the third quarter decreased to $30.2 million in 2001 from $52.4 million in 2000, primarily due to lower net income at Kimberly Clark de Mexico, S.A. de C.V. (KCM). A decline in the value of the Mexican peso was a key factor~~

contributing to the reduction in net income. In addition, KCM's sales and operating profit softened late in the quarter. The previously mentioned consolidation of KCA reduced the Corporation's share of net income of equity companies by approximately 14 percent. Also, weak results in 2001 at Klabin Kimberly S.A., the Corporation's tissue products joint venture in Brazil, was another factor affecting the comparison.

On a diluted basis, net income was $.79 per share in 2001 compared to $.81 per share in 2000, a decline of 2.5 percent. Excluding the Unusual Items, earnings from operations were $.80 per share in 2001 compared to $.84 in 2000, a decrease of 4.8 percent.

FIRST NINE MONTHS OF 2001 COMPARED WITH FIRST NINE MONTHS OF 2000

By Business Segment
(Millions of dollars)

Net Sales	2001	2000
Tissue	$ 5,619.3	$ 5,423.3
Personal Care	4,264.4	4,034.0
Health Care and Other	999.7	962.0
Intersegment Sales	(30.8)	(38.1)
Consolidated	$10,852.6	$10,381.2

	2001		2000	
Operating Profit	AS REPORTED	EXCLUDING UNUSUAL ITEMS	As Reported	Excluding Unusual Items
Tissue	$ 975.6	$ 988.6	$ 961.0	$ 984.3
Personal Care	816.9	861.2	836.9	841.8
Health Care and Other	143.1	153.5	137.1	153.0
Other income (expense), net	(27.6)	(27.1)	88.5	27.3
Unallocated items - net	(57.2)	(57.2)	(64.4)	(64.4)
Consolidated	$1,850.8	$1,919.0	$1,959.1	$1,942.0

Note: Unallocated items - net, consists of expenses not associated with the business segments.

Commentary:

Consolidated net sales for the first nine months of 2001 were 4.5 percent greater than in 2000. Excluding currency effects, net sales were more than 7 percent higher with improvement in each of the Corporation's business segments. Sales volumes were nearly 5 percent higher, including about 3 percentage points of the increase for the sales volumes of acquired companies: Linostar, KCA, Hogla Kimberly, Limited ("Hogla") and S-K Corporation. Selling prices increased over 2 percent.

Worldwide net sales of tissue products increased 3.6 percent over 2000. Excluding currency effects, net sales rose more than 6 percent. Sales volumes were more than 2 percent higher due to increased sales of bathroom tissue and Huggies baby wipes in North America and the consolidation of KCA. Selling prices were over 3 percent higher due to increases implemented in 2000.

Worldwide net sales of personal care products grew 5.7 percent and excluding currency effects, increased over 9 percent. Sales volumes advanced almost 8 percent, driven by the higher diaper sales in Europe and growth in Latin America and Asia, including the previously mentioned acquisitions. Selling prices increased slightly below 2 percent.

Worldwide net sales of health care and other products increased 3.9 percent from 2000 primarily due to higher sales volumes for health care products.

Excluding the Unusual Items, total operating profit decreased approximately 1 percent, however operating profit for each of the business segments improved in 2001 over 2000.

- Operating profit for the tissue segment gained less than 1 percent as the higher selling prices and sales volumes and reduced fiber costs were nearly offset by increased energy and equipment start-up costs, higher marketing expenses and unfavorable currency effects.

- Operating profit for the personal care segment advanced 2.3 percent due to the higher sales volumes and selling prices, tempered by increased marketing costs and currency effects.

Operating profit for the health care and other segment was slightly better than last year.

Other income (expense), net reflects currency transaction losses in 2001, including the KCA related losses on forward contracts, compared to gains in 2000. Also included in 2000 are gains on minor asset sales.

By Geography
(Millions of dollars)

By Business Segment
(Millions of dollars)

Net Sales	2001	2000
North America	$ 7,214.5	$ 6,972.0
Outside North America	4,052.0	3,696.1
Intergeographic Sales	(413.9)	(286.9)
Consolidated.	$10,852.6	$10,381.2

	2001		2000	
Operating Profit	AS REPORTED	EXCLUDING UNUSUAL ITEMS	As Reported	Excluding Unusual Items
North America	$1,606.8	$1,656.6	$1,622.5	$1,654.1
Outside North America	328.8	346.7	312.5	325.0
Other income (expense), net .	(27.6)	(27.1)	88.5	27.3
Unallocated items - net . . .	(57.2)	(57.2)	(64.4)	(64.4)
Consolidated.	$1,850.8	$1,919.0	$1,959.1	$1,942.0

Note: Unallocated items - net, consists of expenses not associated with the

~~geographic areas.~~

~~Commentary:~~

~~Net sales in North America rose 3.5 percent in 2001 because of the increased selling prices for tissue and personal care products and the higher sales volumes for bathroom tissue products.~~

Net sales outside of North America were 9.6 percent greater in 2001 as the higher selling prices for tissue in Europe and the increased sales volumes, in Europe for diapers, and in Asia, more than offset the unfavorable currency effects. Acquisitions and the consolidation of Hogla and KCA contributed approximately 7.6 percentage points of the improvement in sales volumes.

Excluding the Unusual Items in both years, operating profit in North America was essentially unchanged as the higher selling prices and sales volumes and lower fiber costs were offset by the increased energy and equipment start-up costs and higher marketing expenses. Fringe benefit costs increased because of the lower returns on pension assets in 2001 compared with 2000.

Excluding the Unusual Items in both years, operating profit outside North America increased 6.7 percent due to higher selling prices for tissue products in Europe and increased sales volumes that benefited from the consolidation of KCA, partially offset by overall higher marketing expenses and the unfavorable currency effects.

Additional Income Statement Commentary:

Interest expense decreased due to lower interest rates, partially offset by a higher average debt level.

Excluding the Unusual Items from both years, the effective tax rate was 30.1 percent in 2001 compared with 31.0 percent in 2000. The lower tax rate was primarily because the mix of the Corporation's income continues to shift to jurisdictions with lower effective tax rates and resolution of certain prior years' income tax matters.

The Corporation's share of net income of equity companies decreased 13.3 percent from 2000 principally due to the weak results at the Corporation's affiliate in Brazil and the previously mentioned consolidation of Hogla and KCA.

On a diluted basis, net income was $2.37 per share in 2001 compared with $2.46 per share in 2000, a decline of 3.7 percent. Excluding the Unusual Items in both years, earnings from operations were $2.45 per share in both years.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operations for the first nine months of 2001 increased by nearly $147 million. Approximately $143 million of this change was due to a difference in the timing of income tax payments because of a legislated change which deferred an estimated federal income tax payment from the third quarter of 2001 to the fourth quarter. Additionally, in 2000, cash inflows included approximately $55 million from the settlement of a patent dispute. In the first quarter of 2001, accrued expenses decreased nearly $70 million due to the payout of long-term incentive compensation, which will not recur in subsequent quarters of the year.

During the first nine months of 2001, the Corporation repurchased 9.1 million shares of its common stock at a cost of $562 million, including 4.4 million shares repurchased in the third quarter for $267 million.

At September 30, 2001 the Corporation's total debt and preferred securities was $3.9 billion compared with $3.5 billion at December 31, 2000. Net debt (total debt net of cash and cash equivalents) and preferred securities was $3.6 billion compared with $3.3 billion at December 31, 2000. The Corporation's ratio of net debt and preferred securities to capital was 36.1 percent, which was within its target range of 30 percent to 40 percent.

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

~~NEW PRONOUNCEMENTS~~

~~Statements of Financial Accounting Standards ("SFAS") 141, Business Combinations, and 142, Goodwill and Other Intangible Assets, were issued in June 2001. SFAS 141 became effective July 1, 2001 and SFAS 142 is effective for fiscal years beginning after December 15, 2001. Under these new standards, goodwill and intangible assets having indefinite lives will no longer be amortized but will be subject to annual impairment tests. Other intangible assets will continue to be amortized over their estimated useful lives.~~

~~SFAS 142 will be adopted beginning in the first quarter of 2002. Application of the nonamortization provisions of SFAS 142 would have increased reported net income for the full year 2000 by approximately $88.3 million, or $.16 per share. During 2002, the Corporation will perform the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002.~~

~~SFAS 143, Accounting for Asset Retirement Obligations, was issued in June 2001 and is effective for fiscal years beginning after June 15, 2002. SFAS 143 requires that any legal obligation related to the retirement of long lived assets be quantified and recorded as a liability with the associated asset retirement cost capitalized on the balance sheet in the period it is incurred when a reasonable estimate of the fair value of the liability can be made.~~

~~SFAS 144, Accounting for the Impairment or Disposal of Long Lived Assets, was issued in August 2001 and is effective for fiscal years beginning after December 15, 2001. SFAS 144 provides a single, comprehensive accounting model for impairment and disposal of long lived assets and discontinued operations.~~

~~SFAS 143 and SFAS 144 will be adopted on their effective dates, and adoption is not expected to result in any material effects on the Corporation's financial statements.~~

~~In April 2001, the Emerging Issues Task Force ("EITF") of the Financial Accounting Standards Board issued EITF 00-25, Accounting for Consideration from a Vendor to a Retailer in Connection with the Purchase or Promotion of the Vendor's Products. Under EITF 00-25, the cost of promotion activities offered to customers will be classified as a reduction in sales revenue. The Corporation is currently reviewing the rule and plans to adopt EITF 00-25, as required, in the first quarter of 2002. Adoption is not expected to change reported earnings.~~

~~Also in April 2001, the EITF delayed implementation of EITF 00-14, Accounting for Certain Sales Incentives, to coincide with the implementation date for EITF 00-25. Under EITF 00-14, the estimated redemption value of consumer coupons must be recorded at the time the coupons are issued and classified as a reduction in sales revenue. The Corporation will adopt EITF 00-14 in the first quarter of 2002 and will reclassify the face value of coupons and similar discounts ("Discounts") as a reduction in revenue for all periods presented. Discounts recorded as promotion expense during the third quarter and nine months ended September 30, 2001 were approximately $48 million and $143 million, respectively. Discounts recorded as promotion expense during the third quarter and nine months ended September 30, 2000 were approximately $37 million and $132 million, respectively. Upon adoption of EITF 00-14, the Corporation will report a cumulative effect of a change in accounting principle, resulting from a change in the period for recognizing the face value of coupons, which at December 31, 2000 was estimated to be an after tax charge equal to approximately $.02 per share.~~

ENVIRONMENTAL MATTERS

The Corporation has been named as a potentially responsible party at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on its business, financial condition or results of operations.

OUTLOOK

In an October 15, 2001 press release, the Corporation stated its belief that for the full year 2001 earnings per share from operations would be in a range of $3.20 to $3.30 per share. The Corporation attributed the width of the range in earnings to be due to the general uncertainties following the events of September 11, 2001. Nonetheless, currency effects, which have heavily penalized its results thus far this year, are expected to begin to moderate.

The Corporation also stated that it expects its consumer tissue, personal care and health care businesses to continue to show strong results. However, its K-C Professional operations, which supply products for office buildings, manufacturing facilities, hotels and other uses away from home and which represent roughly 15 percent of the Corporation's sales, is expected to face difficult market conditions in the near term. The Corporation believes that this business' products and services are preferred versus its competition, so that as the economy recovers, K-C Professional will benefit first. In addition, results from the Corporation's affiliate in Mexico are expected to remain soft in the near term as ripple effects of a weaker U.S. economy dampen already slowing growth rates for its markets.

Further, the Corporation does not expect that recent events will diminish its fundamental strengths or its attractive growth opportunities that are envisioned for its businesses. Therefore, the Corporation expects to maintain its 6 to 8 percent top line and double digit bottom line growth objectives going forward.

INFORMATION CONCERNING FORWARD LOOKING STATEMENTS

Certain information contained in this report is forward looking and is based on various assumptions. Such information includes, without limitation, anticipated financial and operating results, strategies, contingencies and contemplated transactions of the Corporation. These forward looking statements are based upon management's expectations and beliefs concerning future events impacting the Corporation. There can be no assurance that such events will occur or that their effects on the Corporation will be as currently expected. For a description of certain factors that could cause the Corporation's future results to differ materially from those expressed in any such forward looking statements, see the section of Part I, Item 1 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000 entitled "Factors That May Affect Future Results."

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

With respect to the Safeskin Securities Actions described in Part 1, Item 3 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000, a plaintiffs' class has been certified consisting of those who purchased Safeskin Corporation common stock during the period of April 18, 1998 through March 11, 1999. Discovery is continuing in this matter and the Corporation continues to contest liability in this matter.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

(3)a Restated Certificate of Incorporation, dated June 12, 1997, incorporated by reference to Exhibit No.(3)a of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.

(3)b By-Laws, as amended November 22, 1996, incorporated by reference to Exhibit No. 4.2 of the Corporation's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on December 6, 1996 (File No. 33-17367).

(4) Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission upon request.

(b) Reports on Form 8-K

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KIMBERLY-CLARK CORPORATION
(Registrant)

By: /s/ John W. Donehower

John W. Donehower
Senior Vice President and
Chief Financial Officer
(principal financial officer)

By: /s/ Randy J. Vest

Randy J. Vest
Vice President and Controller
(principal accounting officer)

November 8, 2001