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As filed with the Securities and Exchange Commission on July 24, 2007

Registration No. 333-

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

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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
(972) 281-1200
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Ronald D. Mc Cray, Esq.
Senior Vice President - Law and Government Affairs
and Chief Compliance Officer
Kimberly-Clark Corporation
P.O. Box 619100
Dallas, Texas 75261-9100
(972) 281-1200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are to be offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☒

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Offering Price	Amount of Registration Fee (1)
Debt securities				
Common stock, par value $1.25 per share				
Preferred stock, no par value				
Warrants				

(1) The registrant is registering hereby an indeterminate initial offering price and number or amount of securities of each identified class of securities as may from time to time be sold at indeterminate prices. Separate consideration may or may not be received for securities that are issuable on exercise, conversion

or exchange of other securities. In accordance with Rules 456(b) and 457(r), the registrant is deferring payment of all of the registration fee, except for $56,630 that has already been paid with respect to $700,000,000 aggregate initial offering price of securities that were previously registered pursuant to Registration Statement No. 333-105990 and were not sold thereunder.

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PROSPECTUS

Debt Securities
Common Stock
Preferred Stock
Warrants

This prospectus relates to debt securities, common stock, preferred stock and warrants that we may sell from time to time in one or more offerings. The debt securities, preferred stock and warrants may be convertible into or exercisable or exchangeable for shares of our common stock or other securities. We will provide specific terms of these sales in supplements to this prospectus.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. We will offer the securities in amounts, at prices and on terms to be determined by market conditions at the time of the offerings.

The common stock of Kimberly-Clark Corporation is listed on the New York Stock Exchange under the symbol “KMB.” Any common stock of Kimberly-Clark Corporation sold pursuant to a prospectus supplement will be listed on the NYSE, subject to official notice of issuance.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 24, 2007.

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You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. The date of this prospectus can be found on the first page. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or a prospectus supplement is accurate as of any date other than the date on the front of the document.

About This Prospectus

This prospectus is part of a "shelf" registration statement that we have filed with the Securities and Exchange Commission (the "SEC"). By using a shelf registration statement, we may sell, at any time and from time to time, in one or more offerings, any combination of the securities described in this prospectus. The exhibits to our registration statement contain the full text of certain contracts and other important documents we have summarized in this prospectus. Since these summaries may not contain all the information that you may find important in deciding whether to purchase the securities we offer, you should review the full text of these documents. The registration statement and the exhibits can be obtained from the SEC as indicated under the heading "Where You Can Find More Information."

This prospectus only provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that contains specific information about the terms of those securities. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described below under the heading "Where You Can Find More Information."

Unless we otherwise specify or the context otherwise requires, references to "Kimberly-Clark," "we," "us," and "our" refer to Kimberly-Clark Corporation and its consolidated subsidiaries.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy and information statements, and other information with the SEC. You may read and copy any document we file at the SEC's public reference rooms at 100 F Street NE, Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for more information concerning its public reference rooms and regional offices. Our SEC filings also are available to the public from the SEC's website at http://www.sec.gov and on our website at http://www.kimberly-clark.com. The information on our website is not part of this prospectus. You also may inspect our SEC reports and other information at the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC allows us to "incorporate by reference" the information we file with it, which means we can disclose information to you by referring you to those documents. Information incorporated by reference is part of this prospectus. Later information filed with the SEC automatically updates and supersedes information in this prospectus.

We incorporate by reference the documents listed below and any future filings made with the SEC under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until this offering is completed:

- Our annual report on Form 10-K for the year ended December 31, 2006.
- Our quarterly report on Form 10-Q for the quarter ended March 31, 2007.
- Our current reports on Form 8-K filed with the SEC on February 23, 2007, June 14, 2007 and July 24, 2007 (in each case only to the extent filed and not furnished).
- The financial statements and related schedule, and Report of Independent Registered Public Accounting Firm, contained in Exhibit 99.1 to the registration statement on Form S-3 of which this prospectus supplement forms a part.

We will provide to you at no charge, upon your written or oral request, a copy of these filings or any other information incorporated by reference in this prospectus, other than exhibits to the filings which are not specifically incorporated by reference. You may request this information by contacting us at Kimberly-Clark Corporation, P.O. Box 619100, Dallas, Texas 75261-9100 (telephone 972-281-1200); attention: Secretary of the Corporation.

Effective December 31, 2006, we adopted Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements Nos. 87, 88, 106 and 132R* ("SFAS 158"). SFAS 158 required us to record a transition adjustment to recognize the funded status of postretirement defined benefit plans – measured as the difference between the fair value of plan assets and the benefit obligations – in our balance sheet after adjusting for derecognition of our minimum pension liability as of December 31, 2006. We complied with the provisions of SFAS 158; however, we incorrectly presented the effect of this transition adjustment as part of 2006 comprehensive income on our Consolidated Statement of Stockholders' Equity. The Consolidated Statement of Stockholders' Equity in Exhibit 99.1 to the registration statement on Form S-3 of which this prospectus forms a part presents comprehensive income excluding the SFAS 158 transition adjustment.

On June 14, 2007, we filed a Form 8-K that recast the presentation of our reportable segments for all periods reported in our annual report on Form 10-K for the year ended December 31, 2006 to conform to the new reporting structure initially presented in our quarterly report on Form 10-Q for the quarter ended March 31, 2007. In addition, in those financial statements, we removed the above-referenced transition adjustment from the presentation of comprehensive income. The accompanying Consolidated Financial Statements, included as Exhibit 99.1 to the registration statement on Form S-3 of which this prospectus forms a part, include in Note 1 thereof explanatory language regarding the presentation of the transition adjustment that was not contained in the Form 8-K filed June 14, 2007.

Description of Kimberly-Clark

Kimberly-Clark is a global health and hygiene company focused on product innovation and building its personal care, consumer tissue, K-C Professional and Other, and health care operations. Kimberly-Clark and its subsidiaries manufacture and market a wide range of health and hygiene products around the world. Most of these products are made from natural or synthetic fibers using advanced technologies in fibers, nonwovens and absorbency.

Kimberly-Clark 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 our executive managers develop and execute our global strategies to drive growth and profitability of our 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.

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 and Kimcare brand names.

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

Kimberly-Clark was incorporated in Delaware in 1928 as the successor to a business established in 1872. Our principal executive offices are located at 351 Phelps Drive, Irving, Texas 75038 and our telephone number is (972) 281-1200.

Ratio of Earnings to Fixed Charges

Our consolidated ratio of earnings to fixed charges for each of the periods indicated is as follows:

Three Months Ended	Year Ended December 31,				
March 31, 2007	2006	2005	2004	2003	2002
8.18x	7.76x	8.89x	10.85x	9.86x	10.18x

For the purpose of calculating these ratios, “earnings” are defined as income from continuing operations before income taxes, interest expense, an interest factor attributable to rent expense, amortization of capitalized interest and distributed income of equity affiliates in which at least 20% but less than 50% is owned. “Fixed charges” consist of interest expense, capitalized interest and an interest factor attributable to rent expense.

Use of Proceeds

We intend to use the net proceeds from the sales of securities as set forth in the applicable prospectus supplement.

Description of Debt Securities

The general provisions of the debt securities are described below. The specific terms of the debt securities and the extent, if any, to which the general provisions may not apply will be described in a prospectus supplement.

The debt securities will be issued under the first amended and restated indenture dated as of March 1, 1988, as amended by the first, second, third and fourth supplemental indentures dated as of November 6, 1992, May 25, 1994, March 14, 2002 and December 19, 2006, respectively. The Bank of New York Trust Company, N.A. (as the successor trustee) is the trustee under such indenture.

We have summarized the material provisions of the indenture below. The indenture has been filed as an exhibit to the registration statement and you should read the indenture for a complete statement of the provisions summarized in this prospectus and for provisions that may be important to you. For information on obtaining a copy of the indenture, see “Where You Can Find More Information” in this prospectus.

General

The debt securities will be unsecured obligations and will rank equally and ratably with all of our other currently outstanding unsecured and unsubordinated debt. In addition to the debt securities that we may offer in this prospectus, we may issue additional debt in an unlimited amount in one or more series under the indenture or other agreements. This additional debt may contain provisions different from those included in the indenture or applicable to one or more series of debt securities.

Prospectus Supplement

You should refer to the prospectus supplement for the following specific terms of the debt securities:

- their title;
- any limits on their aggregate principal amount;
- the initial offering price(s) at which they will be sold;
- the dates on which the principal will be payable;
- the rate(s) (which may be fixed or variable) at which they will bear interest, if any, and the date(s) from which the interest, if any, will accrue;
- the date(s) on which the interest, if any, will be payable and any record dates for the interest payments;
- any sinking fund or similar provisions, whether mandatory or at your option, along with the periods, prices and terms of redemption, purchase or repayment;
- any provisions for redemption or purchase, at our option or otherwise, including the periods, prices and terms of redemption or purchase;
- the amount or percentage payable if their maturity is accelerated, if other than the entire principal amount;
- the currency of our payments of principal, premium, if any, and interest, and any index used to determine the amounts of such payments;
- any defeasance provisions with respect to the amount we owe, restrictive covenants and/or events of default; and

- any other terms in addition to those described in this prospectus.

We may issue debt securities as original issue discount securities to be offered and sold at a substantial discount from their principal amount. Special federal income tax, accounting and other considerations relating to original issue discount securities will be described in the prospectus supplement.

Unless otherwise indicated in the prospectus supplement, the covenants contained in the indenture and the debt securities would not necessarily protect you in the event of a highly leveraged or other transaction to which we are or may become a party.

Restrictive Covenants

Meanings of Terms.

- When we use the term "attributable debt" in the context of a sale and lease-back transaction, we mean the present value of our obligation to pay rent. We exclude from this calculation any amounts we pay for maintenance and repairs, insurance, taxes, assessments, water rates or similar charges, or amounts contingent upon sales amounts.
- When we use the term "consolidated net tangible assets," we mean the total amount of our assets minus (a) applicable reserves, (b) current liabilities which are not extendible or renewable into, and do not reflect current maturities of, long-term debt, and (c) intangible assets. Our consolidated net tangible assets include any attributable debt with respect to a sale and lease-back transaction which is not capitalized on our balance sheet.
- When we use the term "principal property," we mean any of our United States manufacturing facilities, mills or plants which has an individual gross book value in excess of 1% of our consolidated net tangible assets and which is owned by us or any restricted subsidiary. If our board of directors decides that any facility is not of material importance, it will not be considered a principal property.
- When we use the term "restricted subsidiary," we mean any of our subsidiaries (a) which has substantially all of its property or conducts substantially all of its business in the United States, and (b) which owns a principal property. The term does not include subsidiaries whose business consists principally of financing or leasing activities.
- When we use the term "sale and lease-back transaction," we mean any arrangement where we or any restricted subsidiary lease a principal property from a third party and the principal property has been or is to be sold or transferred by us or the restricted subsidiary to the third party with the intention of taking back the lease. The term does not include temporary leases of three years or less or certain intercompany leases.

Liens. Section 1004 of the indenture provides that we will not, and will not permit any restricted subsidiary to, issue, assume or guarantee any debt secured by a mortgage, security interest, pledge or lien (hereafter called "mortgage") of or on any principal property, or any shares of capital stock or debt of any restricted subsidiary, without also providing that the debt securities (together with, if we determine, any other indebtedness issued, assumed or guaranteed by us or any restricted subsidiary and then existing or thereafter created) shall be secured by the mortgage equally and ratably with or prior to such debt. This restriction does not apply to:

- mortgages on any property acquired, constructed or improved by, or on any shares of capital stock or debt acquired by, us or any restricted subsidiary to secure debt which finances all or any part of (a) the purchase price of the property, shares or debt, or (b) the cost of constructing or improving the property, and which debt is incurred prior to or within 360 days after the acquisition, completion of construction or commencement of commercial operation of the property;

- mortgages on any property, shares of capital stock or debt existing at the time we or any restricted subsidiary acquires the property, shares or debt;
- mortgages on property of a corporation existing at the time that corporation merges or consolidates with us or any restricted subsidiary or at the time that corporation sells or transfers all or substantially all of its properties to us or any restricted subsidiary;
- mortgages on any property, shares of capital stock or debt of any corporation existing at the time that corporation becomes a restricted subsidiary;
- mortgages to secure intercompany debt among us and/or any of our restricted subsidiaries;
- mortgages in favor of governmental bodies to secure advance or progress payments or to secure the purchase price of the mortgaged property; and
- extensions, renewals or replacements of any existing mortgage or any mortgage referred to above.

In addition, we or any restricted subsidiary may, without equally and ratably securing the debt securities, issue, assume or guarantee debt secured by a mortgage not excepted above, if the aggregate amount of the debt, together with (a) all other debt secured by mortgages not so excepted, and (b) the attributable debt with respect to sale and lease-back transactions, does not at the time exceed 5% of our consolidated net tangible assets. For purposes of clause (b) of this calculation, certain sale and lease-back transactions in which the attributable debt has been applied to the optional prepayment or retirement of long-term debt are excluded.

Arrangements under which we or any restricted subsidiary transfer an interest in timber but retain an obligation to cut the timber in order to provide the transferee with a specified amount of money will not create a mortgage or a sale and lease-back transaction prohibited by the indenture.

Sale and Lease-Back Transactions. Section 1005 of the indenture provides that neither we nor any restricted subsidiary may engage in sale and lease-back transactions with respect to any principal property unless:

- we or the restricted subsidiary are able, without equally and ratably securing the debt securities, to incur debt secured by a mortgage on the property pursuant to the exceptions described in “Liens” above;
- we or the restricted subsidiary are able, without equally and ratably securing the debt securities, to incur debt secured by a mortgage on the property in an amount at least equal to the attributable debt with respect to the transaction; or
- within 360 days after the effective date of the transaction, we or the restricted subsidiary apply an amount equal to the attributable debt with respect to the transaction to the optional prepayment or retirement of our long-term debt or that of any restricted subsidiary.

Consolidations, Mergers and Sales of Assets

Section 801 of the indenture provides that we may consolidate with or merge into, and sell or transfer all or substantially all of our property and assets to, any other corporation. The corporation formed by the consolidation or into which we merge, or the corporation which acquires all or substantially all of our property and assets, must assume, by execution of a supplemental indenture, our obligations to:

- pay the principal of, premium, if any, and interest on the debt securities when due; and
- perform and observe all the terms, covenants and conditions of the indenture.

If, upon the consolidation, merger, sale or transfer, any principal property or any shares of capital stock or debt of any restricted subsidiary would become subject to a mortgage, security interest, pledge or lien securing any debt of, or guaranteed by, the other corporation, we must secure, prior to the consolidation, merger, sale or transfer, the payment of the principal of, premium, if any, and interest on the debt securities equally and ratably with or prior to the debt secured by the mortgage, security interest, pledge or lien. This provision would not apply to any mortgage which would be permitted under "Liens" above.

Events of Default

Section 501 of the indenture provides that the following are events of default with respect to debt securities of any series:

- our failure to pay principal or premium, if any, on any debt security of that series when due;
- our failure to pay interest on any debt security of that series when due, continued for 30 days;
- our failure to make any sinking fund payment, when due, in respect of any debt security of that series;
- our failure to perform any other covenant or agreement in the indenture that is applicable to debt securities of that series, continued for 90 days after written notice;
- certain events involving bankruptcy, insolvency or reorganization; and
- any other event of default applicable to debt securities of that series.

An event of default with respect to a particular series of debt securities (except as to matters involving bankruptcy, insolvency or reorganization) does not necessarily mean that there is an event of default with respect to any other series of debt securities.

If an event of default occurs and continues, the trustee or the holders of at least 25% of the outstanding debt securities of that series may declare those debt securities to be due and payable. However, at any time after such a declaration of acceleration has been made, but before the stated maturity of the debt securities, the holders of a majority of the outstanding debt securities of that series may, subject to certain conditions, rescind and annul the acceleration if all events of default with respect to the debt securities, other than the non-payment of accelerated principal, have been cured or waived. You should refer to the prospectus supplement relating to any series of debt securities which are original issue discount securities for particular provisions relating to acceleration of a portion of the principal amount of the original issue discount securities upon the occurrence and continuance of an event of default.

Subject to the trustee's duties in the case of an event of default, the trustee is not required to exercise any of its rights or powers under the indenture at the request or direction of any holder unless one or more of them shall have offered reasonable indemnity to the trustee. Subject to this indemnification provision and certain other rights of the trustee, the holders of a majority of the outstanding debt securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of that series.

No holder of any debt security of any series will have the right to institute any proceeding with respect to the indenture, unless:

- the holder shall have previously notified the trustee of a continuing event of default with respect to debt securities of that series and the holders of at least 25% of the outstanding debt securities of that series shall have requested, and offered reasonable indemnity to, the trustee to institute the proceeding;
- the trustee shall not have received from the holders of a majority of the outstanding debt securities of that series a direction inconsistent with the request; and

- the trustee shall have failed to institute the proceeding within 60 days.

However, the holder of any debt security will have an absolute and unconditional right to receive payment of the principal of, premium, if any, and interest on the debt security on or after the applicable due dates and to sue for the enforcement of any such payment.

The indenture requires us to furnish to the trustee annually a statement as to the absence of certain defaults under the indenture. The indenture provides that the trustee may withhold notice to the holders of debt securities of any series of any non-monetary default with respect to debt securities of the series if it considers it in the interest of the holders to do so.

Defeasance and Covenant Defeasance

Section 402 of the indenture provides that we may be discharged from most of our obligations in respect of the outstanding debt securities of any series if we irrevocably deposit with the trustee money and/or United States government securities which, together with the income from those securities, are sufficient to pay the principal of, premium, if any, and each installment of interest on the outstanding debt securities of the series on the stated maturity or redemption date, as the case may be. This arrangement requires that we (a) deliver to the trustee an opinion of counsel that we have received an Internal Revenue Service ruling, or a ruling of the Internal Revenue Service has been published that in the opinion of counsel establishes, that holders of the outstanding debt securities of the series will have no federal income tax consequences as a result of the deposit, defeasance and discharge, (b) deliver to the trustee an opinion of counsel that the outstanding debt securities of the series, if then listed on any securities exchange, will not be delisted as a result of the deposit, defeasance and discharge, and (c) deliver to the trustee an officer's certificate and opinion of counsel, each stating that all conditions precedent to the deposit, defeasance and discharge have been met.

Section 1006 of the indenture provides that we need not comply with certain restrictive covenants, including those described under — "Liens" and — "Sale and Lease-back Transactions" above, and that our failure to comply would not be an event of default under the outstanding debt securities of any series, if we deposit with the trustee money and/or United States government securities which, together with the income from those securities, are sufficient to pay the principal of, premium, if any, and each installment of interest on the outstanding debt securities of the series on the stated maturity or redemption date, as the case may be. Our other obligations under the indenture and the outstanding debt securities of the series would remain in full force and effect. This arrangement requires that we deliver to the trustee an opinion of counsel that (a) the holders of the outstanding debt securities of the series will have no federal income tax consequences as a result of the deposit and defeasance, (b) the outstanding debt securities of the series, if then listed on any securities exchange, will not be delisted as a result of the deposit and defeasance, and (c) deliver to the trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent relating to the defeasance have been complied with.

In the event the outstanding debt securities of the applicable series are declared due and payable because of the occurrence of an event of default other than that described in the preceding paragraph, the amount of money and government securities on deposit with the trustee may not be sufficient to pay amounts due on the outstanding debt securities of the series at the time of the acceleration resulting from the event of default. However, we will remain liable to pay these amounts.

Amendments to the Indenture and Waiver of Covenants

Section 902 of the indenture provides that we may amend the indenture with the consent of the holders of at least 66 2/3% of the outstanding debt securities of each series affected by the amendments. However, unless we have the consent of each holder of the affected debt securities, we may not:

- change the maturity date of the principal amount of, or any installment of principal of or interest on, any debt security;

- reduce the principal amount of, premium, if any, or any interest on, any debt security or reduce the amount of principal of an original issue discount security that would be due and payable upon acceleration;
- change the place or currency of payment of the principal of, premium, if any, or interest on, any debt security;
- impair your right to sue for payment with respect to any debt security after its maturity date; or
- reduce the percentage of outstanding debt securities of any series which is required to consent to an amendment of the indenture or to waive our compliance with certain provisions of the indenture or certain defaults.

The holders of 66 2/3% of the outstanding debt securities of any series may, on behalf of the holders of all debt securities of that series, waive our compliance with certain restrictive covenants of the indenture. The holders of a majority of the outstanding debt securities of any series may, on behalf of the holders of all debt securities of that series, waive any past default under the indenture with respect to that series, except (a) a default in the payment of the principal of, premium, if any, or interest on any debt security of that series, or (b) in respect of a provision which under the indenture cannot be amended without the consent of each holder of the affected debt securities.

Payments, Transfer and Exchange

Unless otherwise indicated in the prospectus supplement, we will make payments of principal, premium, if any, and interest on the debt securities, and you may exchange and transfer the debt securities, at the office of the trustee at The Bank of New York Trust Company, N.A., 601 Travis, Floor 16, Houston, Texas 77002. We may elect to pay any interest by check mailed by first class mail to the address of the person entitled to receive the payment as it appears in the trustee's security register.

We will not charge you for any transfer or exchange of debt securities, but we may require you to pay any related tax or other governmental charge.

Form of Debt Securities

The debt securities will be issued in registered form. We will issue debt securities only in denominations of $1,000 or integral multiples of that amount, unless the prospectus supplement states otherwise.

Unless the prospectus supplement otherwise provides, debt securities will be issued in the form of one or more global securities. This means that we will not issue certificates to each holder. Rather, we would issue global securities in the total principal amount of the debt securities distributed in that series.

Global Securities

In General. Debt securities in global form will be deposited with or on behalf of a depositary. Global securities are represented by one or more certificates for the series registered in the name of the depositary or its nominee. Debt securities in global form may not be transferred except as a whole among the depositary, a nominee of or a successor to the depositary, or any nominee of that successor. Unless otherwise identified in the prospectus supplement, the depositary will be The Depository Trust Company.

No Depositary or Global Securities. If a depositary for a series of debt securities is unwilling or unable to continue as depositary, and a successor is not appointed by us within 90 days, we will issue that series of debt securities in registered form in exchange for the global security or securities of that series. We also may determine at any time in our discretion not to use global securities for any series. In that event, we will issue debt securities in registered form.

Ownership of the Global Securities; Beneficial Ownership. So long as the depositary or its nominee is the registered owner of a global security, that entity will be the sole holder of the debt securities represented by that instrument. We and the trustee are only required to treat the depositary or its nominee as the legal owner of the debt securities for all purposes under the indenture.

A purchaser of debt securities represented by a global security will not be entitled to receive physical delivery of certificated securities, will not be considered the holder of those securities for any purpose under the indenture, and will not be able to transfer or exchange the global security, unless the prospectus supplement provides to the contrary. As a result, each beneficial owner must rely on the procedures of the depositary to exercise any rights of a holder under the indenture. In addition, if the beneficial owner is not a direct or indirect participant in the depositary, the beneficial owner must rely on the procedures of the participant through which it owns its beneficial interest in the global security. We understand that under existing industry practice, in the event we request any action of holders of debt securities or an owner of a beneficial interest in the global securities desires to take any action that the depositary, as the holder of the global securities, is entitled to take, the depositary would authorize the participants to take such action, and that the participants would authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

The laws of some jurisdictions require that certain purchasers of securities take physical delivery of the securities in certificated form. Those laws and the above conditions may impair the ability to transfer beneficial interests in the global securities.

Book-Entry System

The debt securities may be issued in the form of one or more fully registered global securities which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the “depositary”) and registered in the name of the depositary’s nominee. Except as set forth below, the global securities may be transferred, in whole and not in part, only to the depositary or another nominee of the depositary.

Upon the issuance of the global securities, the depositary will credit, on its book-entry registration and transfer system, the respective principal amounts of the debt securities represented by such global securities to the accounts of participants. The accounts to be credited shall be designated by the underwriters. Ownership of beneficial interests in the global securities will be limited to participants or persons that may hold interests through participants. Ownership of interests in the global securities will be shown on, and the transfer of those ownership interests will be effected only through, records maintained by the depositary (with respect to participants’ interests) and such participants (with respect to the owners of beneficial interests in the global securities through such participants).

We expect that the depositary, upon receipt of any payment of principal or interest in respect of the global securities, will credit immediately participants’ accounts with payment in amounts proportionate to their respective beneficial interests in the principal amount of the global securities as shown on the records of the depositary. We also expect that payments by participants to owners of beneficial interests in the global securities held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such participants. None of Kimberly-Clark, the trustee or any agent of Kimberly-Clark or the trustee will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the global securities for any debt securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between the depositary and its participants or the relationship between such participants and the owners of beneficial interests in the global securities owned through such participants.

Unless and until they are exchanged in whole or in part for certificated debt securities in definitive form, the global securities may not be transferred except as a whole by the depositary to a nominee of such depositary or by a nominee of such depositary to such depositary or another nominee of such depositary.

The debt securities represented by the global securities are exchangeable for certificated debt securities in definitive registered form of like tenor as such securities in denominations of $1,000 and in any greater amount that is an integral multiple thereof if (i) the depositary notifies us that it is unwilling or unable to continue as depositary

for the global securities or if at any time the depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, or (ii) we in our discretion at any time determine not to have all of the debt securities represented by the global securities and we notify the trustee thereof. Any global securities that are exchangeable pursuant to the preceding sentence are exchangeable for certificated debt securities issuable in authorized denominations and registered in such names as the depositary shall direct. Subject to the foregoing, the global securities are not exchangeable, except for a global security or global securities of the same aggregate denominations to be registered in the name of the depositary or its nominee.

Same-Day Settlement and Payment

Settlement by the purchasers of the debt securities will be made in immediately available funds. All payments by us to the depositary of principal and interest will be made in immediately available funds.

The debt securities will trade in the depositary's settlement system until maturity, and therefore the depositary will require secondary trading activity in the debt securities to be settled in immediately available funds.

The Depository Trust Company

The following is based on information furnished by The Depository Trust Company ("DTC") and applies to the extent it is the depositary, unless otherwise stated in the prospectus supplement:

Registered Owner. The debt securities will be issued as fully registered securities in the name of Cede & Co., which is DTC's partnership nominee. No single global security will be issued in a principal amount of more than $500 million. The trustee will deposit the global securities with DTC. The deposit of the global securities with DTC and their registration in the name of Cede & Co. will not change the beneficial ownership of the securities.

DTC Organization. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of that law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Direct participants include securities brokers and dealers, banks, trust companies, mutual funds firms and certain other organizations who directly participate in DTC. Other entities indirectly participate in DTC and may access DTC's system by clearing transactions through or maintaining a custodial relationship with direct participants, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

DTC Activities. DTC holds securities that its participants deposit with it. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts. This eliminates the need for physical movement of securities certificates.

Participants' Records. Except as otherwise provided in the prospectus supplement, the debt securities must be purchased by or through direct participants, which will receive a credit for the debt securities on DTC's records. The beneficial owner's ownership interest in the debt securities is in turn recorded on the direct or indirect participants' records. Beneficial owners will not receive written confirmations from DTC of their purchase, but they are expected to receive them, along with periodic statements of their holdings, from the direct or indirect participants through whom they purchased the debt securities.

Transfers of ownership interests in the global securities will be made on the books of the participants on behalf of the beneficial owners. Certificates representing the interests of the beneficial owners in the debt securities will not be issued unless the use of global securities is suspended, as discussed above.

DTC has no knowledge of the actual beneficial owners of the global securities. Its records only reflect the identity of the direct participants as owners of the debt securities. Those participants may or may not be the beneficial owners. Participants are responsible for keeping account of their holdings on behalf of their customers.

Notices Among DTC, Participants and Beneficial Owners. Notices and other communications by DTC, its participants and the beneficial owners will be governed by standing arrangements among them, subject to any legal requirements in effect.

Voting Procedures. Neither DTC nor Cede & Co. will give consents for or vote the global securities. DTC generally mails an omnibus proxy to us just after any applicable record date. That proxy assigns Cede & Co.'s consenting or voting rights to the direct participants to whose accounts the securities are credited at that time.

Payments. Principal and interest payments made by us will be delivered to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date unless it has reason to believe it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for customers in bearer form or registered in "street name." Those payments will be the responsibility of that participant, and not DTC, the trustee or us, subject to any legal requirements in effect at that time.

We are responsible for paying principal, interest and premium, if any, to the trustee, which is responsible for making those payments to DTC. DTC is responsible for disbursing those payments to direct participants. The participants are responsible for disbursing payments to the beneficial owners.

Governing Law

New York law will govern the indenture and the debt securities.

Description of Capital Stock

Set forth below is a description of our capital stock. The following description is a summary and is subject to the provisions of our certificate of incorporation, our by-laws and the relevant provisions of the law of the State of Delaware.

Common Stock

We are currently authorized to issue up to 1,200,000,000 shares of common stock, par value $1.25 per share. As of June 30, 2007, we had outstanding 455,781,274 shares of our common stock. The shares of common stock outstanding are fully paid and nonassessable.

Holders of our common stock are entitled to share equally and ratably in any dividends and in any assets available for distribution on liquidation, dissolution or winding-up, subject, if preferred stock is then outstanding, to any preferential rights of such preferred stock. Each share of common stock entitles the holder of record to one vote at all meetings of stockholders, and the votes are noncumulative. The common stock is not redeemable, has no subscription or conversion rights and does not entitle the holder to any preemptive rights.

Dividends may be paid on our common stock out of funds legally available for dividends, as and when declared from time to time by our board of directors.

Computershare Investor Services is the transfer agent and registrar for our common stock.

Preferred Stock

We are also authorized to issue up to 20,000,000 shares of preferred stock, no par value per share, in one or more series. If preferred stock is issued, our board of directors may fix the designation, relative rights, preferences and limitations of the shares of each series. As of July 24, 2007, no shares of preferred stock were issued and outstanding.

Description of Warrants

We may issue warrants, in one or more series, for the purchase of debt securities or shares of our common stock, par value $1.25 per share. Warrants may be issued independently or together with our debt securities or common stock and may be attached to or separate from any offered securities. In addition to this summary, you should refer to the detailed provisions of the specific warrant agreement for complete terms of the warrants and the warrant agreement. Each warrant agreement will be between us and a banking institution organized under the laws of the United States or a state thereof. Further terms of the warrants and the applicable warrant agreement will be set forth in the applicable prospectus supplement.

A prospectus supplement accompanying this prospectus relating to a particular series of warrants to issue debt securities or common stock will describe the terms of those warrants, including:

- the title and the aggregate number of warrants;
- the debt securities or common stock for which each warrant is exercisable;
- the date or dates on which the right to exercise such warrants commence and expire;
- the price or prices at which such warrants are exercisable;
- the currency or currencies in which such warrants are exercisable;
- the periods during which and places at which such warrants are exercisable;
- the terms of any mandatory or optional call provisions;
- the price or prices, if any, at which the warrants may be redeemed at the option of the holder or will be redeemed upon expiration;
- the identity of the warrant agent; and
- the exchanges, if any, on which such warrants may be listed.

Plan of Distribution

We may sell the offered securities (a) through agents; (b) through underwriters or dealers; (c) directly to one or more purchasers; or (d) through a combination of any of these methods of sale. We will identify the specific plan of distribution, including any underwriters, dealers, agents or direct purchasers and their compensation in a prospectus supplement.

Legal Matters

Unless otherwise specified in the prospectus supplement accompanying this prospectus, Ronald D. Mc Cray, Esq., our Senior Vice President – Law and Government Affairs and Chief Compliance Officer, will provide opinions regarding the authorization and validity of the securities offered by this prospectus. If certain legal matters in connection with an offering of the securities made by this prospectus and a related prospectus supplement are passed on by counsel for the underwriters of such offering, that counsel will be named in the applicable prospectus supplement related to that offering.

Experts

The financial statements and related financial statement schedule included as Exhibit 99.1 to the registration statement on Form S-3, of which this prospectus forms a part, and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from the Current Report on Form 8-K of Kimberly-Clark Corporation dated June 14, 2007 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports appearing or incorporated by reference herein (which reports (1) express an unqualified opinion on the financial statements and financial statement schedule and include an explanatory paragraph referring to the adoption of Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment*, on January 1, 2006, the adoption of Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, on December 31, 2006, and the adoption of Financial Accounting Standards Board Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*, on December 31, 2005, (2) express an unqualified opinion on management's assessment regarding the effectiveness of internal control over financial reporting, and (3) express an unqualified opinion on the effectiveness of internal control over financial reporting), and have been so included or incorporated by reference in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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PROSPECTUS

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. *Other Expenses of Issuance and Distribution*

The following is a statement of the estimated expenses (other than underwriting compensation) to be incurred by us in connection with a distribution of an assumed amount of $2,500,000,000 of securities registered under this registration statement. The assumed amount has been used to demonstrate the expenses of an offering and does not represent an estimate of the amount of securities that may be registered or distributed because such amount is unknown at this time.

Securities and Exchange Commission registration fee(1)	$ 76,750
Accounting fees and expenses	150,000
Trustees and Warrant Agents' fees and expenses (including counsel fees)	50,000
Legal fees and expenses	150,000
Blue Sky filing and counsel fees	10,000
Printing and engraving fees	25,000
Rating Agency fees	325,000
Miscellaneous	38,250
Total	$825,000

(1) In accordance with Rules 456(b) and 457(r), the registrants are deferring payment of all of the registration fee, except for $56,630 that has already been paid with respect to $700,000,000 aggregate initial offering price of securities that were previously registered pursuant to Registration Statement No. 333-105990, and were not sold thereunder.

ITEM 15. *Indemnification of Directors and Officers*

The Corporation's By-laws (the "By-laws") provide, among other things, that the Corporation shall

(i) indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, or, in the case of an officer or director of the Corporation, is or was serving as an employee or agent of a partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful; and

(ii) indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, or, in the case of an officer or director of the Corporation, is or was serving as an employee or agent of a partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Notwithstanding the foregoing, the Corporation is not required to indemnify any director or officer of the Corporation in connection with a proceeding (or portion thereof) initiated by such director or officer against the Corporation or any directors, officers or employees thereof unless (i) the initiation of such proceeding (or portion thereof) was authorized by the Board of Directors of the Corporation or (ii) notwithstanding the lack of such authorization, the person seeking indemnification is successful on the merits. The By-laws further provide that the indemnification provided therein shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled.

Section 145 of the General Corporation Law of the State of Delaware authorizes indemnification by the Corporation of directors and officers under the circumstances provided in the provisions of the By-laws described above, and requires such indemnification for expenses actually and reasonably incurred to the extent a director or officer is successful in the defense of any action, or any claim, issue or matter therein. The Corporation has purchased insurance which purports to insure the Corporation against certain costs of indemnification which may be incurred by it pursuant to the By-laws and to insure the directors and officers of the Corporation, and of its subsidiary companies, against certain liabilities incurred by them in the discharge of their functions as such directors and officers, except for liabilities resulting from their own malfeasance.

ITEM 16. ***Exhibits***

Exhibit No.	Document
1.1	Form of Underwriting Agreement (Debt).
1.2*	Form of Underwriting Agreement (Equity).
1.3*	Form of Underwriting Agreement (Warrants).
4.1	Amended and Restated Certificate of Incorporation, dated April 26, 2007 (incorporated by reference to Exhibit (3)a to the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007).
4.2	By-Laws, as amended September 14, 2006 (incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated September 18, 2006).
4.3	First Amended and Restated Indenture dated as of March 1, 1988 (the "Indenture") between the Corporation and Bank of America National Trust and Savings Association, as successor Trustee ("BOA") (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-3 filed on February 2, 1998 (Registration No. 333-45399)).
4.4	Three forms of Debt Securities (included in Exhibit 4.1 at pages A-1 through C-5) (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-3 filed on February 2, 1998 (Registration No. 333-45399)).
4.5	First Supplemental Indenture, dated as of November 6, 1992, to the Indenture (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-3 filed on June 17, 1994 (Registration No. 33-54177)).
4.6	Second Supplemental Indenture, dated as of May 25, 1994, to the Indenture (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-3 filed on June 17, 1994 (Registration No. 33-54177)).
4.7	Fourth Supplemental Indenture, dated as of December 19, 2006, to the Indenture.
4.8	Instrument of Resignation, Appointment and Acceptance dated as of December 12, 1995 among the Corporation, BOA and Bank One Trust Company, N. A. (as successor in interest to The First National Bank of Chicago), as successor Trustee (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form S-3 filed on February 2, 1998 (Registration No. 333-45399)).
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5.1	Opinion of Ronald D. Mc Cray, Esq.
12.1	Statement re Computation of Ratio of Earnings to Fixed Charges.
23.1	Consent of Deloitte & Touche LLP.
23.2	Consent of Ronald D. Mc Cray, Esq. (contained in his opinion filed as Exhibit 5.1).
24.1	Powers of Attorney.
25.1	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of The Bank of New York Trust Company, N.A.
99.1	Consolidated Financial Statements.

* To be filed by amendment or as an exhibit with a subsequent Current Report on Form 8-K in connection with a specific offering.

ITEM 17. ***Undertakings***

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) If the registrant is relying on Rule 430B:

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x)

for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Kimberly-Clark Corporation certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Irving, Texas, on the 24th day of July, 2007.

KIMBERLY-CLARK CORPORATION

By: /s/ Mark A. Buthman
Mark A. Buthman
Senior Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Thomas J. Falk Thomas J. Falk	Chairman of the Board and Chief Executive Officer and Director (principal executive officer)	July 24, 2007
/s/ Mark A. Buthman Mark A. Buthman	Senior Vice President and Chief Financial Officer (principal financial officer)	July 24, 2007
/s/ Randy J. Vest Randy J. Vest	Vice President and Controller (principal accounting officer)	July 24, 2007

Directors

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

By: /s/ Ronald D. Mc Cray
Ronald D. Mc Cray
Attorney-in-Fact

July 24, 2007

EXHIBIT INDEX

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* To be filed by amendment or as an exhibit with a subsequent Current Report on Form 8-K in connection with a specific offering.

Exhibit 1.1

Kimberly-Clark Corporation

Debt Securities

Underwriting Agreement General Terms and Conditions

Dated _____, _____

Kimberly-Clark Corporation, a Delaware corporation (the "Company"), proposes to issue and sell from time to time certain of its debt securities (the "Securities") registered under the Securities Act of 1933, as amended (the "Act"), as set forth in Section 2. The Securities are to be issued in one or more series under one or more indentures between the Company and such banking institutions, as trustees, as, in the case of any such indenture or any such trustee, is designated in Schedule II to the Underwriting Agreement (as defined below) relating to any such series (each indenture and trustee so designated with respect to any such series being hereinafter referred to as the "Indenture" and the "Trustee", respectively).

From time to time, the Company may enter into one or more underwriting agreements that provide for the sale of the Securities specified in Schedule II to such underwriting agreement to the underwriter or several underwriters named to Schedule I to such underwriting agreement (the "Underwriters"). The general terms and conditions set forth herein may be incorporated by reference in any such underwriting agreement (an "Underwriting Agreement"). The Underwriting Agreement, including the provisions incorporated therein by reference, is herein referred to as this Agreement.

1. The Company proposes to issue and sell the Securities in one or more series, which series may vary as to their terms (including, but not limited to, interest rate, maturity, any redemption provisions and any sinking fund requirements), all of such terms for any particular series being determined at the time of sale. All or a portion of particular series of the Securities will be purchased by the Underwriters for resale upon terms of offering determined at the time of sale. The Securities so to be purchased in any such offering are hereinafter referred to as the "Designated Securities", and any firm or firms named in Schedule I-A to the Underwriting Agreement as acting as representatives of such Underwriters are hereinafter referred to as the "Representatives". If the firm or firms named in Schedule I-A to the Underwriting Agreement include only the firm or firms named in Schedule I to the Underwriting Agreement, the terms "Underwriters" and "Representatives" shall each be deemed to refer to such firm or firms. The term "Underwriters' Securities" means Designated Securities other than Contract Securities. The term "Contract Securities" means Designated Securities, if any, to be purchased pursuant to Delayed Contracts (as defined in Section 3 hereof) below.

The obligations of the Underwriters under this Agreement are several and not joint.

2. The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement in respect of the Securities has been filed with the Securities and Exchange Commission (the "Commission") and has become effective under the Act, in the form heretofore delivered or hereafter to be delivered to the Representatives and, excluding exhibits to such registration statement, but including all documents incorporated by reference therein on or prior to the date of this Agreement, to the Representatives for each of the other Underwriters; such registration statement, including all exhibits thereto but excluding Form T-1, and the prospectus included in such registration statement, each as amended at the date of this Agreement, being hereinafter called the "Registration Statement" and the "Basic Prospectus", respectively. As used in this Agreement, "Preliminary Prospectus", if any, means the Basic Prospectus together with the Preliminary Prospectus Supplement, if any, referred to in Schedule II to the Underwriting Agreement. As used in this Agreement, "Prospectus" means the Basic Prospectus together with the final prospectus supplement specifically relating to the Designated Securities in the definitive form filed pursuant to Rule 424 under the Act after the date and time this Agreement is executed and delivered by the parties hereto. Any reference herein to the Basic Prospectus, and Preliminary Prospectus, if any, or the Prospectus shall be deemed to refer to and include the documents or portions thereof incorporated by reference therein pursuant to the applicable form under the Act; and any reference to any amendment or supplement to the Basic Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents or portions thereof filed after the date of this Agreement under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and so incorporated by reference.

(b) At or prior to the time when sales of the Designated Securities were first made (the "Time of Sale"), the Company had prepared the following information (collectively, the "Time of Sale Information"): the Preliminary Prospectus and each "free writing prospectus" (as defined pursuant to Rule 405 under the Securities Act) listed on Schedule III to the Underwriting Agreement.

(c) The Registration Statement and the Prospectus conform, and any further amendments or supplements thereto, when they become effective or are filed with the Commission, will conform, in all material respects to the requirements of the Act and the Trust Indenture Act of 1939 (the "Trust Indenture Act") and the rules and regulations adopted by the Commission; the Registration Statement and the Basic Prospectus, on each effective date of the Registration Statement (and any amendment thereto) did not contain and will not contain, and on the date of execution of this Agreement did not contain, any untrue statement of a material fact or omit to state a material fact required to be stated therein or

necessary to make the statements therein not misleading; and the Prospectus does not, and any amendments or supplements thereto, when they become effective or are filed with the Commission, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; the Time of Sale Information, at the Time of Sale did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties contained in this paragraph (c) shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by any Underwriter through the Representatives expressly for use therein.

(d) The Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not made an offer to sell or solicitation of an offer to buy the Designated Securities pursuant to a "written communication" (as defined in Rule 405 under the Act) (each such communication by the Company or its agents and representatives (other than a communication referred to in clauses (i) (ii) and (iii) below) an "Issuer Free Writing Prospectus") other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Act or Rule 134 under the Act, (ii) the Preliminary Prospectus, if any, (iii) the Prospectus, (iv) the documents listed on Schedule III to the Underwriting Agreement and (v) any electronic road show or other written communications, in each case approved in advance by the Representatives. Each such Issuer Free Writing Prospectus complied in all material respects with the Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Act (to the extent required thereby) and, when taken together with any Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Issuer Free Writing Prospectus. Each Issuer Free Writing Prospectus does not include any information that conflicts with the information contained in the Registration Statement, including any document incorporated by reference and any prospectus supplement deemed to be a part thereof that has not been superseded or modified.

(e) The Company is a corporation validly existing and in good standing under the laws of the jurisdiction of its incorporation, with corporate power to own its properties and conduct its business as described in the Registration Statement, the Time of Sale Information and the Prospectus.

(f) Deloitte & Touche LLP, who have audited certain financial statements of the Company and its subsidiaries, are independent public accountants with respect to the Company and its subsidiaries as required by the Act.

(g) The financial statements of the Company and its consolidated subsidiaries, together with related schedules and notes filed as a part of or incorporated by reference in the Registration Statement, Time of Sale Information or the Prospectus comply in all material respects with the applicable requirements of the Act and the Exchange Act, as applicable, and fairly present the financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations and changes in financial position for the periods specified, and have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved, except as disclosed in such financial statements.

(h) The Company has designed and maintains internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act, "Reporting Controls"); and the Reporting Controls are (i) designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and include, without limitation, those processes specifically referred to in Rule 13a-15(f) and (ii) effective to perform the functions for which they are maintained.

(i) The Company maintains systems of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(j) The Company and its directors or officers, in their capacities as such, have complied in all material respects with the provisions of the Sarbanes Oxley Act of 2002 and the rules and regulations promulgated in connection therewith, including Section 402 related to loans and Sections 302 and 906 related to certifications.

(k) The Company is not an ineligible issuer and is a well-known seasoned issuer, in each case as defined under the Act, in each case at the times specified in the Act in connection with the offering of the Designated Securities.

(l) The Company will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause

or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Designated Securities.

3. Upon authorization by the Representatives of the release of the Underwriters' Securities, the several Underwriters propose to offer the Underwriters' Securities for sale upon the terms and conditions set forth in the Prospectus.

The Company may specify in Schedule II to the Underwriting Agreement that the Underwriters are authorized to solicit offers to purchase Designated Securities, in the maximum aggregate principal amount specified in such Schedule II, from the Company pursuant to delayed delivery contracts (herein called "Delayed Delivery Contracts"), substantially in the form of Annex I attached hereto but with such changes therein as the Representatives and the Company may authorize or approve. If so specified, the Underwriters will endeavor to make such arrangements, and as compensation therefor the Company will pay to the Representatives, for the accounts of the Underwriters, at the Time of Delivery (as defined in Section 4 hereof), a commission in the amount set forth in such Schedule II. Delayed Delivery Contracts, if any, are to be with institutional investors of the types approved by the Company and set forth in the Prospectus and subject to other conditions therein set forth. The Underwriters will not have any responsibility in respect of the validity or performance of any Delayed Delivery Contracts.

The principal amount of Contract Securities to be deducted from the principal amount of Designated Securities to be purchased by each Underwriter as set forth in Schedule I to the Underwriting Agreement shall be, in each case, the principal amount of Contract Securities which the Company has been advised by the Representatives has been attributed to such Underwriter, provided that, if the Company has not been so advised, the amount of Contract Securities to be so deducted shall be, in each case, that proportion of Contract Securities which the principal amount of Designated Securities to be purchased by such Underwriter under this Agreement bears to the total principal amount of the Designated Securities (rounded as the Representatives may determine to the nearest $1,000 principal amount). The total principal amount of Underwriters' Securities to be purchased by all the Underwriters pursuant to this Agreement shall be the total principal amount of Designated Securities set forth in Schedule I to the Underwriting Agreement less the principal amount of the Contract Securities. The Company will deliver to the Representatives not later than 3:30 p.m., New York time, on the third business day preceding the Time of Delivery (or such other time and date as the Representatives and the Company may agree upon in writing) a written notice setting forth the principal amount of Contract Securities.

4. Underwriters' Securities to be purchased by each Underwriter pursuant to this Agreement, in definitive form, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Company, shall be delivered by or on behalf of the Company to the Representatives for the account of such Underwriter, against payment by such Underwriter or on its behalf of the purchase price therefor by wire transfer of immediately available funds to the account specified by the Company to the Underwriter

at least forty-eight hours in advance, all at the place and time and date specified in such Schedule II or at such other place and time and date as the Representatives and the Company may agree upon in writing, such time and date being herein called the "Time of Delivery".

Concurrently with the delivery of and payment for the Underwriters' Securities, the Company will deliver to the Representatives for the accounts of the Underwriters by wire transfer of immediately available funds to the order of the party designated in Schedule II to this Agreement in the amount of the compensation payable by the Company to the Underwriters in respect of any Delayed Contracts as provided in Section 3 hereof and in such Schedule II.

5. The Company acknowledges and agrees with each of the Underwriters of the Designated Securities:

(a) That the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of the Designated Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person; neither any Representative nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction; the Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto; and any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company;

(b) To make no amendment or supplement to the Registration Statement, the Time of Sale Information or Prospectus after the execution of this Agreement and prior to the Time of Delivery without furnishing prior thereto a copy of each such amendment or supplement to the Representatives; to advise the Representatives promptly of any such amendment or supplement after the Time of Delivery, to furnish the Representatives with copies of any such amendment or supplement after the Time of Delivery and to file promptly all documents required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, in each case for so long as the delivery of a prospectus is required in connection with the offering or sale of the Designated Securities; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has become effective or when any supplement to the Prospectus or any amended Prospectus has been filed, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or any supplement thereto or any amended Preliminary Prospectus or Prospectus, of the suspension of the qualification of the Designated Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or

Prospectus or for additional information; and in the event of the issuance of any stop order or of any order preventing or suspending the use of the Prospectus or any supplement thereto or any amended Prospectus or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal;

(c) Before using any Issuer Free Writing Prospectus to make an offer to sell or solicitation of an offer to buy the Designated Securities, and before filing with the Commission any Issuer Free Writing Prospectus or any amendment or supplement to the Registration Statement or the Prospectus, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not use or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably object.

(d) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Designated Securities for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Designated Securities, provided that, in connection therewith, the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(e) To furnish the Underwriters with copies of the Prospectus and each Issuer Free Writing Prospectus in such quantities as the Representatives may from time to time reasonably request, and, if the delivery of a prospectus is required at any time and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented or any Issuer Free Writing Prospectus would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus or Issuer Free Writing Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary to amend or supplement the Prospectus or Issuer Free Writing Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus or Issuer Free Writing Prospectus in order to comply with the Act, the Exchange Act or the Trust Indenture Act, to notify the Representatives and upon the request of the Representatives so to amend or supplement the Prospectus or Issuer Free Writing Prospectus or file such document, as the case may be, and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended Prospectus or Issuer Free Writing Prospectus or a supplement to the Prospectus or Issuer Free Writing Prospectus which will correct such statement or omission or effect such compliance;

(f) To make generally available to its security holders not later than eighteen months after the date of this Agreement an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and

covering a period of at least twelve consecutive months beginning after the date of this Agreement;

(g) During the period beginning on the date of this Agreement and continuing to and including the earlier of (i) the termination of trading restrictions on the Designated Securities, as notified to the Company by the Representatives, and (ii) the Time of Delivery, not to offer, sell, contract to sell or otherwise dispose of any debt securities of the Company which mature more than one year after the Time of Delivery and which are substantially similar to the Designated Securities, without the prior written consent of the Representatives; and

(h) The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Act.

6. Each Underwriter hereby represents and agrees with the Company as follows:

(a) It (including its agents and representatives) has not and will not use, authorize use of, refer to, or participate in the planning for use of, any "free writing prospectus", as defined in Rule 405 under the Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a "written communication" that would not trigger an obligation to file such free writing prospectus with the Commission pursuant to Rule 433, (ii) any Issuer Free Writing Prospectus listed on Schedule III to the Underwriting Agreement or prepared pursuant to Section 2(d) or Section 5(c) above (including any electronic road show), or (iii) any free writing prospectus prepared by such underwriter and approved by the Company in advance in writing. Notwithstanding the foregoing, the Underwriters may use a term sheet substantially in the form of or containing the information set forth in Schedule IV to the Underwriting Agreement without the consent of the Company.

(b) It is not subject to any pending proceeding under Section 8A of the Act with respect to the offering (and will promptly notify the Company if any such proceeding against it is initiated during the Prospectus Delivery Period); as used herein, the term "Prospectus Delivery Period" means such period of time after the first date of the public offering of the Designated Securities as in the opinion of counsel for the Underwriters a prospectus relating to the Designated Securities is required by law to be delivered (or required to be delivered but for Rule 172 under the Act) in connection with sales of the Designated Securities by any Underwriter or dealer).

7. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Securities under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Time of Sale Information and the Prospectus and

amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing any Agreement among Underwriters, this Agreement, the Indenture, any Delayed Delivery Contracts, any Blue Sky and Legal Investment Memoranda and any other documents in connection with the offering, purchase, sale and delivery of the Designated Securities; (iii) all expenses in connection with the qualification of the Designated Securities for offering and sale under state securities laws as provided in Section 5(c) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky and legal investment surveys; (iv) any fees charged by securities rating services for rating the Designated Securities; (v) any filing fees incident to any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Designated Securities; (vi) the cost of preparing certificates for the Designated Securities; (vii) the fees and expenses of the Trustee under the Indenture and any agent of the Trustee and the fees and disbursements of any counsel for the Trustee in connection with the Indenture and the Designated Securities; and (viii) all other reasonable costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, Section 9 and Section 12 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Designated Securities by them, and any advertising expenses connected with any offers they may make.

8. The obligations of the Underwriters of the Designated Securities hereunder shall be subject, in their discretion, to the condition that all representations and warranties of the Company herein are, at and as of the Time of Delivery, true and correct in all material respects, the condition that the Company shall have performed in all material respects all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceeding for that purpose shall have been initiated or, to the best knowledge of the Company, threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Representatives' reasonable satisfaction;

(b) Counsel for the Underwriters shall have furnished to the Representatives such opinion or opinions, dated the date of the Time of Delivery, in form and substance reasonably satisfactory to the Representatives, with respect to the (i) incorporation of the Company, (ii) the validity of the Indenture, the Designated Securities and the Delayed Delivery Contracts, if any, (iii) the Registration Statement, the Time of Sale Information and the Prospectus, and (iv) such other matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) The General Counsel of the Company shall have furnished to the Representatives his written opinion, dated the date of the Time of Delivery, in form and substance reasonably satisfactory to the Representatives, to the effect that:

(i) The Company is a corporation validly existing and in good standing under the laws of the jurisdiction of its incorporation, with corporate power to own its properties and conduct its business as described in the Registration Statement, the Time of Sale Information and the Prospectus;

(ii) To the best of such counsel's knowledge there is no pending or threatened action, suit or proceeding before any court or governmental agency, authority or body involving the Company or any of its properties required to be disclosed in the Registration Statement which is not adequately disclosed in the Registration Statement, Time of Sale Information or the Prospectus; and such counsel does not know of any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be incorporated by reference into the Registration Statement, Time of Sale Information or the Prospectus, or required to be described in the Registration Statement, Time of Sale Information or the Prospectus, which are not filed or incorporated by reference or described as required;

(iii) This Agreement and all Delayed Delivery Contracts, if any, have been duly authorized, executed and delivered by the Company;

(iv) The Designated Securities have been duly authorized by the Company and, when duly executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters, in the case of the Underwriters' Securities, or by the purchasers thereof pursuant to Delayed Delivery Contracts, in the case of any Contract Securities, will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting enforcement of creditors' rights and to general equity principles; and the Designated Securities and the Indenture conform in all material respects to the description thereof in the Preliminary Prospectus, if any, and the Prospectus;

(v) The Indenture has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding agreement of the Company, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting enforcement of creditors'

rights and to general equity principles; and the Indenture has been duly qualified under the Trust Indenture Act;

(vi) The issuance and sale of the Designated Securities and the compliance by the Company with the provisions of the Designated Securities, the Indenture, each of the Delayed Delivery Contracts, if any, and this Agreement and the consummation of the transactions relating to the Designated Securities contemplated herein and therein will not conflict with or result in a breach of the terms or provisions of, or constitute a default under, any indenture, loan agreement or other agreement or instrument in respect of indebtedness for money borrowed known to such counsel to which the Company is a party or by which the Company is bound or, to the knowledge of such counsel, any other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, nor will such action result in any violation of the provisions of the Restated Certificate of Incorporation, as amended, or the By-Laws of the Company or, to the knowledge of such counsel, any statute or any order, rule or regulation of any court or regulatory authority or other governmental agency or body having jurisdiction over the Company or any of its properties; and no consent, approval, authorization, order, registration or qualification of or with any court or any such regulatory authority or other governmental agency or body is required for the issuance and sale by the Company of the Designated Securities or the consummation of the transactions relating to the Designated Securities contemplated by this Agreement or the Indenture or any of such Delayed Delivery Contracts, except such as have been obtained under the Act and the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws;

(vii) The documents or portions thereof, if any, incorporated by reference in the Registration Statement, the Preliminary Prospectus, if any, and the Prospectus (other than the financial statements, related schedules and other financial and statistical information included therein, as to which such counsel need express no opinion), when they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act and the related rules and regulations adopted by the Commission; and

(viii) The Registration Statement, the Preliminary Prospectus, if any, and the Prospectus (other than the financial statements, related schedules and other financial and statistical information included therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the Trust Indenture Act and the rules and regulations thereunder; and, although such counsel is not passing upon, and does not assume responsibility for the

accuracy, completeness or fairness of statements contained in the Registration Statement, the Time of Sale Information or the Prospectus (except as to the matters specified in the last clause of subparagraph (iv) of this paragraph (c)), nothing has come to the attention of such counsel that causes such counsel to believe that the Registration Statement (other than the financial statements, related schedules and other financial and statistical information included therein, as to which such counsel need express no opinion), at each time the Registration Statement became effective, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading, or that the Time of Sale Information (other than the financial statements, related schedules and other financial and statistical information included therein, as to which such counsel need express no opinion) as of the Time of Sale and the Prospectus (other than the financial statements, related schedules and other financial and statistical information included therein, as to which such counsel need express no view) as of its date and as of the Time of Delivery included any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(d) On the date of this Agreement and at the Time of Delivery, Deloitte & Touche LLP shall have furnished to the Representatives letters in form and substance reasonably satisfactory to the Representatives, to the effect set forth in Schedule V to the Underwriting Agreement;

(e) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest financial statements contained in the Time of Sale Information and the Prospectus any loss or interference material to the business of the Company and its subsidiaries taken as a whole from fire, explosion, flood or other calamity or from any labor dispute or court or governmental action, order or decree and (ii) since the respective dates as of which information is given in the Time of Sale Information and the Prospectus there shall not have been any material change in the capital stock or long-term debt of the Company or any material adverse change, or any development which will result in a material adverse change, in the business, financial position, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole, otherwise (in any such case described in clause (i) or (ii) hereof) than as set forth or contemplated in the Time of Sale Information and the Prospectus, the effect of which (in any such case described in clause (i) or (ii) hereof) is in the reasonable judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Designated Securities on the terms and in the manner contemplated in the Time of Sale Information and the Prospectus;

(f) Subsequent to the execution of this Agreement, there shall not have occurred any downgrading in any rating accorded to the Company's senior

debt securities by Moody's Corporation or Standard & Poor's Securities, Inc.; provided, however, that this paragraph (f) shall not apply to either of such rating agencies which shall have notified the Representatives of the rating of the Designated Securities prior to the execution of this Agreement;

(g) Subsequent to the execution of this Agreement, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) trading of any securities of the Company shall have been suspended on any exchange on which such securities are listed or traded; (iii) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred; (iv) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities; or (v) the engagement by the United States in hostilities which have resulted in the declaration, on or after the date of this Agreement, of a national emergency or war, the effect of which (in any such case described in clause (i), (ii), (iii), (iv) or (v) hereof) in the reasonable judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Designated Securities on the terms and in the manner contemplated in the Time of Sale Information and the Prospectus; and

(h) The Company shall have furnished or caused to be furnished to the Representatives at the Time of Delivery one or more certificates of officers of the Company reasonably satisfactory to the Representatives as to the accuracy in all material respects of the representations and warranties of the Company herein at and as of the Time of Delivery, as to the performance in all material respects by the Company of all of its obligations hereunder to be performed at or prior to the Time of Delivery, and as to the matters set forth in paragraph (a) and clauses (i) and (ii) of paragraph (e) of this Section 8, with the certificate based upon knowledge or belief as to proceedings initiated or threatened referred to in such paragraph (a) and as to the matters referred to in clauses (i) and (ii) of such paragraph (e).

9. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Issuer Free Writing Prospectus, the Time of Sale Information, any Preliminary Prospectus, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged

omission made in the Registration Statement, any Issuer Free Writing Prospectus, the Time of Sale Information, any Preliminary Prospectus, the Prospectus, or any such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use therein.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Issuer Free Writing Prospectus, the Time of Sale Information, the Preliminary Prospectus, if any, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Issuer Free Writing Prospectus, the Time of Sale Information, the Preliminary Prospectus, if any, the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section 9 is unavailable to an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof)

in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Designated Securities to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from such offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Designated Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section 9 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 9 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Act.

10. (a) If any Underwriter shall default in its obligation to purchase the Underwriters' Securities which it has agreed to purchase under this Agreement, the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Underwriters' Securities on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Underwriters' Securities, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Underwriters' Securities on such terms. In the event that, within the respective prescribed periods, the Representatives notify the Company that they have so arranged for the purchase of such Underwriters' Securities, or the Company notifies the Representatives that it has so arranged for the purchase of such Underwriters' Securities, the Representatives or the Company shall have the right to postpone the Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the opinion of the Representatives may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement.

(b) If, after giving effect to any arrangements for the purchase of the Underwriters' Securities of a defaulting Underwriter or Underwriters by the Representatives, by the Company, or by both, as the case may be, as provided in subsection (a) above, the aggregate principal amount of such Underwriters' Securities which remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Designated Securities, then the Company shall have the right to require each non-defaulting Underwriter to purchase the principal amount of Underwriters' Securities which such Underwriter agreed to purchase under this Agreement and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the principal amount of Designated Securities which such Underwriter agreed to purchase under this Agreement) of the Underwriters' Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Underwriters' Securities of a defaulting Underwriter or Underwriters by the Representatives, by the Company, or by both, as the case may be, as provided in subsection (a) above, the aggregate principal amount of Underwriters' Securities which remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Designated Securities, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Underwriters' Securities of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 7 hereof and the indemnity and contribution agreements in Section

9 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

11. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Designated Securities.

12. If this Agreement shall be terminated pursuant to Section 10 hereof, the Company shall not then be under any liability to any Underwriter with respect to the Designated Securities except as provided in Section 7 and Section 9 hereof; but, if for any other reason Underwriters' Securities are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Designated Securities, but the Company shall then be under no further liability to any Underwriter with respect to the Designated Securities except as provided in Section 7 and Section 9 hereof.

13. In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives.

All statements, requests, notices and agreements hereunder shall be in writing or by telegram if promptly confirmed in writing and if to the Underwriters shall be sufficient in all respects, if delivered or sent by certified mail, return receipt requested, to the Representatives in care of the firm and at the address specified in Schedule II to this Agreement and if to the Company shall be sufficient in all respects if delivered or sent by certified mail, return receipt requested, to the address of the Company set forth on the facing page of the Registration Statement, Attention: Treasurer; provided, however, that any notice to an Underwriter pursuant to Section 9(c) hereof shall be delivered or sent by certified mail, return receipt requested, to such Underwriter at its address set forth in its Underwriters' Questionnaire delivered to the Company.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Section 9 and Section 11 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Designated Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement.

16. This Agreement shall be construed in accordance with the laws of the State of New York.

17. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

ANNEX I

Delayed Delivery Contract

KIMBERLY-CLARK CORPORATION
c/o

, 200[ ]

Attention:

Dear Sirs:

The undersigned hereby agrees to purchase from Kimberly-Clark Corporation (hereinafter called the "Company"), and the Company agrees to sell to the undersigned, $ principal amount of the Company's [Title of Designated Securities] (hereinafter called the "Designated Securities"), offered by the Company's Prospectus dated , 200[ ] [as amended or supplemented], receipt of a copy of which is hereby acknowledged, at a purchase price of % of the principal amount thereof, plus accrued interest from the date from which interest accrues as set forth below, and on the further terms and conditions set forth in this contract.

[The undersigned will purchase the Designated Securities from the Company on ,200[ ] (the "Delivery Date") and interest on the Designated Securities so purchased will accrue from , 200[ ].]

[The undersigned will purchase the Designated Securities from the Company on the delivery date or dates and in the principal amount or amounts set forth below:

Delivery Date	Principal Amount	Date From Which Interest Accrues
, 200[ ]	$	,200[ ]
, 200[ ]	$	,200[ ]

Each such date on which Designated Securities are to be purchased hereunder is hereinafter referred to as a "Delivery Date".]

Payment for the Designated Securities which the undersigned has agreed to purchase on [the] [each] Delivery Date shall be made to the Company or its order by certified or official bank check in Clearing House funds at the office of , , , or by wire transfer to a bank account specified by the Company, on [the] [such] Delivery Date upon delivery to the undersigned of the Designated Securities then to be purchased by the undersigned in definitive fully registered form and in such denominations and registered in such names as the undersigned may designate by written or telegraphic communication addressed to the Company not less than five full business days prior to [the] [such] Delivery Date.

The obligation of the undersigned to take delivery of and make payment for Designated Securities on [the] [each] Delivery Date shall be subject to the conditions that (a) the purchase of Designated Securities to be made by the undersigned shall not on [the] [such] Delivery Date be prohibited under the laws of the jurisdiction to which the undersigned is subject and (b) the Company, on or before , 200[ ], shall have sold to the several Underwriters, pursuant to the Underwriting Agreement dated , 200[ ] with the Company; an aggregate principal amount of Designated Securities equal to $, minus the aggregate principal amount of Designated Securities to be covered by this contract and other contracts similar to this contract. The obligation of the undersigned to take delivery of and make payment for Designated Securities shall not be affected by the failure of any purchaser to take delivery of and make payment for Designated Securities pursuant to other contracts similar to this contract.

Promptly after completion of the sale to the Underwriters the Company will mail or deliver to the undersigned at its address set forth below notice to such effect, accompanied by a copy of the opinion or opinions of counsel for the Company delivered to the Underwriters in connection therewith.

The undersigned represents and warrants that, as of the date of this contract, the undersigned is not prohibited from purchasing the Designated Securities hereby agreed to be purchased by it under the laws of the jurisdiction to which the undersigned is subject.

This contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party hereto without the written consent of the other.

This contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

It is understood that the acceptance by the Company of any Delayed Delivery Contract (including this contract) is in the Company's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this contract is acceptable to the Company, it is requested that the Company sign the form of acceptance below and mail or deliver one of the counterparts hereof to the undersigned at its address set forth below. This will become a binding contract between the Company and the undersigned when such counterpart is so mailed or delivered by the Company.

Yours very truly,

By _____

(Signature)

_____

(Name and Title)

_____

(Address)

Accepted, , 200[ ]

KIMBERLY-CLARK CORPORATION

By _____
(Signature)

_____
(Name and Title)

Exhibit 4.7

KIMBERLY-CLARK CORPORATION

To

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as successor Trustee

FOURTH SUPPLEMENTAL INDENTURE

Dated as of December 19, 2006

To

FIRST AMENDED AND RESTATED INDENTURE

Dated as of March 1, 1988

$200,000,000

5.263% Dealer remarketable securities[SM] ("Drs.[SM]") due December 19, 2016

FOURTH SUPPLEMENTAL INDENTURE, dated as of December 19, 2006, between Kimberly-Clark Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), and The Bank of New York Trust Company, N.A., a national banking association, as successor trustee (the "Trustee").

RECITALS

The Company has heretofore executed and delivered to a predecessor Trustee a First Amended and Restated Indenture, dated as of March 1, 1988, as amended by the First Supplemental Indenture, dated as of November 6, 1992, the Second Supplemental Indenture, dated as of May 25, 1994, and the Third Supplemental Indenture, dated as of March 14, 2002 (collectively, the "Base Indenture").

Section 301 of the Base Indenture provides for the issuance from time to time of unsecured debentures, notes and/or other evidences of indebtedness (the "Securities") of the Company, issuable in one or more series under and in accordance with the terms of the Base Indenture. The Company has duly authorized the creation of an issue of its Securities named its 5.263% Dealer remarketable securities[SM] ("Drs.[SM]") of the tenor and in the amount hereinafter set forth.

Section 901(7) of the Base Indenture provides that the Company, without the consent of any Holders, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Base Indenture, in form satisfactory to the Trustee, to establish, among other things, the form or terms of Securities of any series as permitted by Sections 201 and 301 of the Base Indenture.

The Company has duly authorized the execution and delivery of this Fourth Supplemental Indenture, and all things necessary have been done to make the Drs. having an aggregate principal amount of $200,000,000, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this Fourth Supplemental Indenture a valid agreement of the Company, in accordance with its terms.

NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities of the series provided for herein, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities of such series, as follows:

ARTICLE I.

Relation to the Base Indenture; Definitions

SECTION 1.01 Relation to the Base Indenture. This Fourth Supplemental Indenture constitutes an integral part of the Base Indenture, and shall be construed in connection with and as part of the Base Indenture. If any provision of this Fourth Supplemental Indenture

conflicts with any provision of the Base Indenture, the provisions of this Fourth Supplemental Indenture shall control.

SECTION 1.02 Definitions in the Fourth Supplemental Indenture. For all purposes of this Fourth Supplemental Indenture, capitalized terms used herein without definition shall have the meanings specified in the Indenture. If any term is defined in this Fourth Supplemental Indenture and in the Indenture, such term shall have the meaning assigned to it in this Fourth Supplemental Indenture.

SECTION 1.03 Definitions. For all purposes of this Fourth Supplemental Indenture, except as expressly provided or the context otherwise requires:

"Agent Members" has the meaning assigned to it in Section 2.03(b).

"Base Indenture" has the meaning assigned to it in the Recitals hereto.

"Certificated Security" means any Drs. issued in fully-registered certificated form (other than a Global Security), which shall be substantially in the form of Annex A, with appropriate legends as specified in Section 2.04 and Annex A.

"Clearstream Luxembourg" means Clearstream Banking, *Societé anonyme*, or the successor to its securities clearance and settlement operations.

"Distribution Compliance Period" means, in respect of any Regulation S Global Security, the 40 consecutive days beginning on and including the later of (a) the day on which any Drs. represented thereby are offered to persons other than distributors (as defined in Regulation S under the Securities Act) pursuant to Regulation S and (b) the issue date for such Drs.

"Drs." has the meaning assigned to it in the Recitals hereto.

"Drs. Custodian" means the custodian with respect to any Global Security appointed by Company, or any successor Person thereto, and shall initially be the Trustee.

"DTC" means The Depository Trust Company, its nominees and their respective successors and assigns, or such other depositary institution hereinafter appointed by the Company that is a clearing agency registered under the Exchange Act.

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels Office, as operator of the Euroclear System, or its successor in such capacity.

"Exchange Act" means the Securities Exchange Act of 1934, as amended or any successor statute or statutes thereto.

"Exchange Drs." means Drs. issued in a Registered Exchange Offer in exchange for a like principal amount of Drs. originally issued pursuant to an exemption from registration under the Securities Act, and replacement Drs. issued therefor in accordance with this Fourth Supplemental Indenture.

"IAI" means an institutional "accredited investor," as defined in Rule 501a(l), (2), (3) or (7) under the Securities Act, other than a QIB.

"IAI Security" means a Certificated Security that is a Restricted Drs. held by an IAI.

"Initial Purchaser" means J.P. Morgan Securities Inc.

"Issue Date" means December 19, 2006.

"Issue Date Drs." means the $200,000,000 aggregate principal amount of Drs. originally issued on the Issue Date, and any replacement Drs. issued therefor in accordance with the Indenture.

"Non-U.S. Beneficial Ownership Certification" has the meaning assigned to it in Section 2.01(e).

"Non-U.S. Person" means a person who is not a U.S. person, as defined in Regulation S.

"Private Placement Legend" has the meaning assigned to it in Section 2.04(b).

"Purchase Agreement" means the Purchase Agreement dated December 14, 2006 between the Company and the Initial Purchaser.

"Registered Exchange Offer" means an exchange offer by the Company registered under the Securities Act pursuant to which Drs. originally issued pursuant to an exemption from registration under the Securities Act are exchanged for Drs. of like principal amount not bearing the Private Placement Legend.

"Registration Statement" means an effective shelf registration statement under the Securities Act that registers the resale by Holders (and beneficial owners) of Drs. (or beneficial interests therein) originally issued pursuant to an exemption from registration under the Securities Act.

"Regulation S" means Regulation S under the Securities Act or any successor regulation.

"Regulation S Global Security" has the meaning assigned to it in Section 2.01(e).

"Regulation S Permanent Global Security" has the meaning assigned to it in Section 2.01(e).

"Regulation S Temporary Global Security" has the meaning assigned to it in Section 2.01(e).

"Remarketing Dealer" means J.P. Morgan Securities Inc., as Remarketing Agent.

"Resale Restriction Termination Date" means, for any Restricted Drs. (or beneficial interest therein) other than a Regulation S Temporary Global Security (which shall have no Resale Restriction Termination Date), two years (or such other period specified in Rule 144(k)) from the Issue Date.

"Restricted Drs." means any Issue Date Drs. (or beneficial interest therein) not originally issued and sold pursuant to an effective Registration Statement under the Securities Act other than the Regulation S Permanent Global Security or any Exchange Drs., until such time as:

(a) such Issue Date Drs. (or beneficial interest therein) has been transferred pursuant to a Registration Statement;

(b) the Resale Restriction Termination Date therefor has passed; or

(c) the Private Placement Legend therefor has otherwise been removed pursuant to Section 2.05(e) or, in the case of a beneficial interest in a Global Security, such beneficial interest has been exchanged for an interest in a Global Security not bearing a Private Placement Legend.

"Rule 144" means Rule 144 under the Securities Act (or any successor rule).

"Rule 144A" means Rule 144A under the Securities Act (or any successor rule).

"Rule 144A Global Security" has the meaning assigned to it in Section 2.01(d).

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Securities Act" means the Securities Act of 1933, as amended.

ARTICLE II.

The Drs.

SECTION 2.01 Form and Terms. (a) There shall be a series of Securities designated the "5.263% Dealer remarketable securities[SM] due December 19, 2016" of the Company, limited in aggregate principal amount to $200,000,000.

The Drs. are being originally offered and sold by the Company pursuant to a Purchase Agreement, dated December 14, 2006, between the Company and the Initial Purchaser. The Drs. will be issued in fully-registered form without coupons, and only in denominations of $1,000 and any integral multiple thereof. The Trustee's certificate of authentication shall be substantially in the form of the authentication included in Annex A.

(b) Each Drs. shall be substantially in the form and contain the terms and provisions set forth in the Form of Drs. attached hereto as Annex A and incorporated in and expressly made part of this Fourth Supplemental Indenture. Each Drs. shall be dated the date of its authentication. If any provision of this Fourth Supplemental Indenture limits, qualifies, or

conflicts with any provision of the Drs., such provision in the Drs. shall control. Except as otherwise expressly permitted in this Fourth Supplemental Indenture, all Drs. shall be identical in all respects. Notwithstanding any differences among them, all Drs. issued under this Fourth Supplemental Indenture shall vote and consent together on all matters as one class.

(c) The Drs. may have notations, legends or endorsements as specified in Section 2.04 or as otherwise required by law, stock exchange rule or DTC rule or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). The Company and the Trustee shall approve the form of the Drs. and any notation, legend or endorsement on them. Each Drs. shall be dated the date of its authentication.

(d) Drs. originally offered and sold to QIBs in reliance on Rule 144A will be issued in the form of a permanent Global Security (a "Rule 144A Global Security").

(e) Drs. originally offered and sold outside the United States of America in reliance on Regulation S will be issued in the form of a temporary Global Security (a "Regulation S Temporary Global Security"). An interest in a Regulation S Temporary Global Security will be exchangeable for an interest in a permanent Global Security (a "Regulation S Permanent Global Security," and together with the Regulation S Temporary Global Security, a "Regulation S Global Security") on or after the expiration of the Distribution Compliance Period upon the receipt by the Security Registrar of a certificate in the form of Annex B-1 (a "Non-U.S. Beneficial Ownership Certification") to the effect that Euroclear or Clearstream, Luxembourg, as applicable, has received a certificate in the form of Annex B-2, from the Holder of a beneficial interest in such Regulation S Temporary Global Security (or its agent) in the principal amount to be exchanged. Upon receipt by the Security Registrar of a Non-U.S. Beneficial Ownership Certification, (i) with respect to the first such Non-U.S. Beneficial Ownership Certification, the Company will execute, and as soon as practicable upon Company Order, the Trustee will authenticate and deliver to the Drs. Custodian, the Regulation S Permanent Global Security and (ii) with respect to the first and each subsequent Non-U.S. Beneficial Ownership Certification, the Security Registrar and the Drs. Custodian shall exchange the interest in the Regulation S Temporary Global Security covered by such Non-U.S. Beneficial Ownership Certification for an interest of equal principal amount in the Regulation S Permanent Global Security. Upon any exchange of an interest in a Regulation S Temporary Global Security for a comparable interest in the Regulation S Permanent Global Security, the Security Registrar shall decrease the Regulation S Temporary Global Security and increase the Regulation S Permanent Global Security, in each case in an amount equal to the principal amount of Drs. covered by the applicable Non-U.S. Beneficial Ownership Certification.

(f) Each Issue Date Drs. originally offered and sold to an IAI not pursuant to an effective Registration Statement under the Securities Act and not in reliance on Regulation S will be issued in the form of an IAI Security. Upon such issuance, the Security Registrar shall register such IAI Security in the name of the beneficial owner or owners of such Drs. (or the nominee of such beneficial owner or owners) and deliver the certificates for such IAI Securities to the respective beneficial owner or owners, IAI Securities shall be in minimum denominations of $250,000.

SECTION 2.02 [Intentionally Left Blank]

SECTION 2.03 Global Security Provisions.

(a) Each Global Security initially shall: (i) be registered in the name of DTC or the nominee of DTC, (ii) be delivered to the Drs. Custodian, and (iii) bear the appropriate legend, as set forth in Section 2.04 and Annex A. Any Global Security may be represented by more than one certificate. The aggregate principal amount of each Global Security may from time to time be increased or decreased by adjustments made on the records of the Drs. Custodian, as provided in this Fourth Supplemental Indenture.

(b) Members of, or participants in, DTC ("Agent Members") shall have no rights under this Fourth Supplemental Indenture with respect to any Global Security held on their behalf by DTC or by the Drs. Custodian under such Global Security, and DTC may be treated by the Company, the Trustee, the Paying Agent and the Security Registrar and any of their respective agents as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee, the Paying Agent or the Security Registrar or any of their respective agents from giving effect to any written certification, proxy or other authorization furnished by DTC or impair, as between DTC and its Agent Members, the operation of customary practices of DTC governing the exercise of the rights of an owner of a beneficial interest in any Global Security. The registered Holder of a Global Security may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Fourth Supplemental Indenture or the Drs.

(c) Except as provided below, owners of beneficial interests in Global Securities will not be entitled to receive Certificated Securities. Certificated Securities shall be issued to all owners of beneficial interests in a Global Security in exchange for such interests if:

(i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for the Drs. or if at any time the Depositary ceases to be a clearing agency registered under the Exchange Act, or

(ii) the Company in its sole discretion determines that the Drs. shall be exchangeable for definitive Drs. in registered form and notifies the Trustee thereof.

If a Drs. is exchangeable pursuant to the preceding sentence, it shall be exchangeable for definitive Drs. in registered form in denominations of $1,000 and any integral multiple thereof, registered in such names as such Depositary shall direct, bearing interest at the same rate, having the same date of issuance, redemption provisions, Stated Maturity and other terms and of differing denominations aggregating a like amount.

(d) In connection with the exchange of a portion of a Certificated Security for a beneficial interest in a Global Security, the Trustee shall cancel such Certificated Security, and the Company shall execute, and the Trustee shall authenticate and deliver to the exchanging Holder, a new Certificated Security representing the principal amount not so exchanged, if any.

SECTION 2.04 Legends.

(a) Each Global Security shall bear the legend specified therefor in Annex A on the face thereof.

(b) Each Restricted Drs. shall bear the private placement legend specified therefor in Annex A on the face thereof (together with, if applicable, the legend specified in paragraph (d) of this Section 2.04, the "Private Placement Legend").

(c) Each Regulation S Temporary Global Security shall bear the legend specified therefor in Annex A on the face thereof.

(d) Each Certificated Security that is a Restricted Drs. shall bear the legend specified therefor in Annex A on the face thereof.

SECTION 2.05 Transfer and Exchange.

(a) The following provisions shall apply with respect to any proposed transfer of an interest in a Rule 144A Global Security that is a Restricted Drs.:

(i) No IAI Security will be issued to a transferee of an interest in a Global Security.

(ii) If (1) the owner of a beneficial interest in a Rule 144A Global Security wishes to transfer such interest (or portion thereof) to a Non-U.S. Person pursuant to Regulation S and (2) such Non-U.S. Person wishes to hold its interest in the Drs. through a beneficial interest in the Regulation S Global Security, (x) upon receipt by the Drs. Custodian and Security Registrar of:

(A) instructions from the Holder of the Rule 144A Global Security directing the Drs. Custodian and Security Registrar to credit or cause to be credited a beneficial interest in the Regulation S Global Security equal to the principal amount of the beneficial interest in the Rule 144A Global Security to be transferred, and

(B) a certificate in the form of Annex E from the transferor,

and (y) subject to the rules and procedures of DTC, the Drs. Custodian and Security Registrar shall increase the Regulation S Global Security and decrease the Rule 144A Global Security by such amount in accordance with the foregoing.

(b) The following provisions shall apply with respect to any proposed transfer of an interest in a Regulation S Temporary Global Security prior to the expiration of the Distribution Compliance Period therefor:

(i) No IAI Securities will be issued to a transferee of an interest in a Regulation S Temporary Global Security.

(ii) If the owner of an interest in a Regulation S Temporary Global Security wishes to transfer such interest (or any portion thereof) to a QIB pursuant to Rule 144A, (x) upon receipt by the Drs. Custodian and Security Registrar of:

(A) instructions from the Holder of the Regulation S Temporary Global Security directing the Drs. Custodian and Security Registrar to credit or cause to be credited a beneficial interest in the Rule 144A Global Security equal to the principal amount of the beneficial interest in the Regulation S Temporary Global Security to be transferred, and

(B) a certificate in the form of Annex C duly executed by the transferor,

and (y) in accordance with the rules and procedures of DTC, the Drs. Custodian and Security Registrar shall increase the Rule 144A Global Security and decrease the Regulation S Temporary Global Security by such amount in accordance with the foregoing.

(iii) No interest in a Regulation S Temporary Global Security will be transferred to a Holder of an interest in the Regulation S Permanent Global Security except pursuant to Section 2.01(e).

(c) The following provisions shall apply with respect to any proposed transfer of an IAI Security (or portion thereof) that is a Restricted Drs.:

(i) If the Holder of an IAI Security wishes to transfer such IAI Security (or a portion thereof) to a QIB pursuant to Rule 144A, (x) upon receipt by the Drs. Custodian and Security Registrar of:

(A) such IAI Security, duly endorsed as provided herein,

(B) instructions from such Holder directing the Drs. Custodian and Security Registrar to credit or cause to be credited a beneficial interest in the Rule 144A Global Security equal to the principal amount (or portion thereof) of such IAI Security to be transferred, and, if the entire principal amount of such IAI Security is not being transferred to issue one or more IAI Securities to the transferor IAI in an amount equal to the principal amount not transferred, and

(C) a certificate in the form of Annex C duly executed by the transferor,

and (y) subject to the rules and procedures of DTC, the Drs. Custodian and Security Registrar shall:

(1) cancel the IAI Security delivered to it,

(2) increase the Rule 144A Global Security in accordance with the foregoing, and

(3) if applicable, issue to the IAI transferor one or more IAI Securities in accordance with the foregoing;

(ii) If the Holder of an IAI Security wishes to transfer such IAI Security (or any portion thereof) to an IAI, the Security Registrar shall authenticate and deliver IAI Securities to the appropriate IAI(s) upon receipt by the Security Registrar of:

(A) such IAI Security, duly endorsed as provided herein,

(B) instructions from such Holder directing the Security Registrar to issue one or more IAI Securities in the amounts specified to the transferee IAI and, if the entire principal amount of such IAI Security is not being transferred, the transferor IAI in an amount equal to the principal amount not transferred, and

(C) a certificate in the form of Annex D duly executed by the transferee.

(iii) If (1) the Holder of an IAI Security wishes to transfer such IAI Security (or a portion thereof) to a Non-U.S. Person pursuant to Regulation S and (2) such Non-U.S. Person wishes to hold its interest in the Drs. through a beneficial interest in the Regulation S Global Security, (x) upon receipt by the Drs. Custodian and the Security Registrar of:

(A) such IAI Security, duly endorsed as provided herein,

(B) instructions from the Holder of such IAI Security directing the Security Registrar to credit or cause to be credited a beneficial interest in the Regulation S Global Security equal to the principal amount of the IAI Security (or portion thereof) to be transferred, and, if the entire principal amount of such IAI Security is not being transferred to issue one or more IAI Securities to the transferor IAI in an amount equal to the principal amount not transferred, and

(C) a certificate in the form of Annex E from the transferor,

and (y) subject to the rules and procedures of DTC, the Drs. Custodian and the Security Registrar shall:

(1) cancel the IAI Security delivered to it,

(2) increase the Regulation S Global Security for such amount in accordance with the foregoing, and

(3) if applicable, issue to the IAI transferor one or more IAI Securities in accordance with the foregoing.

(d) Other Transfers. Any transfer of Restricted Drs. not described above (other than a transfer of a beneficial interest in a Global Security that does not involve an exchange of such interest for a Certificated Security or a beneficial interest in another Global

Security, which must be effected in accordance with applicable law and the rules and procedures of OTC, but is not subject to any procedure required by this Fourth Supplemental Indenture) shall be made only upon receipt by the Security Registrar of such opinions of counsel, certificates and/or other information reasonably required by and satisfactory to the Security Registrar in order to ensure compliance with the Securities Act or in accordance with paragraph (e) of this Section 2.05.

(e) Use and Removal of Private Placement Legends. Upon the transfer exchange or replacement of Drs. (or beneficial interests in a Global Security) not bearing a Private Placement Legend, the Drs. Custodian and the Security Registrar shall exchange such Drs. (or beneficial interests) for beneficial interests in a Global Security (or Certificated Securities if they have been issued pursuant to Section 2.03(c)) that does not bear a Private Placement Legend. Upon the transfer, exchange or replacement of Drs. (or beneficial interests in a Global Security) bearing a Private Placement Legend, the Drs. Custodian and Security Registrar shall deliver only Drs. (or beneficial interests in a Global Security) that bear a Private Placement Legend unless:

(i) such Drs. (or beneficial interests) are exchanged in a Registered Exchange Offer,

(ii) such Drs. (or beneficial interests) are transferred pursuant to a Registration Statement;

(iii) such Drs. (or beneficial interests) are transferred pursuant to Rule 144 upon delivery to the Security Registrar of a certificate of the transferor in the form of Annex F and an Opinion of Counsel reasonably satisfactory to the Security Registrar;

(iv) such Drs. (or beneficial interests) are transferred, replaced or exchanged after the Resale Restriction Termination Date therefor; or

(v) in connection with such transfer, exchange or replacement the Security Registrar shall have received an Opinion of Counsel and other evidence reasonably satisfactory to it to the effect that neither such Private Placement Legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

The Private Placement Legend on any Drs. shall be removed at the request of the Holder on or after the Resale Restriction Termination Date therefor. The Holder of a Global Security may exchange an interest therein for an equivalent interest in a Global Security not bearing a Private Placement Legend (other than a Regulation S Global Security) upon transfer of such interest pursuant to any of clauses (i) through (v) of this paragraph (e).

(f) Consolidation of Global Securities and Exchange of Certificated Securities for Beneficial Interests in Global Securities.

(i) If a Global Security not bearing a Private Placement Legend (other than a Regulation S Global Security) is Outstanding at the time of a Registered Exchange Offer, any interests in a Global Security exchanged in such Registered Exchange Offer shall be

exchanged for interests in such Outstanding Global Security. The Company shall deliver to the Trustee an Officers' Certificate promptly upon effectiveness, withdrawal or suspension of any Registration Statement.

(ii) Upon the transfer or exchange (including pursuant to a Registered Exchange Offer) of any Certificated Security for which a Private Placement Legend would not be required pursuant to Section 2.05(e) following such transfer or exchange, such Certificated Security shall be exchanged for an interest in a Global Security (other than a Regulation S Global Security) not bearing a Private Placement Legend and, if no such Global Security is Outstanding at such time, the Company shall execute and upon Company Order the Trustee shall authenticate a Global Security not bearing a Private Placement Legend.

(iii) Nothing in the Indenture shall provide for the consolidation of any Drs. with any other Drs. to the extent that they constitute, as determined pursuant to an Opinion of Counsel, different classes of securities for U.S. federal income tax purposes.

(g) Retention of Documents. The Security Registrar shall retain copies of all letters, notices and other written communications received pursuant to this Article II. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Security Registrar.

(h) Execution, Authentication of Drs., etc.

(i) Subject to the other provisions of this Section 2.05, when Drs. are presented to the Security Registrar or a co-Security Registrar with a request to register the transfer of such Drs. or to exchange such Drs. for an equal principal amount of Drs. of other authorized denominations, the Security Registrar or co-Security Registrar shall register the transfer or make the exchange as requested if its requirements for such transaction are met; provided that any Drs. presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Security Registrar or co-Security Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing. To permit registrations of transfers and exchanges and subject to the other terms and conditions of this Article II, the Company will execute and upon Company Order the Trustee will authenticate Certificated Securities and Global Securities at the Security Registrar's or co-Security Registrar's request.

(ii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax, assessment, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to a Registered Exchange Offer or in the case of an exchange of Drs. upon amendment of the terms thereof).

(iii) The Security Registrar or co-Security Registrar shall not be required to register the transfer of or exchange of any Drs. for a period beginning: (1) 15 days before the mailing of a notice of an offer to repurchase Drs. and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date.

(iv) Prior to the due presentation for registration of transfer of any Drs., the Company, the Trustee, the Paying Agent, the Security Registrar or any co-Security Registrar shall deem and treat the person in whose name a Drs. is registered as the absolute owner of such Drs. for the purpose of receiving payment of principal of and interest on such Drs. and for all other purposes whatsoever, whether or not such Drs. is overdue, and none of the Company, the Trustee, the Paying Agent, the Security Registrar or any co-Security Registrar shall be affected by notice to the contrary.

(v) All Drs. issued upon any transfer or exchange pursuant to the terms of this Fourth Supplemental Indenture shall evidence the same debt and shall be entitled to the same benefits under this Fourth Supplemental Indenture as the Drs. surrendered upon such transfer or exchange.

(i) No Obligation of the Trustee.

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of an interest in a Global Security, a member of, or a participant in, DTC or other Person with respect to the accuracy of the records of DTC or its nominee or of any participant or member thereof with respect to any ownership interest in the Drs. or with respect to the delivery to any participant, member, beneficial owner or other Person (other than DTC) of any notice or the payment of any amount or delivery of any Drs. (or other security or property) under or with respect to such Drs. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Drs. shall be given or made only to or upon the order of the registered Holders (which shall be DTC or its nominee in the case of a Global Security). The Trustee may rely and shall be fully protected in relying upon information furnished by DTC with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Fourth Supplemental Indenture or under applicable law with respect to any transfer of any interest in any Drs. (including any transfers between or among DTC participants, members or beneficial owners in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Fourth Supplemental Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

ARTICLE III.

Miscellaneous

SECTION 3.01 Recitals. The recitals of fact herein and in the Drs. shall be taken as statements of the Company and shall not be construed as made by the Trustee.

SECTION 3.02 GOVERNING LAW. THIS FOURTH SUPPLEMENTAL INDENTURE AND THE DRS. SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO THE CONFLICT OF LAW PROVISIONS OF THE STATE OF NEW YORK (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 3.03 Separability Clause. In case any one or more of the provisions contained in this Fourth Supplemental Indenture or in the Drs. should be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected, impaired, prejudiced or disturbed thereby.

SECTION 3.04 Successors and Assigns. All covenants and agreements in this Fourth Supplemental Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 3.05 Counterparts. This Fourth Supplemental Indenture may be simultaneously executed in several counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

SECTION 3.06 Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction of any of the provisions hereof.

SECTION 3.07 Benefits of Fourth Supplemental Indenture. Nothing in this Fourth Supplemental Indenture or in the Securities, expressed or implied, shall give to any Person, other than the parties hereto and their successors and the Holders, any benefit or any legal or equitable right, remedy or claim under this Fourth Supplemental Indenture.

SECTION 3.08 Defeasance. Sections 402 and 1006 of the Base Indenture shall apply to the Drs.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Supplemental Indenture to be duly executed, all as of the day and year first above written.

Kimberly-Clark Corporation

By /s/ Jolene L. Varney
Name: Jolene L. Varney
Title: Vice President and Treasurer

The Bank of New York Trust Company, N.A.
as successor Trustee

By /s/ Alma Marcella Burgess
Name: Alma Marcella Burgess
Title: Assistant Treasurer

FORM OF DRS.

[*Include the following legend for Global Securities only:*

"THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS GLOBAL SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES HEREINAFTER DESCRIBED AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY.

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF."]

[*Include the following legend on all Drs. that are Restricted Drs.:*

"THIS DRS. HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (I) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A ADOPTED UNDER THE SECURITIES ACT) OR (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3), OR (7) UNDER THE SECURITIES ACT) (AN "IAI"), OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS DRS. IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S ADOPTED UNDER THE SECURITIES ACT; (2) AGREES THAT

IT WILL NOT WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS DRS. RESELL OR OTHERWISE TRANSFER THIS DRS. EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF OR TO THE REMARKETING DEALER, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A ADOPTED UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN IAI THAT IS ACQUIRING THIS DRS. FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN IAI, IN EITHER CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE DRS. OF U.S. $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, AND THAT, PRIOR TO SUCH TRANSFER, FURNISHES (OR HAS FURNISHED ON ITS BEHALF BY A U.S. BROKER-DEALER) TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS DRS. (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (D) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 ADOPTED UNDER THE SECURITIES ACT OR ANOTHER AVAILABLE EXEMPTION UNDER THE SECURITIES ACT (IF AVAILABLE), OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT; AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS DRS. IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS DRS. WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS DRS., THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED PURSUANT TO THE INDENTURE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES” AND “U.S. PERSON” HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT”)]

[*Include the following legend on all Certificated Securities that are Restricted Drs.:*

“IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE SECURITY REGISTRAR SUCH OPINIONS OF COUNSEL, CERTIFICATES AND/OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE IN FORM REASONABLY SATISFACTORY TO IT AS PROVIDED FOR IN THE INDENTURE TO CONFIRM THAT THE TRANSFER COMPLIED WITH THE FOREGOING RESTRICTIONS AS PROVIDED FOR IN THE INDENTURE.”)

[*Include the following legend on all Regulation S Temporary Global Securities:*

“THIS GLOBAL SECURITY IS A TEMPORARY GLOBAL SECURITY FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. NEITHER THIS TEMPORARY GLOBAL SECURITY NOR ANY

INTEREST HEREIN MAY BE OFFERED, SOLD OR DELIVERED EXCEPT AS PERMITTED ABOVE.

NO BENEFICIAL OWNERS OF THIS TEMPORARY GLOBAL SECURITY SHALL BE ENTITLED TO RECEIVE PAYMENT OF PRINCIPAL HEREOF OR INTEREST HEREON UNLESS THE REQUIRED CERTIFICATIONS HAVE BEEN DELIVERED PURSUANT TO THE TERMS OF THE INDENTURE."]

KIMBERLY–CLARK CORPORATION

5.263% Dealer remarketable security[SM] ("Drs.[SM]")

due December 19, 2016

No. [__]
$[_____] [CUSIP] [ISIN] No.: [_____]

Kimberly-Clark Corporation, a Delaware corporation (hereinafter called the "**Company**"), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of [_____] U.S. DOLLARS on December 19, 2016, or, if such date is not a Business Day, then the next following Business Day (the "**Stated Maturity Date**"), at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest, annually on December 19 of each year, or, if such date is not a Business Day (as defined below), on the next following Business Day (each, an "**Interest Payment Date**"), on said principal sum at the rate per annum specified below, at such office or agency, in like coin or currency, from and including the Interest Payment Date to which interest on the Securities has been paid preceding the date hereof (unless the date hereof is an Interest Payment Date to which interest has been paid, in which case from and including the date hereof, or unless the date hereof is prior to any interest having been paid, in which case from and including December 19, 2006) until payment of said principal sum has been made or duly provided for. The amount of interest payable on each Interest Payment Date shall be computed on the basis of the actual number of days in the interest period divided by 360. If the Company shall default in the payment of interest when due on any Interest Payment Date, then this Security shall bear interest from and including the next preceding date to which interest has been paid, or, if no interest has been paid, from and including December 19, 2006. The interest so payable on any Interest Payment Date shall be paid to the Person in whose name this Security shall be registered on the December 1 (whether or not a Business Day) immediately preceding such Interest Payment Date (each, a "**Regular Record Date**"). For purposes of this Security, "**Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in The City of New York are authorized or obligated by law, executive order, or government decree to be closed.

If and to the extent the Company shall default in the payment of the interest due on any Interest Payment Date, upon election by the Company such defaulted interest shall be paid to the person in whose name this Security is registered at the close of business on a record date established for such payment by notice by the Trustee on behalf of the Company to the holders

of the Securities mailed by first-class mail not less than ten days prior to such record date to their last address as they shall appear upon the Security Register, such record date to be not more than fifteen and not less than ten days preceding the date of payment of such defaulted interest, and not later than ten days after the Company gives notice to the Trustee. The Company may pay interest by check mailed to the Holder's address as it appears on the Security Register or by a wire transfer to an account designated by such Holder in writing no later than ten days prior to the date of such payment. Alternatively, such defaulted interest may be paid in any other lawful manner.

Notwithstanding anything to the contrary in this Security, if this Security is a Global Security (as evidenced by the legend set forth above and provided in the Indenture), and is held in book-entry form through the facilities of DTC, payments on this Security will be made to DTC or its nominee in accordance with the arrangements then in effect between the Trustee and DTC.

The rate of interest on this Security shall initially be 5.263% per annum to, but not including, December 19, 2007 (such date and each anniversary thereof until and including December 19, 2015, or, if any such date is not a Business Day, then the next following Business Day, is referred to herein as a "**Remarketing Date**"). If on any Remarketing Date, the Remarketing Dealer elects to remarket the Securities pursuant to the Remarketing Agreement dated as of December 14, 2006, between J.P. Morgan Securities Inc., as Remarketing Dealer (the "**Remarketing Dealer**"), and the Company, then, except as otherwise set forth on the reverse hereof, (i) this Security shall be subject to mandatory tender to the Remarketing Dealer for remarketing on such Remarketing Date, on the terms and subject to the conditions set forth on the reverse hereof, and (ii) this Security shall bear interest at a fixed rate to be determined by the Remarketing Dealer in accordance with the procedure set forth in Section 4 on the reverse hereof (each a "**Reset Interest Rate**") from and including such Remarketing Date until but not including the next following Remarketing Date, or, if such Remarketing Date is the final Remarketing Date, until but not including the Stated Maturity Date. If, on any Remarketing Date, the Remarketing Dealer does not elect to purchase all the outstanding Securities pursuant to the Remarketing Agreement, this Security shall be subject to mandatory tender to the Company for repurchase on such Remarketing Date, on the terms and subject to the conditions set forth on the reverse hereof.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Security shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by the Trustee under the Indenture referred to on the reverse hereof.

IN WITNESS WHEREOF, the Company has caused this Security to be signed by its duly authorized officers and has caused its corporate seal to be affixed hereunto.

Kimberly-Clark Corporation

By: _____
Title:

By: _____
Title:

Attest:

_____
Secretary

Certificate of Authentication

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

The Bank of New York Trust Company, N.A.
as successor Trustee

By: _____
Authorized Officer

1. *Indenture*. (a) This Security is one of the duly authorized issue of debt securities of the Company (herein referred to as the "**Debt Securities**") of the series hereinafter specified, all issued or to be issued under and pursuant to First Amended and Restated Indenture dated as of March 1, 1988, as thereafter supplemented (the "**Indenture**") between the Company and The Bank of New York Trust Company, N.A., as successor Trustee (herein referred to as the "**Trustee**"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders (the words "**Holders**", "**Holder**", "**Securityholders**" or "**Securityholder**" mean the registered holder(s) of the Debt Securities).

(b) The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest, if any, at different rates, may be denominated in different currencies, may be subject to different redemption provisions, if any, may be subject to different sinking funds, if any, may be subject to additional covenants and Events of Default and may otherwise vary as provided in the Indenture. This Security is one of the series of Debt Securities designated as the 5.263% Dealer remarketable securities℠ ("**Drs.℠**") due December 19, 2016 of the Company and such series is limited in aggregate principal amount to $200,000,000; *provided* that the Company may from time to time, without the consent of the Holders, create and issue under the Indenture additional Drs. with maturities, interest rates and other terms and conditions identical to the Drs. represented hereby, or identical except for the issue price, issue date and the date for and the amount of the first payment of interest thereon. References herein to "**Securities**" or "**Drs.**" shall mean the Debt Securities of said series.

(c) All capitalized terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

2. *Mandatory Tender on each Remarketing Date; Purchase and Settlement*. Except in circumstances in which the Remarketing Dealer elects to repurchase all of the Drs. on a Remarketing Date, the Drs. will be mandatorily tendered to the Company. In order to exercise its rights, on a Business Day not later than seven Business Days prior to any Remarketing Date (each, a "**Notification Date**"), the Remarketing Dealer will notify the Company and the Trustee as to whether it elects to purchase all (but not less than all) of the outstanding Drs. on such Remarketing Date. If, and only if, the Remarketing Dealer so elects, the Drs. shall be deemed to have been automatically tendered to the Remarketing Dealer for purchase and remarketing on such Remarketing Date, upon the terms and subject to the conditions described herein and in the Remarketing Agreement. The purchase price of the Drs. shall be equal to 100% of the principal amount thereof. No Holder or beneficial owner of any Drs. shall have any rights or claims under the Remarketing Agreement or otherwise against the Company or the Remarketing Dealer as a result of the Remarketing Dealer not purchasing such Drs.

3. *Maintenance of Book-Entry System*. (a) The tender and settlement procedures with respect to the Drs. set forth in the Remarketing Agreement shall be subject to modification, without the consent of the Holders of the Drs., to the extent required by DTC or, if the book-entry system is no longer available for the Drs. at the time of any remarketing, to the extent required to facilitate the tendering and remarketing of Drs. in certificated form. In addition, the Remarketing Dealer may modify the settlement procedures without the consent of the Holders of the Drs. in order to facilitate the settlement process.

(b) The Company hereby agrees with the Trustee and the Holders of Drs. that (i) at all times, it will use its best efforts to maintain the Drs. in book-entry form with DTC or any successor thereto and to appoint a successor depository to the extent necessary to maintain the Drs. in book-entry form and (ii) it waives any discretionary right that it otherwise may have under the Indenture to cause the Drs. to be issued in certificated form.

4. *Determination of Reset Interest Rate; Notification Thereof*. If the Remarketing Dealer elects to purchase the Drs. on any Remarketing Date, the Remarketing Dealer shall determine on the third Banking Day (as defined below) immediately preceding such Remarketing Date (each a "**Determination Date**") the Reset Interest Rate that the Drs. will bear from and including such Remarketing Date to but not including the next following Remarketing Date, or, if such Remarketing Date is the final Remarketing Date, to but not including the Stated Maturity Date. As used herein, "**Banking Day**" means a day on which banking institutions in The City of New York and the City of London are open for business (including dealings in foreign exchange and foreign currency deposits). The Company shall instruct the Remarketing Dealer whether it should solicit the Reference Corporate Dealers on the Determination Date as described in clause (i) of this Section 4 to determine the Reset Interest Rate or whether the Reset Interest Rate shall instead be negotiated and set forth in a pricing agreement (the **"Pricing Agreement"**), to be dated as of the Determination Date ,between the Company and the Remarketing Dealer.

(i) If the Company instructs the Remarketing Dealer to solicit the Reference Corporate Dealers on the Determination Date, then on each Determination Date, the Remarketing Dealer shall solicit by 3:30 p.m., New York City time, the Reference Corporate Dealers for firm, committed bids, in writing, to purchase all outstanding Drs. at the Dollar Price, and shall select the lowest such firm, committed bid (regardless of whether each of the Reference Corporate Dealers actually submits a bid). Each bid from a Reference Corporate Dealer shall be expressed in terms of the relevant Reset Interest Rate that the Drs. would bear, quoted as a spread over the Base Rate, and based on the following assumptions:

(a) the Drs. would be sold to such Reference Corporate Dealer on such Remarketing Date for settlement on the same day;

(b) the Drs. would mature on the next following Remarketing Date or if such Remarketing Date is the last Remarketing Date, on the Stated Maturity Date, as the case may be;

(c) the Drs. would bear interest at the Reset Interest Rate from such Remarketing Date to the next following Remarketing Date or if such Remarketing Date is the

last Remarketing Date, to the Stated Maturity Date, payable on such next Remarketing Date or the Stated Maturity Date, as the case may be.

The Reset Interest Rate announced by the Remarketing Dealer at the conclusion of the Reference Corporate Dealer bid process will be quoted to the nearest one hundred-thousandth (0.00001) of one percent per annum and, absent manifest error, will be binding and conclusive upon holders of the Drs., the Company and the Trustee. Subject only to the second paragraph of subsection (iii) below, the Remarketing Dealer shall have the discretion to select the time at which each Reset Interest Rate is determined on the relevant Determination Date.

(ii) If the Company instructs the Remarketing Dealer not to solicit the Reference Corporate Dealers on the Determination Date as described in clause (i) of this section 4, then the Reset Interest Rate will be set forth in a Pricing Agreement, to be dated as of the Determination Date, between the Company and the Remarketing Dealer.

The Reset Interest Rate set forth in the applicable Pricing Agreement will be quoted to the nearest one hundred-thousandth (0.00001) of one percent per annum. For the avoidance of doubt, the applicable Pricing Agreement may specify the applicable Reset Interest Rate by reference to the applicable Offering Memorandum or any notice to the Trustee.

(iii) If the Reset Interest Rate is determined in accordance with clause (i) of this section 4, the Remarketing Dealer shall have the right in its sole discretion to either remarket the Drs. for its own account on the relevant Remarketing Date based upon the terms of the lowest firm, committed bid submitted in writing or sell the Drs. to the Reference Corporate Dealer submitting in writing the lowest firm, committed bid in connection with any remarketing pursuant to section 4(i). In the event that two or more Reference Corporate Dealers submit equivalent bids which constitute the lowest firm, committed bid, the Remarketing Dealer may in its sole discretion elect to sell the Drs. in connection with any such remarketing to any such Reference Corporate Dealer. If the Reset Interest Rate is determined in accordance with clause (ii) of this section 4, the Remarketing Dealer may, as the parties hereto shall agree, either remarket all of the Drs. for its own account or sell all of the Drs. to one or more securities dealers.

If the Remarketing Dealer has elected to purchase the Drs. as provided herein in connection with any remarketing, then it shall notify the Company, the Trustee and DTC by telephone, confirmed in writing (which may include facsimile or other electronic transmission), by 5:00 p.m., New York City time, on the relevant Determination Date of the Reset Interest Rate applicable to the Drs. effective from and including the relevant Remarketing Date. The Remarketing Dealer will then, subject to the terms of the Remarketing Agreement, exercise its right to repurchase and remarket the Drs.

"**Base Rate**" means 4.17% per annum.

"**Dollar Price**" means, with respect to any Remarketing Date, the discounted present value to such Remarketing Date of the cash flows on a bond (x) with a principal amount equal to the Original Amount of Drs., (y) maturing on the next following Remarketing Date, or, if such Remarketing Date is the last Remarketing Date, then the Stated Maturity Date, and (z) bearing

interest from and including such Remarketing Date to but excluding the next following Remarketing Date, or, if such Remarketing Date is the last Remarketing Date, to but not including the Stated Maturity Date, at a rate equal to the Base Rate, using a discount rate equal to the Swap Rate determined with respect to such Remarketing Date, payable annually (assuming the actual number of days in the calculation period in respect of which payment is being made divided by 360) on the next following Remarketing Date, or, if such Remarketing Date is the last Remarketing Date, then on the Stated Maturity Date.

"**Reference Corporate Dealer**" means J.P. Morgan Securities Inc. and four other leading dealers of publicly-traded debt securities of the Company to be chosen by the Remarketing Dealer after consultation with the Company.

"**Reference Swap Dealer**" means, with respect to any Determination Date, JPMorgan Chase Bank, N.A.

"**Swap Rate**" means, with respect to any Remarketing Date, the bid side rate quoted by the Reference Swap Dealer for the relevant Determination Date by 3:30 p.m., New York City time, on the relevant Determination Date for the fixed leg of a fixed for floating U.S. Dollar interest rate swap transaction with a notional principal amount equal to the Original Amount of Drs. and a one-year term beginning on such Remarketing Date where one fixed rate payment is to be made at maturity of the swap transaction and the floating leg is equivalent to three-month LIBOR payable quarterly to maturity of the swap transaction in accordance with standard market conventions in the U.S. dollar interest rate swap market. The Swap Rate shall be quoted assuming that the interest of the fixed leg is calculated on the basis of the actual number of days in the calculation period in respect of which payment is being made divided by 360.

5. *Repurchase*. If the Remarketing Dealer does not purchase all of the Drs. on any Remarketing Date, then Holders will be required to tender, and the Company shall repurchase, on such Remarketing Date, at a price equal to 100% of the principal amount of the Drs. plus all accrued interest, if any, on the Drs. to (but excluding) such Remarketing Date, all Drs. that have not been purchased by the Remarketing Dealer on such Remarketing Date. The Company shall pay such repurchase price for any such Drs. in same-day funds by wire transfer on such Remarketing Date.

6. *Redemption*. If the Remarketing Dealer has elected to purchase the Drs. on any Remarketing Date, the Company shall have the right to redeem the Drs., in whole but not in part, from the Remarketing Dealer on such Remarketing Date at a redemption price equal to the sum of (i) the aggregate principal amount of the Drs. outstanding immediately prior to such Remarketing Date and (ii) the Call Price (as defined below) determined with respect to such Remarketing Date, by giving notice of such election to the Remarketing Dealer no later than (x) one Business Day prior to the Determination Date with respect to such Remarketing Date or (y) in the event that fewer than three Reference Corporate Dealers submit timely, firm, committed bids for all outstanding Drs. to the Remarketing Dealer in connection with such Remarketing Date, immediately after the deadline set by the Remarketing Dealer for receiving such bids has passed, provided that this clause (y) shall not apply if the Company has given notice to the Remarketing Dealer that such bids shall not be solicited as provided in clause (ii) of section 4 hereof.

In either such case, the Company shall pay to the Trustee such redemption price for the Drs. in same-day funds by wire transfer on the such Remarketing Date. For the purposes of calculating the Call Price, the Remarketing Dealer shall be deemed to have made the request for a Call Price payment on the date the Company makes its election to redeem the Drs. pursuant to this section 6. For purposes of this Section 6:

"**Call Price**" means, on any date of determination:

(i) if the Remarketing Dealer's request for a Call Price payment is made prior to the Determination Date in respect of the first Remarketing Date, the Commercially Reasonable Option Value on the date of such request;

(ii) if the Remarketing Dealer's request for a Call Price payment is made on or after a Determination Date in respect of any Remarketing Date and on or prior to such Remarketing Date, an amount (if positive) equal to:

(1) the Commercially Reasonable Option Value determined as if the date of determination was the first day after the next applicable Remarketing Date,

plus

(2) the Full Option Settlement Value for the applicable Determination Date,

(iii) if the Remarketing Dealer's request for a Call Price payment is made after any Remarketing Date and prior to the next following Determination Date, an amount equal to the Commercially Reasonable Option Value on the date of such request;

(iv) if the Remarketing Dealer's request for a Call Price payment is made on or after the Determination Date in respect of the last Remarketing Date an amount (if positive) equal to, the Full Option Settlement Value with respect to such Remarketing Date.

"**Commercially Reasonable Option Value**" means, on any date of determination, the amount determined by the Remarketing Dealer on such date of determination under Section 6(e) of the ISDA Master Agreement dated as of September 9, 2005 between the Company and JPMorgan Chase Bank, N.A., as amended or supplemented from time to time (the "**ISDA Master Agreement**"; *provided* that if such ISDA Master Agreement is terminated then, for purposes hereof, the ISDA Master Agreement shall mean the ISDA Master Agreement as of the date of such termination) on a "Market Quotation," "Second Method" basis in respect of the embedded interest rate option(s) implicit in the Remarketing Dealer's option to purchase, at 100% of the aggregate principal amount thereof, the Original Amount of Drs. on each Remarketing Date following such date of determination as if a "Termination Event" had occurred on such date of determination solely with respect to such interest rate option(s) with respect to the Company under the ISDA Master Agreement and the Company was the "Affected Party" with respect to such interest rate option(s) only and assuming that there are no Unpaid Amounts (as defined in the ISDA Master Agreement) owing to any party. The determination of the Commercially Reasonable Option Value shall be made using the provisions of the ISDA Master Agreement regardless of any termination of the ISDA Master Agreement. Upon making a

determination of Commercially Reasonable Option Value as provided herein, the Remarketing Dealer shall provide the Company with a calculation statement as provided in Section 6(d)(i) of the ISDA Master Agreement.

"**Full Option Settlement Value**" means, with respect to any Remarketing Date, an amount (if positive) equal to the Dollar Price determined with respect to such Remarketing Date less the Original Amount of Drs.

"**Original Amount of Drs.**" means the aggregate principal amount of the Drs. issued by the Company on December 19, 2006.

7. *Certain Covenants*. The Company (and its Restricted Subsidiaries, as defined in the Indenture) is obliged to abide by certain covenants, including covenants restricting the creation of liens as well as its ability to enter into sale and leaseback transactions, all as more fully described in the Indenture.

8. *Effect of Event of Default*. If an Event of Default shall have occurred with respect to the Drs. and be continuing under the Indenture, the principal hereof may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

9. *Tax Treatment; Agreement to Tender*. Because the Drs. are subject to mandatory tender to the Remarketing Dealer or repurchase by the Company on each Remarketing Date, the Company intends at all times to treat, and by purchasing a Drs., for all tax purposes holders agree to treat, the Drs. as maturing on the next following Remarketing Date (or the Stated Maturity Date if such Remarketing Date is the final Remarketing Date) for U.S. federal income tax purposes, and as being reissued on such Remarketing Date, should the Remarketing Dealer remarket the Drs. on such date. By purchasing the Drs., a Holder of this Security (and each holder of a beneficial interest herein) agrees to follow such treatment for U.S. federal income tax purposes. Each Holder of this Security (and each holder of a beneficial interest herein) irrevocably agrees that this Security shall automatically be tendered on the Remarketing Date (a) to the Remarketing Dealer if the Remarketing Dealer elects to purchase the Drs. on the terms and conditions set forth herein or (b) to the Company if the Remarketing Dealer does not purchase the Drs. on the terms and conditions set forth herein.

10. *Modification and Waiver*. Modifications and amendments of the Indenture will be permitted to be made only with the consent of the Holders of 66-$^{2}/_{3}$% in aggregate principal amount of the Outstanding Securities issued under the Indenture of each series affected by such modification or amendment; provided that no such modification or amendment may, without the consent of the Holder of each Security so affected, (a) change the Stated Maturity of the principal of, or any installment of interest or principal on, any such Security; (b) reduce certain payments due on such Security; (c) change the place of payment, or the coin or currency in which any payment on such Security is payable; (d) impair a Holder's right to institute suit for the enforcement of any payment on or with respect to any such Debt Security; (e) reduce the above-stated percentage of Outstanding Securities of such series necessary to modify or amend the Indenture; or (f) modify any of the foregoing requirements or reduce the percentage of

Outstanding Debt Securities of such series required to waive compliance with certain provisions of the Indenture or to waive certain Events of Defaults with respect to such series.

Under the Indenture, the Holders of 66-2/3% in aggregate principal amount of the Outstanding Securities may on behalf of all Holders waive compliance by the Company with certain restrictive covenants of the Indenture, and the Holders of a majority in aggregate principal of Outstanding Securities may waive any past Event of Default under the Indenture, except an Event of Default in the payment of the principal of or any premium or interest on any Debt Securities or an Event of Default under any provision of the Indenture which itself cannot be modified or amended without the consent of the holders of each Outstanding Security.

Modifications and amendments of the Indenture will be permitted to be made by the Company and the Trustee without the consent of any Holder of Debt Securities of any series as set forth in the Indenture and in the last sentence of Section 3(a) hereof.

11. *Denominations; Transfer*. (a) The Debt Securities are issuable in registered form without coupons in denominations of $1,000 and any integral multiple thereof.

(b) A certificate in global form representing all or a portion of the Debt Securities of any series may not be transferred except as a whole by the Depositary for such series to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor Depositary for such series or a nominee of such successor Depositary.

(c) Prior to due presentment of this Security for registration of transfer, the Company, the Trustee, and any agent of the Company or the Trustee shall treat the person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by a notice to the contrary.

12. *Governing Law*. The laws of the State of New York govern the Indenture and this Security.

[End of Form of Drs. Security]

ASSIGNMENT FORM

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto:

PLEASE INSERT TAXPAYER
IDENTIFICATION NUMBER OF
ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

_____

_____

_____

the within Security of Kimberly-Clark Corporation and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer said Security on the books of Kimberly-Clark Corporation, with full power of substitution in the premises

Dated: _____ Signature _____

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE WITHIN INSTRUMENT IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER. THE SIGNATURE(S) SHOULD BE GUARANTEED BY A COMMERCIAL BANK OR TRUST COMPANY, A MEMBER ORGANIZATION OF A NATIONAL STOCK EXCHANGE OR BY SUCH OTHER ENTITY WHOSE SIGNATURE IS ON FILE WITH AND ACCEPTABLE TO THE TRANSFER AGENT.

FORM OF NON-U.S. BENEFICIAL OWNERSHIP CERTIFICATION
BY EUROCLEAR OR CLEARSTREAM. LUXEMBOURG

[Date]

The Bank of New York Trust Company, N.A.
601 Travis, Floor 16
Houston, Texas 77002

Re: Kimberly-Clark Corporation (the "Company")
5.263% Dealer remarketable securities℠ ("Drs.℠")

This is to certify with respect to $ _____ principal amount of the Drs. that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from member organizations appearing in our records as persons being entitled to a portion of such principal amount (our "Member Organizations") certifications with respect to such portion, substantially to the effect set forth in the Indenture for the Drs..

We further certify:

(i) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the Temporary Global Security excepted in such certifications; and

(ii) that as of the date hereof we have not received any notification from any of our Member Organizations to the effect that the statements made by such Member Organizations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as the date hereof.

We understand that this certification is required in connection with certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you or the Company to produce this certification to any interested party in such proceedings.

Dated: _____, 200_

Yours faithfully,
[Euroclear or Clearstream, Luxembourg]

By _____

ANNEX B-2

FORM OF NON-U.S. BENEFICIAL OWNERSHIP CERTIFICATION
BY MEMBER ORGANIZATION

[Date]

[Euroclear or Clearstream, Luxembourg, as applicable]

Re: Kimberly-Clark Corporation (the "Company")
5.263% Dealer remarketable securities℠ ("Drs.℠")

This is to certify that as of the date hereof, and except as set forth below, the Drs. held by you for our account are beneficially owned by (a) non-U.S. person(s) or (b) U.S. person(s) who purchased the Drs. in transactions which did not require registration under the Securities Act of 1933, as amended (the "Act"). As used in this paragraph the term "U.S. person" has the meaning given to it by Regulation S under the Act.

We undertake to advise you promptly by tested telex or by electronic transmission on or prior to the date on which you intend to submit your certification relating to the Drs. held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to $ _____ of such interest in the above Drs. in respect of which we are not able to certify and as to which we understand exchange and delivery of definitive Drs. (or, if relevant, exercise of any rights or collection of any interest) cannot be made until we do so certify.

We understand that this certification is required in connection with certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you, the Company or the Trustee and/or Security Registrar for the Drs. to produce this certification to any interested party in such proceedings.

Date: _____, 200_. (Not earlier than 15 days prior to the end of the Distribution Compliance Period).

By: _____
[Agent Member]
As, or as agent for, the Beneficial Owners) of the Drs. to which this certificate relates.

ANNEX C

FORM OF TRANSFER CERTIFICATE FOR TRANSFER TO QIB

[Date]

The Bank of New York Trust Company, N.A.
601 Travis, Floor 16
Houston, Texas 77002

Re: Kimberly-Clark Corporation (the "Company")
5.263% Dealer remarketable securities℠ ("Drs.℠")

Ladies and Gentlemen:

Reference is hereby made to the First Amended and Restated Indenture, dated as of March 1, 1988 (as amended and supplemented from time to time, the "Indenture"), between the Company, as issuer, and The Bank of New York Trust Company, N.A. as successor Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to $_____ aggregate principal amount of Drs. [*in the case of a transfer of an interest in a Regulation S Global Security*: which represents an interest in a Regulation S Global Security beneficially owned by] [*in the case of a transfer of an IAI Security*: which are held in the name on the undersigned (the "Transferor'") to effect the transfer of such Drs. in exchange for an equivalent beneficial interest in the Rule 144A Global Security.

In connection with such request, and with respect to such Drs., the Transferor does hereby certify that such Drs. are being transferred in accordance with Rule 144A under the Securities Act of 1933, as amended ("Rule 144A"), to a transferee that the Transferor reasonably believes is purchasing the Drs. for its own account or an account with respect to which the transferee exercises sole investment discretion, and the transferee, as well as any such account, is a "qualified institutional buyer" within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with applicable securities laws of any state of the United States or any other jurisdiction.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor)

By: _____

_____
Authorized Signature

ANNEX D

FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION WITH TRANSFERS
TO INSTITUTIONAL ACCREDITED INVESTORS

[Date]

The Bank of New York Trust Company, N.A.
601 Travis, Floor 16 Houston, Texas 77002

Re: Kimberly-Clark Corporation (the "Company")
5.263% Dealer remarketable securities℠ ("Drs.℠")

Ladies and Gentlemen:

Reference is hereby made to the First Amended and Restated Indenture, dated as of March 1, 1988 (as amended and supplemented from time to time, the "Indenture"), between the Company, as issuer, and The Bank of New York Trust Company, N.A., as successor Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This certificate is delivered to request a transfer of US $_____ principal amount of the Drs. (the "Transferred Drs.") to the undersigned (the "Transferee").

Upon transfer, the Transferred Drs. should be registered in the name of the new owner as follows:

Name: _____ *[If applicable, add:*
as nominee for the Transferee]
Address: _____
Taxpayer ID Number _____

The undersigned represents and warrants to you that:

1. We understand that the Drs. are not being and will not be registered under the Securities Act of 1933, as amended (the "Act"), and are being sold to us in a transaction that is exempt from the registration requirements of the Act.

2. We acknowledge that (a) neither the Company, nor J.P. Morgan Securities Inc. (the "Initial Purchaser") nor any person acting on behalf of the Company or the Initial Purchaser has made any representation to us with respect to the Company or the offer or sale of any Drs.; and (b) any information we desire concerning the Company and the Drs. or any other matter relevant to our decision to purchase the Drs. (including a copy of the Offering Memorandum dated December 14, 2006 relating to the Drs.) is or has been made available to us.

3. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Drs., and we are (or any account for which we are purchasing under paragraph 4 below is) an institutional "accredited investor" (within the meaning of Rule 501(a) (1), (2), (3) or (7) of Regulation D under the Act) able to bear the economic risk of investment in the Drs.

4. We are acquiring the Drs. for our own account (or for accounts as to which we exercise sole investment discretion and have authority to make, and do make, the statements contained in this letter) and not with a view to any distribution of the Drs., subject, nevertheless, to the understanding that the disposition of our property will at all times be and remain within our control.

5. We understand that (a) the Drs. will be in registered form only and that any certificates delivered to us in respect of the Drs. will bear a legend substantially to the following effect:

"These Securities have not been registered under the Securities Act of 1933, as amended. Further offers or sales of these Securities are subject to certain restrictions, as set forth in the Offering Memorandum dated December 14, 2006 relating to these Securities."

and (b) the Company has agreed to reissue such certificates without the foregoing legend only in the event of a disposition of the Drs. in accordance with the provisions of paragraph 6 (provided, in the case of a disposition of the Drs. in accordance with paragraph 6(f) below, that the legal opinion referred to in such paragraph so permits), or at our request at such time as we would be permitted to dispose of them in accordance with paragraph 6(a) below.

6. We agree that in the event that at some future time we wish to dispose of any of the Drs., we will not do so unless such disposition is made in accordance with any applicable securities laws of any state of the United States and:

(a) the Drs. are sold in compliance with Rule 144(k) under the Act; or

(b) the Drs. are sold in compliance with Rule 144A under the Act; or

(c) the Drs. are sold in compliance with Rule 904 of Regulation S under the Act; or

(d) the Drs. are sold pursuant to an effective registration statement under the Act; or

(e) the Drs. are sold to the Company or the Remarketing Dealer; or

(f) the Drs. are disposed of in any other transaction that does not require registration under the Act, and we theretofore have furnished to the Company or its designee an opinion of counsel experienced in securities law matters to such effect or such other documentation as the Company or its designee may reasonably request.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferee]

By: _____

_____
Authorized Signature

ANNEX E

FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION WITH TRANSFERS
PURSUANT TO REGULATION S

[Date]

The Bank of New York Trust Company, N.A.
601 Travis, Floor 16
Houston, Texas 77002

Re: Kimberly-Clark Corporation (the "Company")
5.263% Dealer remarketable securities℠ ("Drs.℠")

Ladies and Gentlemen:

Reference is hereby made to the First Amended and Restated Indenture, dated as of March 1, 1988 (as amended and supplemented from time to time, the "Indenture"), between the Company, as issuer, and The Bank of New York Trust Company, N.A. as successor Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed sale of $_____ aggregate principal amount of Drs. [*in the case of a transfer of an interest in a 144A Global Security:*, which represent an interest in a 144A Global Security beneficially owned by] [*in the case of a transfer of an IAI Security:* held in the name of] the undersigned ("Transferor"), we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, we represent that:

(a) the offer of the Drs. was not made to a person in the United States;

(b) either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(c) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(e) we are the beneficial owner of the principal amount of Drs. being transferred.

In addition, if the sale is made during a Distribution Compliance Period and the provisions of Rule 904(b)(1) or Rule 404(b)(2) of Regulation S are applicable thereto, we

confirm that such sale has been made in accordance with the applicable provisions of Rule 904(b)(1) or Rule 944(b)(2), as the case may be,

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this letter have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferor]

By: _____

_____
Authorized Signature

ANNEX F

FORM OF RULE 144 CERTIFICATION

[Date]

The Bank of New York Trust Company, N.A.
601 Travis, Floor 16
Houston,
Texas 77002

Re: Kimberly-Clark Corporation (the "Company")
5.263% Dealer remarketable securities℠ ("Drs.℠")

Ladies and Gentlemen:

Reference is hereby made to the First Amended and Restated Indenture, dated as of March 1, 1988 (as amended and supplemented from time to time, the "Indenture"), between the Company, as issuer, and The Bank of New York Trust Company, N.A. as successor Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed sale of $_____ aggregate principal amount of Drs. [*in the case of a transfer of an interest in a 144A Global Security*:, which represent an interest in a 144A Global Security beneficially owned by] [*in the case of a transfer of an IAI Security*: held in the name of] the undersigned ("Transferor"), we confirm that such sale has been effected pursuant to and in accordance with Rule 144 under the Securities Act.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

_____
Authorized Signature

Exhibit 5.1

July 24, 2007

Kimberly-Clark Corporation
P. O. Box 619100
Dallas, Texas 75261-9100

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

This opinion is rendered in connection with the registration under the Securities Act of 1933, as amended (the "Act"), by Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), pursuant to the registration statement on Form S-3 (the "Registration Statement"), of (i) shares of common stock, par value $1.25 per share, of the Corporation (the "Common Stock"), (ii) shares of preferred stock, no par value per share, of the Corporation (the "Preferred Stock"), (iii) debt securities of the Corporation (the "Debt Securities") and (iv) warrants to purchase other securities of the Corporation (the "Warrants"). I am Senior Vice President - Law and Government Affairs and Chief Compliance Officer of the Corporation. Whenever in this opinion letter I use the words "we", "our" or "us", such terms refer to me and to members of my staff who have provided legal services in connection with the Registration Statement.

The Debt Securities will be issued from time to time pursuant to the First Amended and Restated Indenture dated as of March 1, 1988, as supplemented by the First Supplemental Indenture thereto, dated as of November 6, 1992, the Second Supplemental Indenture thereto, dated as of May 25, 1994, the Third Supplemental Indenture thereto, dated as of March 14, 2002 and the Fourth Supplemental Indenture thereto, dated as of December 19, 2006 (collectively, the "Indenture"), between the Corporation and The Bank of New York Trust Company, N.A., as successor trustee. The Warrants will be issued under one or more warrant agreements between the Corporation and a banking institution organized under the laws of the United States or one or more states thereof (each, a "Warrant Agreement").

We have examined such corporate records, certificates and other documents, and such questions of law as we have considered necessary or appropriate for the purposes of this opinion. Based upon the foregoing, we are of the opinion that:

1. The Common Stock will be validly issued, fully paid and nonassessable when: (i) the Registration Statement has become effective under the Act, (ii) the terms of the sale of the Common Stock have been duly established in conformity with the Amended and Restated Certificate of Incorporation of the Corporation and (iii) the Common Stock has been duly issued and sold as contemplated by the Registration Statement.

2. The Preferred Stock will be validly issued, fully paid and nonassessable when: (i) the Registration Statement has become effective under the Act, (ii) a certificate of designation with respect to the Preferred Stock has been duly filed with the Secretary of State of the State of Delaware, (iii) the terms of the Preferred Stock and of its issuance and sale have been duly established in conformity with the Amended and Restated Certificate of Incorporation of the Corporation so as to not violate any applicable law or result in a default under or breach of an agreement or instrument then binding on the Corporation and (iv) the Preferred Stock has been duly issued and sold as contemplated by the Registration Statement.

3. The Debt Securities will constitute valid and legally binding obligations of the Corporation, subject to bankruptcy, insolvency, fraudulent transfer, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles, when: (i) the Registration Statement has become effective under the Act, (ii) the terms of the Debt Securities and of the issuance and sale of the Debt Securities have been duly established in conformity with the Indenture so as to not violate any applicable law or result in a default under or breach of an agreement or instrument then binding on the Corporation, (iii) the Debt Securities have been duly executed and authenticated in accordance with the Indenture and (iv) the Debt Securities have been issued and sold as contemplated by the Registration Statement.

4. The Warrants will constitute valid and legally binding obligations of the Corporation, subject to bankruptcy, insolvency, fraudulent transfer, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles, when: (i) the Registration Statement has become effective under the Act, (ii) the terms of the applicable Warrant Agreement relating to the Warrants has been duly authorized, executed and delivered, (iii) the terms of the Warrants and their issuance and sale have been duly established in conformity with the applicable Warrant Agreement so as to not violate any applicable law or result in a default under or breach of an agreement or instrument then binding on the Corporation and (iv) the Warrants have been duly executed and authenticated in accordance with the Warrant Agreement and issued and sold as contemplated by the Registration Statement.

For purposes of this opinion, we have assumed the genuineness of all signatures of, and the authority of, persons signing any documents or records on behalf of parties other than the Corporation, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified or photostatic copies. In addition, we have assumed that there will be no changes in the laws currently applicable to the Corporation and that such laws will be the only laws applicable to the Corporation. Also, we have relied as to certain matters on information obtained from public officials, officers of the Corporation and other sources believed by us to be responsible.

The foregoing opinion is limited in all respects to the Federal laws of the United States and the General Corporation Law of the State of Delaware, and we are expressing no opinion as to the effect of the laws of any other jurisdiction.

I hereby consent to the filing of this opinion as an Exhibit to the Registration Statement and to the use of my name under the caption "Legal Matters" in the Prospectus forming a part of the Registration Statement. In giving such consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Ronald D. Mc Cray

Ronald D. Mc Cray

Exhibit No. 12.1

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
(Dollar amount in millions)
(Unaudited)

	Three Months Ended March 31	
	2007	2006
Consolidated Companies		
Income before income taxes and equity interests	$ 544.2	$ 356.7
Interest expense	50.9	54.3
Interest factor in rent expense	17.8	17.5
Amortization of capitalized interest	4.0	3.5
Equity Affiliates		
Share of 50%-owned:		
Income before income taxes	.9	1.0
Interest expense	—	—
Interest factor in rent expense	—	—
Amortization of capitalized interest	—	—
Distributed income of less than 50%-owned	—	.5
Earnings	$ 617.8	$ 433.5
Consolidated Companies		
Interest expense	$ 50.9	$ 54.3
Capitalized interest	6.8	3.0
Interest factor in rent expense	17.8	17.5
Equity Affiliates		
Share of 50%-owned:		
Interest and capitalized interest	—	—
Interest factor in rent expense	—	—
Fixed Charges	$ 75.5	$ 74.8
Ratio of earnings to fixed charges	8.18	5.80

Note: The Corporation is contingently liable as guarantor, or directly liable as the original obligor, for certain debt and lease 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 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-3 of our report dated February 20, 2007 (July 20, 2007 as to Notes 1, 4, 9, and 17), relating to the consolidated financial statements and financial statement schedule of Kimberly-Clark Corporation and subsidiaries (which report expresses an unqualified opinion on those financial statements and financial statement schedule and includes an explanatory paragraph regarding the adoption of Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment*, on January 1, 2006, the adoption of Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, on December 31, 2006, and the adoption of Financial Accounting Standards Board Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*, on December 31, 2005), appearing in Exhibit 99.1 of this Registration Statement, and to the incorporation by reference in this Registration Statement of our report dated February 20, 2007 relating to management's report on the effectiveness of internal control over financial reporting appearing in the Current Report on Form 8-K of Kimberly-Clark Corporation dated June 14, 2007.

We also consent to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Dallas, Texas
July 24, 2007

Exhibit 24.1

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 5th day of June, 2007.

/s/ John R. Alm

John R. Alm

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 4th day of June, 2007.

/s/ Dennis R. Beresford

Dennis R. Beresford

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 5th day of June, 2007.

/s/ John F. Bergstrom
John F. Bergstrom

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 5th day of June, 2007.

/s/ Abelardo E. Bru

Abelardo E. Bru

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 3rd day of June, 2007.

/s/ Robert W. Decherd

Robert W. Decherd

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 5th day of June, 2007.

/s/ Thomas J. Falk

Thomas J. Falk

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 3rd day of June, 2007.

/s/ Mae C. Jemison

Mae C. Jemison

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 5th day of June, 2007.

/s/ James M. Jenness

James M. Jenness

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 20th day of June, 2007.

/s/ Linda Johnson Rice

Linda Johnson Rice

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 4th day of June, 2007.

/s/ Marc J. Shapiro

Marc J. Shapiro

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Randy J. Vest and Ronald D. Mc Cray, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned the Corporation's Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of securities of the Corporation, and to execute any and all amendments to such Registration Statement and any additional registration statement related thereto filed pursuant to Rule 462(b) promulgated under the Securities Act, 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 the undersigned 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 3rd day of June, 2007.

/s/ G. Craig Sullivan

G. Craig Sullivan

EXHIBIT 25.1

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

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) ☒

THE BANK OF NEW YORK TRUST COMPANY, N.A.
(Exact name of trustee as specified in its charter)

(Jurisdiction of incorporation if not a U.S. national bank)	**95-3571558** (I.R.S. employer identification no.)
700 South Flower Street, Suite 500 **Los Angeles, California** (Address of principal executive offices)	**90017** (Zip code)

KIMBERLY-CLARK CORPORATION
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**39-0394230** (I.R.S. employer identification no.)
P.O. Box 619100 **Dallas, Texas** (Address of principal executive offices)	**75261-9100** (Zip code)

Debt Securities
(Title of the indenture securities)

1. General information. Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Comptroller of the Currency—United States Department of the Treasury	Washington, D.C. 20219
Federal Reserve Bank	San Francisco, CA 94105
Federal Deposit Insurance Corporation	Washington, D.C. 20429

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with the Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the articles of association of the Bank of New York Trust Company, N.A. (Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121948 which is incorporated by reference.)

2. A copy of certificate of authority of the trustee to commence business. (Exhibit 2 to Form T-1 filed with Registration Statement No. 333-121948 which is incorporated by reference.)

3. A copy of the authorization of the trustee to exercise corporate trust powers. (Exhibit 3 to Form T-1 filed with Registration Statement No. 333-121948 which is incorporated by reference.)

4. A copy of existing bylaws of the trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121948 which is incorporated by reference.)

5. Not applicable.

6. The consent of the trustee required by Section 321(b) of the Act.*

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirement of its supervising or examining authority.*

8. Not applicable.

9. Not applicable.

---

* Filed herewith.

SIGNATURE

Pursuant to the requirements of the Act, the trustee, The Bank of New York Trust Company, N.A., a banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of Houston, and State of Texas on the 24 day of July, 2007.

THE BANK OF NEW YORK TRUST COMPANY, N.A.

By: /s/ Marcella Burgess
Marcella Burgess
Assistant Vice President

EXHIBIT 6

CONSENT OF THE TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939, and in connection with the proposed issue of **Kimberly-Clark Corporation**, The Bank of New York Trust Company, N.A. hereby consents that reports of examinations by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefore.

THE BANK OF NEW YORK TRUST COMPANY, N.A.

By: /s/ Marcella Burgess
Marcella Burgess
Assistant Vice President

Houston, Texas
July 24, 2007

EXHIBIT 7

REPORT OF CONDITION
Consolidating domestic subsidiaries of
THE BANK OF NEW YORK TRUST COMPANY, N.A.
in the State of California at the close of business on March 31, 2007

STATEMENT OF RESOURCES AND LIABILITIES		Dollars in Thousands
ASSETS		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		$ 2,391
Interest-bearing balances		0
Securities:		
Held-to-maturity securities		40
Available-for-sale securities		65,083
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold		48,400
Securities purchased under agreements to resell		54,885
Loans and lease financing receivables:		
Loans and leases held for sale		0
Loans and leases, net of unearned income	$0	
LESS: Allowance for loan and lease losses	0	
Loans and leases, net of unearned income and allowance		0
Trading assets		0
Premises and fixed assets (including capitalized leases)		8,755
Other real estate owned		0
Investments in unconsolidated subsidiaries and associated companies		0
Intangible assets:		
Goodwill		924,236
Other intangible assets		270,030
Other assets		143,616
Total assets		$1,517,436

EXHIBIT 7

REPORT OF CONDITION (Continued)

LIABILITIES		Dollar Amounts in Thousands
Deposits:		
In domestic offices		$ 1,691
Noninterest-bearing	$1,691	
Interest bearing	0	
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased		0
Securities sold under agreement to repurchase		0
Trading liabilities		0
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)		118,691
Subordinated notes and debentures		0
Other liabilities		126,416
Total liabilities		246,798
Minority interest in consolidated subsidiaries		0
EQUITY CAPITAL		
Perpetual preferred stock and related surplus		0
Common stock		1,000
Surplus (exclude all surplus related to preferred stock)		1,121,520
Retained earnings		148,100
Accumulated other comprehensive income		18
Other equity capital components		0
Total equity capital		1,270,638
Total liabilities, minority interest, and equity capital		$1,517,436

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Director #1 Michael K. Klugman, President

Director #2 Frank Sulzberger, MD

Director #3 Michael McFadden, MD

I, Karen Bayz, Vice President of the above named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

/s/ Karen Bayz

/s/ Michael K. Klugman, President

/s/ Frank Sulzberger, MD

/s/ Michael McFadden, MD

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Kimberly-Clark Corporation and Subsidiaries
CONSOLIDATED INCOME STATEMENT

(Millions of dollars, except per share amounts)	*Year Ended December 31*		
	2006	*2005*	*2004*
Net Sales	**$16,746.9**	$15,902.6	$15,083.2
Cost of products sold	**11,664.8**	10,827.4	10,014.7
Gross Profit	**5,082.1**	5,075.2	5,068.5
Marketing, research and general expenses	**2,948.3**	2,737.4	2,510.9
Other (income) and expense, net	**32.3**	27.2	51.2
Operating Profit	**2,101.5**	2,310.6	2,506.4
Nonoperating expense	**(65.5)**	(179.0)	(158.4)
Interest income	**29.2**	27.5	17.9
Interest expense	**(220.3)**	(190.2)	(162.5)
Income Before Income Taxes, Equity Interests, Discontinued Operations and Cumulative Effect of Accounting Change	**1,844.9**	1,968.9	2,203.4
Provision for income taxes	**(469.2)**	(438.4)	(483.9)
Share of net income of equity companies	**218.6**	136.6	124.8
Minority owners' share of subsidiaries' net income	**(94.8)**	(86.5)	(73.9)
Income From Continuing Operations	**1,499.5**	1,580.6	1,770.4
Income from discontinued operations, net of income taxes	**—**	—	29.8
Income Before Cumulative Effect of Accounting Change	**1,499.5**	1,580.6	1,800.2
Cumulative effect of accounting change, net of income taxes	**—**	(12.3)	—
Net Income	**$ 1,499.5**	$ 1,568.3	$ 1,800.2
Per Share Basis			
Basic			
Continuing operations	**$ 3.27**	$ 3.33	$ 3.58
Discontinued operations	**—**	—	.06
Cumulative effect of accounting change	**—**	(.03)	—
Net income	**$ 3.27**	$ 3.30	$ 3.64
Diluted			
Continuing operations	**$ 3.25**	$ 3.31	$ 3.55
Discontinued operations	**—**	—	.06
Cumulative effect of accounting change	**—**	(.03)	—
Net income	**$ 3.25**	$ 3.28	$ 3.61

See Notes to Consolidated Financial Statements.

Kimberly-Clark Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEET

(Millions of dollars) *ASSETS*	*December 31* *2006*	*2005*
Current Assets		
Cash and cash equivalents	**$ 360.8**	$ 364.0
Accounts receivable, net	**2,336.7**	2,101.9
Inventories	**2,004.5**	1,752.1
Deferred income taxes	**219.2**	223.4
Time deposits	**264.5**	212.3
Other current assets	**84.0**	129.4
Total Current Assets	**5,269.7**	4,783.1
Property, Plant and Equipment, net	**7,684.8**	7,494.7
Investments in Equity Companies	**392.9**	457.8
Goodwill	**2,860.5**	2,685.6
Other Assets	**859.1**	882.0
	$17,067.0	$16,303.2

(Millions of dollars) *LIABILITIES AND STOCKHOLDERS' EQUITY*	*December 31* *2006*	*2005*
Current Liabilities		
Debt payable within one year	**$ 1,326.4**	$ 1,222.5
Trade accounts payable	**1,205.6**	1,055.5
Other payables	**325.2**	298.8
Accrued expenses	**1,603.8**	1,399.6
Accrued income taxes	**330.8**	457.9
Dividends payable	**224.0**	208.6
Total Current Liabilities	**5,015.8**	4,642.9
Long-Term Debt	**2,276.0**	2,594.7
Noncurrent Employee Benefit and Other Obligations	**2,070.7**	1,782.6
Deferred Income Taxes	**391.1**	572.9
Minority Owners' Interests in Subsidiaries	**422.6**	394.5
Preferred Securities of Subsidiary	**793.4**	757.4
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 and 568.6 million shares at December 31, 2006 and 2005	**598.3**	710.8
Additional paid-in capital	**427.6**	324.6
Common stock held in treasury, at cost – 23.0 million and 107.1 million shares at December 31, 2006 and 2005	**(1,391.9)**	(6,376.1)
Accumulated other comprehensive income (loss)	**(1,432.2)**	(1,669.4)
Retained earnings	**7,895.6**	12,581.4
Unearned compensation on restricted stock	**—**	(13.1)
Total Stockholders' Equity	**6,097.4**	5,558.2
	$17,067.0	$16,303.2

See Notes to Consolidated Financial Statements.

Kimberly-Clark Corporation and Subsidiaries

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(Dollars in millions, shares in thousands)	*Common Stock Issued*		*Additional Paid-in Capital*	*Treasury Stock*		*Unearned Compensation on Restricted Stock*	*Retained Earnings*	*Accumulated Other Comprehensive Income (Loss)*	*Comprehensive Income*
	Shares	*Amount*		*Shares*	*Amount*				
Balance at December 31, 2003	568,597	$ 710.8	$ 406.9	67,008	$(3,818.1)	$ (27.1)	$11,059.2	$ (1,565.4)	
Net income	—	—	—	—	—	—	1,800.2	—	$ 1,800.2
Other comprehensive income:									
Unrealized translation	—	—	—	—	—	—	—	415.8	415.8
Minimum pension liability	—	—	—	—	—	—	—	(47.8)	(47.8)
Other	—	—	—	—	—	—	—	(4.2)	(4.2)
Total comprehensive income									$ 2,164.0
Options exercised and other awards	—	—	(88.9)	(6,239)	378.9	—	—	—	
Option and restricted share income tax benefits	—	—	30.9	—	—	—	—	—	
Shares repurchased	—	—	—	25,061	(1,617.3)	—	—	—	
Net issuance of restricted stock, less amortization	—	—	(.3)	(136)	9.0	4.8	—	—	
Dividends declared	—	—	—	—	—	—	(791.0)	—	
Spin-off of Neenah Paper, Inc.	—	—	—	—	—	—	(202.5)	(24.4)	
Balance at December 31, 2004	568,597	710.8	348.6	85,694	(5,047.5)	(22.3)	11,865.9	(1,226.0)	
Net income	—	—	—	—	—	—	1,568.3	—	$ 1,568.3
Other comprehensive income:									
Unrealized translation	—	—	—	—	—	—	—	(412.6)	(412.6)
Minimum pension liability	—	—	—	—	—	—	—	(58.6)	(58.6)
Other	—	—	—	—	—	—	—	27.8	27.8
Total comprehensive income									$ 1,124.9
Options exercised and other awards	—	—	(39.2)	(3,040)	181.9	—	—	—	
Option and restricted share income tax benefits	—	—	15.1	—	—	—	—	—	
Shares repurchased	—	—	—	24,463	(1,511.2)	—	—	—	
Net issuance of restricted stock, less amortization	—	—	.1	(9)	.7	9.2	—	—	
Dividends declared	—	—	—	—	—	—	(852.8)	—	
Balance at December 31, 2005	568,597	710.8	324.6	107,108	(6,376.1)	(13.1)	12,581.4	(1,669.4)	
Net income	**—**	**—**	**—**	**—**	**—**	**—**	**1,499.5**	**—**	**$ 1,499.5**
Other comprehensive income:									
Unrealized translation	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**439.7**	**439.7**
Minimum pension liability	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**203.3**	**203.3**
Other	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(10.6)**	**(10.6)**
Total comprehensive income[(a)]									**$ 2,131.9**
Reclassifications upon adoption of SFAS 123R	**—**	**—**	**55.8**	**625**	**(31.9)**	**13.1**	**—**	**—**	
Stock-based awards exercised or vested and other	**—**	**—**	**(42.4)**	**(6,800)**	**373.8**	**—**	**(2.2)**	**—**	
Income tax benefits on stock-based compensation	**—**	**—**	**22.2**	**—**	**—**	**—**	**—**	**—**	
Adjustment to initially apply SFAS 158, net of tax	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(395.2)**	
Shares repurchased	**—**	**—**	**—**	**12,045**	**(753.9)**	**—**	**—**	**—**	
Recognition of stock-based compensation	**—**	**—**	**67.4**	**—**	**—**	**—**	**—**	**—**	
Retirement of treasury stock	**(90,000)**	**(112.5)**	**—**	**(90,000)**	**5,396.2**	**—**	**(5,283.7)**	**—**	
Dividends declared	**—**	**—**	**—**	**—**	**—**	**—**	**(899.4)**	**—**	
Balance at December 31, 2006	**478,597**	**$ 598.3**	**$ 427.6**	**22,978**	**$(1,391.9)**	**$ —**	**$ 7,895.6**	**$ (1,432.2)**	

(a) As corrected, see Note 1.

See Notes to Consolidated Financial Statements.

Kimberly-Clark Corporation and Subsidiaries

CONSOLIDATED CASH FLOW STATEMENT

(Millions of dollars)	*Year Ended December 31*		
	2006	*2005*	*2004*
Continuing Operations:			
Operating Activities			
Income from continuing operations	**$ 1,499.5**	$ 1,580.6	$ 1,770.4
Depreciation and amortization	**932.8**	844.5	800.3
Asset impairments	**6.2**	80.1	—
Stock-based compensation	**67.4**	32.4	19.4
Deferred income taxes	**(208.0)**	(142.7)	(19.4)
Net losses on asset dispositions	**116.1**	45.8	45.5
Equity companies' earnings less than (in excess of) dividends paid	**26.6**	(23.8)	(30.1)
Minority owners' share of subsidiaries' net income	**94.8**	86.5	73.9
Decrease (increase) in operating working capital	**5.1**	(180.1)	94.8
Postretirement benefits	**33.8**	40.9	(54.4)
Other	**5.2**	(52.4)	25.8
Cash Provided by Operations	**2,579.5**	2,311.8	2,726.2
Investing Activities			
Capital spending	**(972.1)**	(709.6)	(535.0)
Acquisitions of businesses, net of cash acquired	**(99.6)**	(17.4)	—
Investments in marketable securities	**(20.5)**	(2.0)	(11.5)
Proceeds from sales of investments	**46.2**	27.3	38.0
Net (increase) decrease in time deposits	**(35.1)**	75.5	(22.9)
Proceeds from dispositions of property	**44.1**	46.8	30.7
Other	**1.1**	(16.8)	5.3
Cash Used for Investing	**(1,035.9)**	(596.2)	(495.4)
Financing Activities			
Cash dividends paid	**(884.0)**	(838.4)	(767.9)
Net (decrease) increase in short-term debt	**(390.5)**	524.3	(54.7)
Proceeds from issuance of long-term debt	**261.5**	397.7	38.7
Repayments of long-term debt	**(104.2)**	(599.7)	(199.0)
Proceeds from preferred securities of subsidiary	**—**	—	125.0
Proceeds from exercise of stock options	**331.1**	142.7	290.0
Acquisitions of common stock for the treasury	**(761.5)**	(1,519.5)	(1,598.0)
Other	**(3.7)**	(36.8)	(9.0)
Cash Used for Financing	**(1,551.3)**	(1,929.7)	(2,174.9)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**4.5**	(15.9)	4.1
Cash (Used for) Provided by Continuing Operations	**(3.2)**	(230.0)	60.0
Discontinued Operations:			
Cash provided by discontinued operations	**—**	—	30.0
Cash payment from Neenah Paper, Inc.	**—**	—	213.4
Cash Provided by Discontinued Operations	**—**	—	243.4
(Decrease) Increase in Cash and Cash Equivalents	**(3.2)**	(230.0)	303.4
Cash and Cash Equivalents, beginning of year	**364.0**	594.0	290.6
Cash and Cash Equivalents, end of year	**$ 360.8**	$ 364.0	$ 594.0

See Notes to Consolidated Financial Statements.

Note 1. Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Kimberly-Clark Corporation and all subsidiaries in which it has a controlling financial interest (the "Corporation"). All significant intercompany transactions and accounts are eliminated in consolidation.

On November 30, 2004, the Corporation completed the spin-off of Neenah Paper, Inc. ("Neenah Paper"), a wholly-owned subsidiary that owned the Corporation's Canadian pulp business and its U.S. fine paper and technical paper businesses (the "Spin-off"). The Spin-off was accomplished by a distribution of all of the shares of Neenah Paper's common stock to the Corporation's stockholders, and no gain or loss was recorded by the Corporation. Holders of common stock received a dividend of one share of Neenah Paper for every 33 shares of stock held. Based on a private letter ruling received from the Internal Revenue Service, receipt of the Neenah Paper shares in the distribution was tax-free for U.S. federal income tax purposes. As a result of the Spin-off, the Corporation's 2004 Consolidated Income Statement and Cash Flow Statement and related disclosures present the fine paper and technical paper businesses as discontinued operations, which is discussed in Note 3.

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 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 benefits, other post-employment benefits, retained insurable risks, 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.

Note 1. (Continued)

Available-for-Sale Securities

Available-for-sale securities, consisting of debt securities issued by non-U.S. governments and unaffiliated corporations, are carried at market value. Securities with maturity dates of one year or less are included in other current assets and were $6.0 million and $12.8 million at December 31, 2006 and 2005, respectively. Securities with maturity dates greater than one year are included in other assets and were $13.8 million and $2.0 million at December 31, 2006 and 2005, respectively. The securities are held by the Corporation's consolidated foreign financing subsidiary described in Note 6. 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, 2006.

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.

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 cost may not be recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows from the use and eventual disposition of an asset group, which are identifiable and largely independent 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 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.

Conditional Asset Retirement Obligations

The liability for the estimated costs to settle obligations in connection with the retirement of long-lived assets is determined in accordance with the requirements of Financial Accounting Standards Board ("FASB") Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations – an Interpretation of FASB Statement No. 143* ("FIN 47"), which the Corporation adopted on December 31, 2005. In connection with the adoption of FIN 47, the Corporation recorded a pretax asset retirement liability of $23.6 million at the end of 2005. FIN 47 requires the recording of an asset retirement obligation when the fair value of such a liability can be reasonably estimated, even though uncertainty exists as to the timing and/or the method of settlement. The Corporation has no plans in the foreseeable future to retire any of the major facilities for which it estimated an asset retirement obligation.

Note 1. (Continued)

The cumulative effect on 2005 income, net of related income tax effects, of recording the asset retirement obligation was $12.3 million, or $.03 per share. Had FIN 47 been adopted as of the beginning of the earliest year presented in the consolidated financial statements, the estimated asset retirement obligation would have been approximately $22.4 million at the end of 2004.

The tables below present the pro forma impact as if FIN 47 had been adopted prior to 2004.

(Millions of dollars)	*Year Ended December 31* 2005	2004
Net income, as reported	$1,568.3	$1,800.2
Add: FIN 47 cumulative effect, net of income taxes	12.3	—
Less: FIN 47 related depreciation and accretion expense, net of income taxes	(1.2)	(1.1)
Pro forma net income	$1,579.4	$1,799.1

	Year Ended December 31 2005	2004
Earnings per share		
Basic – as reported	$ 3.30	$ 3.64
Basic – pro forma	$ 3.33	$ 3.63
Diluted – as reported	$ 3.28	$ 3.61
Diluted – pro forma	$ 3.31	$ 3.60

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. When 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.

The Corporation has no intangible assets with indefinite useful lives. 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. An impairment loss would be recognized when estimated undiscounted future cash flows from the use of the asset are less than its carrying amount. Measurement of an impairment loss would be based on discounted future cash flows compared to 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 in accordance with the requirements of Accounting Principles Board (“APB”) Opinion No. 18, *The Equity Method of Accounting for Investments in Common Stock*. An impairment loss would be recorded whenever a decline in value of an equity investment below its

Note 1. (Continued)

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.

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 that are 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.

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 expense 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 such expenditures are expensed as incurred. Environmental expenditures that relate to an existing condition caused by past operations 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 hyperinflationary economies, are translated into U.S. dollars at rates of exchange in effect each month. The balance sheets of these operations are translated at period-end exchange rates, and the differences from historical exchange rates are reflected in Stockholders' Equity as unrealized translation adjustments.

Note 1. (Continued)

The income statements and balance sheets of operations in hyperinflationary economies are translated into U.S. dollars using both current and historical rates of exchange. The effect of exchange rates on monetary assets and liabilities is reflected in income. As of December 31, 2006 and 2005, the Corporation had no operations accounted for as hyperinflationary. Operations in Turkey (prior to 2005) were hyperinflationary.

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 recognized in income. Certain foreign-currency derivative instruments with no specific hedging designations 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.

Defined Pension Benefits and Other Postretirement Plans

Effective December 31, 2006, the Corporation adopted Statement of Financial Accounting Standards ("SFAS") No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements Nos. 87, 88, 106 and 132R* ("SFAS 158"). SFAS 158 is required to be adopted on a prospective basis and prior year financial statements and related disclosures are not permitted to be restated. SFAS 158 requires an employer that sponsors one or more postretirement defined benefit plan(s) to:

- Recognize the funded status of postretirement defined benefit plans – measured as the difference between the fair value of plan assets and the benefit obligations – in its balance sheet.
- Recognize changes in the funded status of postretirement defined benefit plans in other comprehensive income in the year in which the changes occur.
- Measure postretirement defined benefit plan assets and obligations as of the date of the employer's fiscal year-end. The Corporation presently uses December 31 as the measurement date for all of its postretirement defined benefit plans.

In addition, effective December 31, 2006, SFAS 158 no longer requires reporting a minimum pension liability ("MPL"); i.e., the excess of the unfunded accumulated benefit obligation over previously recorded net pension liabilities. However, prior to adopting SFAS 158, the Corporation's Consolidated Balance Sheet is required to be adjusted based on the recognition and measurement provisions of SFAS No. 87, *Employer's Accounting for Pensions* ("SFAS 87"), including additional MPL adjustments under SFAS 87 ("AMPL"). SFAS 158 does not change the expense recognition provisions of SFAS 87.

Note 1. (Continued)

The incremental effects of the AMPL adjustment and of applying SFAS 158 on individual captions in the Corporation's Consolidated Balance Sheet at December 31, 2006 are presented below:

(Millions of dollars)	*Before Application of SFAS 158 And Before AMPL Adjustment*	*AMPL Adjustments*	*Before Application of SFAS 158*	*SFAS 158 Adjustments*	*After Application of SFAS 158*
Other assets	$ 901.0	$ (22.8)	$ 878.2	$ (19.1)	$ 859.1
Total assets	17,108.9	(22.8)	17,086.1	(19.1)	17,067.0
Noncurrent employee benefit and other obligations	1,900.3	(376.7)	1,523.6	547.1	2,070.7
Noncurrent deferred income taxes	442.8	119.3	562.1	(171.0)	391.1
Accumulated other comprehensive income (loss)	(1,271.6)	234.6*(a)*	(1,037.0)	(395.2)	(1,432.2)
Total stockholders' equity	6,258.0	234.6	6,492.6	(395.2)	6,097.4

(a) Includes $31.3 million of unrealized translation adjustment.

Although the Corporation adopted the provisions of SFAS 158, it incorrectly presented the $395.2 million effect of the transition adjustment as a reduction to 2006 comprehensive income on its Consolidated Statement of Stockholders' Equity for the year ended December 31, 2006.

The Corporation has removed the transition adjustment from comprehensive income. The effect of removing the SFAS 158 transition adjustment changed reported comprehensive income from $1,736.7 million to $2,131.9 million.

See Note 8 for additional disclosures for the Corporation's employee postretirement benefits.

New Accounting Standards

In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement 109* ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in the financial statements by standardizing the level of confidence needed to recognize uncertain tax benefits and the process for measuring the amount of benefit to recognize. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Corporation is currently evaluating the interpretation and will adopt FIN 48 in the first quarter of 2007. The cumulative effect of adopting FIN 48 will be recorded in retained earnings. The Corporation does not expect adoption of FIN 48 to have a material effect on its financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 does not require any new fair value measurements; however, it will apply under other accounting pronouncements that require or permit fair value measurements. SFAS 157 is effective for fiscal years beginning after December 15, 2007 and interim periods within such years. The Corporation will adopt SFAS 157 as of January 1, 2008, as required. The Corporation is currently evaluating the new standard. However, adoption of SFAS 157 is not expected to have a material effect on the Corporation's financial statements.

Note 2. 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 are expected to be substantially completed by December 31, 2008. Based on current estimates, the strategic cost reductions are expected to result in cumulative charges of approximately $950 million to $1.0 billion before tax ($665 - $700 million after tax) over that three and one-half year period.

By the end of 2008, it is anticipated there will be a net workforce reduction of about 10 percent, or approximately 6,000 employees. Since the inception of the strategic cost reductions, a net workforce reduction of more than 3,000 has occurred. Approximately 20 manufacturing facilities, or 17 percent of the Corporation's worldwide total, are expected to be sold or closed and an additional 4 facilities are expected to be streamlined. As of December 31, 2006, charges have been recorded related to the cost reduction initiatives for 23 facilities.

The following pretax charges totaling $484.4 million and $228.6 million were incurred in connection with the strategic cost reductions ($345.0 million and $167.6 million after tax) during 2006 and 2005, respectively.

	Year Ended December 31	
(Millions of dollars)	*2006*	*2005*
Noncash charges	**$264.8**	$179.7
Charges for workforce reductions	**161.9**	35.6
Other cash charges	**44.6**	11.0
Charges for special pension and other benefits	**13.1**	2.3
Total pretax charges	**$484.4**	$228.6

The following table summarizes the noncash charges totaling $264.8 million and $179.7 million.

(Millions of dollars)	*2006*	*2005*
Incremental depreciation and amortization	**$207.7**	$ 80.1
Asset impairments	**3.4**	67.2
Asset write-offs	**51.8**	32.4
Net loss on asset dispositions	**1.9**	—
Total noncash charges	**$264.8**	$179.7

The following summarizes the cash charges recorded and reconciles such charges to accrued expenses at December 31.

(Millions of dollars)	*2006*	*2005*
Accrued expenses – beginning of the year	**$ 28.2**	$ —
Charges for workforce reductions	**161.9**	35.6
Other cash charges	**44.6**	11.0
Cash payments	**(128.4)**	(17.7)
Currency	**4.9**	(.7)
Accrued expenses – end of the year	**$ 111.2**	$ 28.2

Note 2. (Continued)

Termination benefits related to workforce reductions were accrued in accordance with the requirements of SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities* ("SFAS 146"), SFAS No. 112, *Employers' Accounting for Postemployment Benefits*, and SFAS No. 88, *Employers' Accounting for Settlements & Curtailments of Defined Benefit Pension Plans and for Termination Benefits*, as appropriate. Retention bonuses related to workforce reductions were accrued in accordance with SFAS 146. The majority of the termination benefits and retention bonuses will be paid within 12 months of accrual. The termination benefits were provided under: a special-benefit arrangement for affected employees in the U.S.; standard benefit practices in the U.K.; applicable union agreements; or local statutory requirements, as appropriate. Incremental depreciation and amortization expenses were based on changes in useful lives and estimated residual values of assets that are continuing to be used, but will be removed from service before the end of their originally assumed service period. Asset impairment charges have been recorded in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, to reduce the carrying amount of long-lived assets that will be sold or disposed of to their estimated fair values. The fair values of impaired assets were estimated by independent appraisers. Charges for asset write-offs reduce the carrying amount of long-lived assets to their estimated salvage value in connection with the decision to dispose of such assets.

Costs of the initiatives have not been recorded at the business segment level, as the strategic cost reductions are corporate decisions. These charges are included in the following income statement captions:

	Year Ended December 31	
(Millions of dollars)	*2006*	*2005*
Cost of products sold	**$ 342.4**	$201.6
Marketing, research and general expenses	**134.0**	27.0
Other (income) and expense, net	**8.0**	—
Pretax charges	**484.4**	228.6
Provision for income taxes	**(137.8)**	(61.0)
Minority owners' share of subsidiaries' net income	**(1.6)**	—
Total charges	**$ 345.0**	$167.6

See Note 17 for additional information on the strategic cost reductions by business segment.

Actual pretax charges for the strategic cost reductions relate to activities in the following geographic areas for the years ended December 31:

	2006			
(Millions of dollars)	*North America*	*Europe*	*Other*	*Total*
Incremental depreciation and amortization	**$124.0**	**$ 59.6**	**$24.1**	**$207.7**
Asset impairments	**—**	**3.4**	**—**	**3.4**
Asset write-offs	**28.9**	**21.4**	**1.5**	**51.8**
Charges for workforce reductions and special pension and other benefits	**57.1**	**107.2**	**10.7**	**175.0**
Loss on asset disposal and other charges	**30.3**	**14.8**	**1.4**	**46.5**
Total charges	**$240.3**	**$206.4**	**$37.7**	**$484.4**

Note 2. (Continued)

(Millions of dollars)	*2005*			
	North America	*Europe*	*Other*	*Total*
Incremental depreciation and amortization	$ 52.0	$ 21.1	$ 7.0	$ 80.1
Asset impairments	—	67.2	—	67.2
Asset write-offs	4.7	17.5	10.2	32.4
Charges for workforce reductions and special pension benefits	18.0	6.8	13.1	37.9
Loss on asset disposal and other charges	10.2	.8	—	11.0
Total charges	$ 84.9	$113.4	$30.3	$228.6

Note 3. Discontinued Operations

In connection with the Spin-off discussed in Note 1, the Corporation received a $213.4 million cash payment from Neenah Paper. The 2004 Consolidated Income Statement, Cash Flow Statement and related disclosures present the results of Neenah Paper's fine paper and technical paper businesses as discontinued operations. Prior to the Spin-off, the Corporation internally consumed approximately 90 percent of the pulp produced by Neenah Paper's pulp business. In connection with the Spin-off, the Corporation entered into a long-term pulp supply agreement with Neenah Paper (as discussed in Note 12), whereby the Corporation will continue to consume a substantial portion of the pulp produced by Neenah Paper. Because the Corporation incurs pulp costs in its continuing operations, the results of Neenah Paper's pulp business were not included in discontinued operations.

Summarized financial information for discontinued operations is presented below:

(Millions of dollars)	*2004[(a)]*
Net sales	$317.7
Income before income taxes	59.2
Provision for income taxes	(29.4)
Income from discontinued operations	29.8

(a) *Includes operations through November 30, 2004; also included are transaction costs related to the Spin-off.*

A summary of the assets, liabilities and accumulated other comprehensive income of Neenah Paper that were spun off is presented below:

(Millions of dollars)	*November 30, 2004*
Assets	
Current assets	$ 191.3
Property, plant and equipment, net	375.4
Timberlands	5.3
Other assets	45.7
	617.7
Liabilities and Accumulated Other Comprehensive Income	
Current liabilities	67.3
Long-term debt	225.0
Noncurrent employee benefits and other obligations	57.2
Deferred income taxes and other liabilities	41.3
Accumulated other comprehensive income	24.4
	415.2
Total Distribution Charged to Retained Earnings	$ 202.5

Note 4. Acquisitions and Intangible Assets

Acquisitions

During the fourth quarter of 2006, the Corporation acquired the remaining 30 percent interest in its Brazilian subsidiary, Kimberly-Clark Kenko Industria e Comercio Ltda. ("Kenko") for $99.6 million. This acquisition is consistent with the Corporation's strategy of investing for growth in the rapidly growing BRICIT countries (Brazil, Russia, India, China, Indonesia and Turkey), and is expected to better position the Corporation to leverage its scale and capabilities in customer development and product supply to drive growth and profitability across all of Kenko's personal care businesses in Brazil. As of December 31, 2006, the preliminary allocation of the purchase price resulted in $78.1 million being recorded as goodwill. The Corporation has engaged third-party appraisal firms to assist it in determining the fair values of assets and liabilities acquired for purposes of allocating the purchase price. The Corporation expects to complete the allocation of purchase price in 2007.

During the fourth quarter of 2005, the Corporation acquired Microcuff GmbH, a privately held medical device and technology company in Germany, for approximately $16 million. This acquisition will further enhance the Corporation's Health Care business' position as a leading global provider of innovative and technologically advanced medical devices.

Goodwill

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

(Millions of dollars)	*Personal Care*	*Consumer Tissue*	*K-C Professional & Other*	*Health Care*	*Total*
Balance at January 1, 2005	$543.1	$ 610.5	$ 306.2	$1,243.1	$2,702.9
Acquisition	—	—	—	3.9	3.9
Currency and other	(13.3)	(5.0)	(2.4)	(.5)	(21.2)
Balance at December 31, 2005	529.8	605.5	303.8	1,246.5	2,685.6
Acquisition	**78.1**	**—**	**—**	**—**	**78.1**
Currency and other	**43.7**	**45.4**	**5.0**	**2.7**	**96.8**
Balance at December 31, 2006	**$651.6**	**$ 650.9**	**$ 308.8**	**$1,249.2**	**$2,860.5**

Note 4. (Continued)

Other Intangible Assets

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

	2006		2005	
(Millions of dollars)	*Gross Carrying Amount*	*Accumulated Amortization*	*Gross Carrying Amount*	*Accumulated Amortization*
Trademarks	**$ 211.7**	**$ 113.0**	$ 204.1	$ 77.1
Patents	**52.0**	**32.9**	50.5	28.0
Other	**24.9**	**9.9**	22.2	8.2
Total	**$ 288.6**	**$ 155.8**	$ 276.8	$ 113.3

Amortization expense for intangible assets was approximately $39 million in 2006; $26 million in 2005 and $14 million in 2004. Amortization expense is estimated to be approximately $12 million in 2007, $10 million in 2008, $8 million in 2009, and $7 million in both 2010 and 2011.

Note 5. Debt

Long-term debt is comprised of the following:

(Millions of dollars)	*Weighted-Average Interest Rate*	*Maturities*	*December 31 2006*	*December 31 2005*
Notes and debentures	5.79%	2007 – 2038	**$2,145.1**	$2,149.5
Dealer remarketable securities	5.26%	2007 – 2016	**200.0**	—
Industrial development revenue bonds	3.74%	2007 – 2037	**297.6**	299.8
Bank loans and other financings in various currencies	7.69%	2007 – 2031	**170.5**	212.6
Total long-term debt			**2,813.2**	2,661.9
Less current portion			**537.2**	67.2
Long-term portion			**$2,276.0**	$2,594.7

Fair value of total long-term debt, based on quoted market prices for the same or similar debt issues, was approximately $2.8 billion at December 31, 2006 and 2005. Scheduled maturities of long-term debt for the next five years are $537.2 million in 2007, $26.9 million in 2008, $56.2 million in 2009, $33.3 million in 2010, and $5.4 million in 2011.

During the fourth quarter of 2006, the Corporation issued $200 million of 5.263% dealer remarketable securities that have a final maturity in 2016. These securities are classified as current portion of long-term debt as the result of the remarketing provisions of these debt instruments, which require that each year the securities either be remarketed by the dealer or repaid by the Corporation. Proceeds from the sale of the notes were used for general corporate purposes and for the reduction of existing indebtedness, including portions of the Corporation's outstanding commercial paper program.

At December 31, 2006, the Corporation had fixed-to-floating interest rate swap agreements related to a $500 million 5% Note that matures on August 15, 2013.

At December 31, 2006, the Corporation had $1.5 billion of revolving credit facilities. These facilities, unused at December 31, 2006, permit borrowing at competitive interest rates and are available for general corporate purposes, including backup for commercial paper borrowings. The Corporation pays commitment fees on the unused portion but may cancel the facilities without penalty at any time prior to their expiration. These facilities expire in June 2010.

During the third quarter of 2005, the Corporation issued $300 million of 4.875% Notes due August 15, 2015. Proceeds from the sale of the notes were used for general corporate purposes and for the reduction of existing indebtedness, including portions of the Corporation's outstanding commercial paper program.

Debt payable within one year is as follows:

(Millions of dollars)	*December 31 2006*	*December 31 2005*
Commercial paper	**$ 618.4**	$ 726.5
Current portion of long-term debt	**537.2**	67.2
Other short-term debt	**170.8**	428.8
Total	**$1,326.4**	$1,222.5

Note 5. (Continued)

At December 31, 2006 and 2005, the weighted-average interest rate for commercial paper was 5.3 percent and 4.2 percent, respectively.

During the fourth quarter of 2005, a three-year bank credit facility was established for the purpose of funding American Jobs Creation Act dividends. Borrowings under the facility aggregating $308 million were classified as short-term debt at December 31, 2005. The Corporation, as intended, repaid this obligation during 2006.

Note 6. Preferred Securities of Subsidiary

In February 2001, the Corporation formed a Luxembourg-based financing subsidiary. The subsidiary issued 1 million shares of voting-preferred securities (the "Securities") with an aggregate par value of $520 million to a nonaffiliated beneficial interest holder for cash proceeds of $516.5 million. The Securities are entitled to a 98 percent vote and pay no dividend but accrue a fixed annual rate of return of 4.56 percent. Prior to September 2003, the Securities accrued a variable rate of return. The Securities are in substance perpetual and are callable by the subsidiary, in November 2008 and each 20-year anniversary thereafter, at par value plus any accrued but unpaid return on the Securities. The subsidiary also 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 97 percent of the above cash proceeds were loaned to the Corporation. These long-term loans bear fixed annual interest rates. The remaining funds are invested in other financial assets. Prior to September 2003, the loans accrued interest at a variable rate. The Corporation is the primary beneficiary of the subsidiary and, accordingly, consolidates the subsidiary in the accompanying financial statements. 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 Securities is included in minority owners' share of subsidiaries' net income in the Corporation's Consolidated Income Statement. The Securities are shown as preferred securities of subsidiary on the Consolidated Balance Sheet.

In June 2004, the nonaffiliated beneficial interest holder invested an additional $125 million, thereby increasing the aggregate par value of the Securities that it held. In conjunction with this transaction, the fixed annual rate of return on the Securities was increased from 4.47 to 4.56 percent. The subsidiary loaned these funds to the Corporation, which used them to reduce its outstanding commercial paper.

The nonaffiliated beneficial interest holder does not have recourse to the general credit of the Corporation.

Note 7. 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, 2006, the number of shares of common stock available for grants under the Plans aggregated 25.0 million shares.

Stock options are granted at an exercise price equal to the market value of the underlying common stock on the date of grant, and they have a term of 10 years. Stock options granted to employees in the United States 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-based 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 to five years. The number of performance-based share units that ultimately vest ranges from zero to 150 percent of the number granted, based on performance measures tied to return on invested capital ("ROIC") during the three-year performance period. ROIC 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 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. Previously paid cash dividends on subsequently forfeited restricted share units are charged to compensation expense.

Prior to January 1, 2006, the Corporation accounted for these plans under the recognition and measurement provisions of APB No. 25, *Accounting for Stock Issued to Employees* ("APB 25"), and related interpretations, as permitted by SFAS No. 123, *Accounting for Stock-Based Compensation* ("SFAS 123"). No compensation cost for stock options was recognized in the Consolidated Income Statement for periods prior to January 1, 2006, as all stock options granted had an exercise price equal to the market value of the underlying common stock on the date of grant.

Effective January 1, 2006, the Corporation adopted the fair value recognition provisions of SFAS No. 123R, *Share-Based Payment* ("SFAS 123R"), using the modified-prospective-transition method. Under that transition method, compensation cost is recognized in the periods after adoption for (i) all stock option awards granted or modified after December 31, 2005 based on the grant-date fair value estimated in accordance with the provisions of SFAS 123R and (ii) all stock options granted prior to but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS 123. Results for prior periods were not restated. Also in connection with the adoption of SFAS 123R, approximately $37 million was reclassified from accrued liabilities to additional paid-in capital, as accrued compensation for unvested restricted share units does not meet the definition of a liability under SFAS 123R.

Stock-based compensation cost of $67.4 million and related deferred income tax asset of approximately $23.5 million were recognized for 2006. The compensation cost is net of a cumulative pretax adjustment of $3.9 million resulting from a change in estimating the forfeiture rate for unvested restricted share and restricted share unit awards as of January 1, 2006, as required by SFAS 123R.

Note 7. (Continued)

As a result of adopting SFAS 123R, the Corporation's income before income taxes for 2006 was $30.8 million lower than had it continued to account for stock-based compensation under APB 25. Also, the Corporation's net income for 2006 was $20.5 million lower than had it continued to account for stock-based compensation under APB 25. Both basic and diluted earnings per share for 2006 are lower than if the Corporation had continued to account for stock-based compensation under APB 25 by $.04.

The Corporation recognized stock-based compensation costs, for restricted shares and restricted share units only, of $32.4 million and $19.4 million for 2005 and 2004, respectively.

The fair value of stock option awards granted on or after January 1, 2006 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. Prior to January 1, 2006, volatility was based on historical experience only. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The Corporation estimates forfeitures based on historical data.

The weighted-average fair value of the options granted in 2006 was estimated as $10.10 per option on the date of grant based on the following assumptions:

	2006
Dividend yield	**3.50%**
Volatility	**17.84%**
Risk-free interest rate	**5.04%**
Expected life – years	**6.0**

Pursuant to the requirements of SFAS 123, the weighted-average fair value of the stock options granted during 2005 and 2004 were estimated as $11.94 and $15.49, respectively, on the date of grant. The fair values were determined using a Black-Scholes-Merton option-pricing model using the following assumptions:

	2005	*2004*
Dividend yield	2.92%	2.49%
Volatility	21.80%	26.45%
Risk-free interest rate	3.97%	3.83%
Expected life – years	5.9	5.9

As of December 31, 2006, the total remaining unrecognized compensation costs and amortization period are as follows:

	Millions	*Weighted-Average Service Years*
Nonvested stock options	$ 34.9	1.0
Restricted shares and time-based restricted share units	$ 29.4	1.4
Nonvested performance-based restricted share units	$ 15.5	.9

Note 7. (Continued)

On November 10, 2005, the FASB issued FASB Staff Position No. 123(R)-3, *Transition Election Related to Accounting for Tax Effects of Share-Based Payment Awards.* The Corporation has elected to adopt the shortcut method provided in the FASB Staff Position for determining the initial pool of excess tax benefits available to absorb tax deficiencies related to stock-based compensation subsequent to the adoption of SFAS 123R. The shortcut method includes simplified procedures to establish the beginning balance of the pool of excess tax benefits (the "APIC Tax Pool") and to determine the subsequent effect on the APIC Tax Pool and Consolidated Cash Flow Statements of the tax effects of employee stock-based compensation awards.

Prior to the adoption of SFAS 123R, all tax benefits from deductions resulting from the exercise of stock options and the vesting of restricted shares and restricted share units were presented as operating cash flows in the Consolidated Cash Flow Statement. SFAS 123R requires the cash flow tax benefits resulting from tax deductions in excess of the compensation cost recognized (excess tax benefits) to be classified as financing cash flows. Excess tax benefits aggregating $25.8 million were classified as Other cash inflows under Financing Activities for the year ended December 31, 2006. As required by SFAS 123R, the prior period Consolidated Cash Flow Statements were not restated.

In prior periods, the Corporation had calculated pro forma employee compensation cost for stock options on an accelerated method as required by SFAS 123. The Corporation elected, for all stock option awards granted on or after January 1, 2006, to recognize compensation cost on a straight-line basis over the requisite service period for the entire award as permitted by SFAS 123R.

The following presents information about net income and earnings per share ("EPS") as if the Corporation had applied the fair value expense recognition requirements of SFAS 123 to all stock options granted under the Equity Participation Plan.

	Year Ended December 31	
(Millions of dollars)	*2005*	*2004*
Net income, as reported	$1,568.3	$1,800.2
Add: Stock-based compensation expense included in reported net income, net of income taxes	20.7	12.3
Less: Stock-based compensation expense determined under the fair value requirements of SFAS 123, net of income taxes	(57.1)	(50.9)
Pro forma net income	$1,531.9	$1,761.6

	Year Ended December 31	
	2005	*2004*
Earnings per share		
Basic – as reported	$3.30	$3.64
Basic – pro forma	$3.23	$3.56
Diluted – as reported	$3.28	$3.61
Diluted – pro forma	$3.21	$3.53

Note 8. Employee Postretirement Benefits

Pension Plans

Substantially all regular employees in North America and the United Kingdom 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 United Kingdom is to contribute assets to the higher of the accumulated benefit obligation ("ABO") or regulatory minimum requirements. Subject to regulatory requirements and tax deductibility limits, any funding shortfall will be eliminated over a reasonable number of years. 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 such countries.

In accordance with SFAS 87, the Corporation had recorded a minimum pension liability in 2005 for underfunded plans representing the excess of the ABO over previously recorded net pension liabilities. The minimum pension liability is included in noncurrent employee benefit and other obligations on the December 31, 2005 Consolidated Balance Sheet. An offsetting charge was included as an intangible asset to the extent of unrecognized prior service cost, and the balance is included in accumulated other comprehensive income (loss).

See Note 1 regarding information for 2006. Information about the 2005 minimum pension liability follows:

(Millions of dollars)	*December 31, 2005*
Minimum pension liability	$ 1,436.5
Less intangible asset	(50.0)
Accumulated other comprehensive loss	1,386.5
Less related income tax effects	(498.3)
Accumulated other comprehensive loss, net of income taxes	$ 888.2

Other Postretirement Benefit Plans

Substantially all North American 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, except that the Corporation provides no subsidized benefits to most employees hired after 2003.

Prior to 2004, certain U.S. plans limited the Corporation's cost of future annual per capita retiree medical benefits to no more than 200 percent of the 1992 annual per capita cost. These plans reached this limitation (the "Cap") and were amended during 2003. Among other things, the amendments index the Cap by 3 percent annually beginning in 2005 for certain employees retiring on or before April 1, 2004 and limit the Corporation's future cost for retiree health care benefits to a defined fixed per capita cost 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 9.34 percent in 2007, 8.36 percent in 2008 and to gradually decline to 5.17 percent in 2019 and thereafter.

Note 8. (Continued)

Effective December 31, 2006, SFAS 158 no longer requires reporting a minimum pension liability. Instead, SFAS 158 requires recognition of the funded status of postretirement defined benefit plans – measured as the difference between the fair value of plan assets and the benefit obligations – in the balance sheet.

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

	Pension Benefits		*Other Benefits*	
	Year Ended December 31			
(Millions of dollars)	*2006*	*2005*	*2006*	*2005*
Change in Benefit Obligation				
Benefit obligation at beginning of year	**$ 5,509.2**	$ 5,270.6	**$ 861.7**	$ 845.8
Service cost	**86.9**	81.4	**16.3**	17.4
Interest cost	**298.3**	294.6	**48.1**	47.1
Actuarial (gain) loss	**(66.7)**	308.3	**6.0**	(1.7)
Currency and other	**197.5**	(137.0)	**10.3**	28.1
Benefit payments from plans	**(324.1)**	(296.8)	**(47.4)**	(75.0)
Direct benefit payments	**(12.8)**	(11.9)	**(28.3)**	—
Benefit obligation at end of year	**5,688.3**	5,509.2	**866.7**	861.7
Change in Plan Assets				
Fair value of plan assets at beginning of year	**4,126.2**	4,044.2	**—**	—
Actual gain on plan assets	**544.9**	359.5	**—**	—
Employer contributions	**132.1**	116.5	**40.9**	66.5
Currency and other	**126.2**	(97.2)	**6.5**	8.5
Benefit payments	**(324.1)**	(296.8)	**(47.4)**	(75.0)
Fair value of plan assets at end of year	**4,605.3**	4,126.2	**—**	—
Funded Status				
Benefit obligation in excess of plan assets	**(1,083.0)**	(1,383.0)	**(866.7)**	(861.7)
Unrecognized net actuarial loss and transition amount	**n/a**	1,778.1	**n/a**	159.0
Unrecognized prior service cost	**n/a**	47.2	**n/a**	30.1
Net amount recognized	**$(1,083.0)**	$ 442.3	**$(866.7)**	$(672.6)
Amounts Recognized in the Balance Sheet				
Noncurrent asset – Prepaid benefit cost	**$ 7.6**	$ 24.2	**$ —**	$ —
Current liability – Accrued benefit cost	**(8.5)**	n/a	**(69.7)**	n/a
Noncurrent liability – Accrued benefit cost	**(1,082.1)**	n/a	**(797.0)**	n/a
Accrued benefit cost	**n/a**	(1,018.4)	**n/a**	(672.6)
Intangible asset	**n/a**	50.0	**n/a**	—
Accumulated other comprehensive loss	**n/a**	1,386.5	**n/a**	—
Net amount recognized	**$(1,083.0)**	$ 442.3	**$(866.7)**	$(672.6)

n/a – not applicable

Note 8. (Continued)

The Corporation uses December 31 as the measurement date for all of its postretirement plans.

Information for the Principal Plans and All Other Pension Plans

	Principal Plans		All Other Pension Plans		Total	
	Year Ended December 31					
(Millions of dollars)	*2006*	*2005*	*2006*	*2005*	*2006*	*2005*
Projected benefit obligation ("PBO")	**$5,252.5**	$5,113.8	**$435.8**	$395.4	**$5,688.3**	$5,509.2
ABO	**4,914.8**	4,770.6	**384.3**	349.0	**5,299.1**	5,119.6
Fair value of plan assets	**4,285.2**	3,853.5	**320.1**	272.7	**4,605.3**	4,126.2

Information for Pension Plans With an ABO in Excess of Plan Assets

	December 31	
(Millions of dollars)	*2006*	*2005*
PBO	**$5,453.9**	$5,360.2
ABO	**5,101.9**	4,980.5
Fair value of plan assets	**4,389.9**	3,977.8

Components of Net Periodic Benefit Cost

	Pension Benefits			Other Benefits		
	Year Ended December 31					
(Millions of dollars)	*2006*	*2005*	*2004*	*2006*	*2005*	*2004*
Service cost	**$ 86.9**	$ 81.4	$ 87.4	**$16.3**	$17.4	$17.8
Interest cost	**298.3**	294.6	296.2	**48.1**	47.1	48.2
Expected return on plan assets[(a)]	**(337.2)**	(322.6)	(324.0)	**—**	—	—
Amortization of prior service cost (benefit) and transition amount	**7.7**	6.3	7.3	**2.1**	(.2)	(.7)
Recognized net actuarial loss	**100.5**	92.7	83.3	**3.8**	3.9	4.0
Other	**10.7**	4.4	4.6	**2.7**	—	(1.5)
Net periodic benefit cost	**$ 166.9**	$ 156.8	$ 154.8	**$73.0**	$68.2	$67.8

(a) The expected return on plan assets is determined by multiplying the fair value of plan assets at 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			Other Benefits		
	2006	*2005*	*2004*	*2006*	*2005*	*2004*
Discount rate	**5.47%**	5.68%	5.92%	**5.68%**	5.85%	6.01%
Expected long-term return on plan assets	**8.28%**	8.29%	8.32%	**—**	—	—
Rate of compensation increase	**3.68%**	3.67%	3.51%	**—**	—	—

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

	Pension Benefits		Other Benefits	
	2006	*2005*	*2006*	*2005*
Discount rate	**5.64%**	5.47%	**5.84%**	5.68%
Rate of compensation increase	**3.90%**	3.68%	**—**	—

Note 8. (Continued)

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

The expected long-term rate of return on pension fund assets was determined based on several factors, including input from pension investment consultants and projected long-term returns of broad equity and bond indices. The Corporation also considered the U.S. plan's historical 15-year and 20-year compounded annual returns of 9.9 percent and 10.9 percent, respectively, which have been in excess of these broad equity and bond benchmark indices. The Corporation anticipates that on average the investment managers for each of the plans comprising the Principal Plans will generate annual long-term rates of return of at least 8.5 percent. The Corporation's expected long-term rate of return on the assets in the Principal Plans is based on an asset allocation assumption of about 70 percent with equity managers, with expected long-term rates of return of approximately 10 percent, and about 30 percent with fixed income managers, with an expected long-term rate of return of about 6 percent. The Corporation regularly reviews its actual asset allocation and periodically rebalances its investments to the targeted allocation when considered appropriate. Also, when deemed appropriate, the Corporation executes hedging strategies using index options and futures to limit the downside exposure of certain investments by trading off upside potential above an acceptable level. The Corporation last executed this hedging strategy for 2003. No hedging instruments are currently in place. The Corporation will continue to evaluate its long-term rate of return assumptions at least annually and will adjust them as necessary.

Plan Assets

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

Asset Category	*Target Allocation 2007*	*Percentage of Plan Assets at December 31*	
		2006	*2005*
Equity securities	73%	74%	73%
Debt securities	27	26	27
Total	100%	100%	100%

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

Cash Flows

While the Corporation is not required to make a contribution in 2007 to the U.S. plan, the benefit of a contribution will be evaluated. The Corporation currently anticipates contributing about $94 million to its pension plans outside the U.S. in 2007.

Note 8. (Continued)

Estimated Future Benefit Payments

The following gross benefit payments and related Medicare Part D reimbursements are expected over the next ten years:

(Millions of dollars)	*Pension Benefits*	*Other Benefits*	*Medicare Part D Reimbursements*
2007	$ 331	$ 86	$ (5)
2008	332	86	(6)
2009	336	87	(6)
2010	343	88	(7)
2011	354	91	(7)
Years 2012 – 2016	2,025	484	(42)

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 2006 data:

	One-Percentage-Point	
(Millions of dollars)	*Increase*	*Decrease*
Effect on total of service and interest cost components	$ 2.4	$ 2.4
Effect on postretirement benefit obligation	30.9	31.3

Defined Contribution Retirement Plans

Contributions to defined contribution retirement plans are primarily based on the age and compensation of covered employees. The Corporation’s contributions, all of which were charged to expense, were $55.0 million, $52.7 million and $47.6 million in 2006, 2005 and 2004, respectively.

Investment Plans

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 $30.1 million, $31.0 million and $30.8 million in 2006, 2005 and 2004, respectively.

Note 9. Stockholders' Equity

On September 14, 2006, the Board of Directors authorized the retirement of 90 million shares of treasury stock, which become authorized but unissued shares.

At December 31, 2006, unremitted net income of equity companies included in consolidated retained earnings was about $808 million.

Accumulated Other Comprehensive Income (Loss)

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

	Year Ended December 31									
	2006			2005			2004			
(Millions of dollars)	*Pretax Amount*	*Tax Effect*	*Net Amount*	*Pretax Amount*	*Tax Effect*	*Net Amount*	*Pretax Amount*	*Tax Effect*	*Spin Off*	*Net Amount*
Unrealized translation	**$ 439.7**	**$ —**	**$ 439.7**	$(412.6)	$ —	$(412.6)	$415.8	$ —	$(60.1)	$355.7
Minimum pension liability	**331.3**	**(128.0)**	**203.3**	(97.7)	39.1	(58.6)	(75.6)	27.8	36.3	(11.5)
Deferred (losses) gains on cash flow hedges	**(16.4)**	**5.7**	**(10.7)**	40.7	(13.0)	27.7	(5.8)	1.8	(.6)	(4.6)
Unrealized holding gains (losses) on securities	**.1**	**—**	**.1**	.1	—	.1	(.2)	—	—	(.2)
Other comprehensive income (loss)	**$ 754.7**	**$(122.3)**	**$ 632.4**	$(469.5)	$ 26.1	$(443.4)	$334.2	$29.6	$(24.4)	$339.4
Adoption of SFAS 158:										
Reversal of minimum pension liability	**1,055.2**	**(370.3)**	**684.9**	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Unrecognized net actuarial loss and transition amount:										
Pension benefits	**(1,446.5)**	**508.4**	**(938.1)**	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other postretirement benefits	**(148.8)**	**56.0**	**(92.8)**	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Unrecognized prior service cost:										
Pension benefits	**(52.7)**	**19.1**	**(33.6)**	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other postretirement benefits	**(25.2)**	**9.6**	**(15.6)**	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal adoption of SFAS 158	**(618.0)**	**222.8**	**(395.2)**							
Accumulated other comprehensive income (loss)	**$ 136.7**	**$ 100.5**	**$ 237.2**	$(469.5)	$ 26.1	$(443.4)	$334.2	$29.6	$(24.4)	$339.4

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

	December 31	
(Millions of dollars)	*2006*	*2005*
Unrealized translation	**$ (358.2)**	$ (797.9)
Minimum pension liability	**n/a**	(888.2)
Unrecognized net actuarial loss and transition amount	**(1,030.9)**	n/a
Unrecognized prior service cost	**(49.2)**	n/a
Deferred gains on cash flow hedges	**6.1**	16.8
Unrealized holding losses on securities	**—**	(.1)
Accumulated other comprehensive income (loss)	**$(1,432.2)**	$(1,669.4)

n/a – not applicable

Note 9. (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 accumulated in this section of stockholders' equity. For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in stockholders' equity rather than net income. Upon sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from stockholders' equity and reported as part of the gain or loss on the sale or liquidation. The decrease in unrealized translation is primarily due to the weakening of the U.S. dollar versus the euro, Australian dollar, South Korean won, British pound and Brazilian real.

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 $75 million and $11 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 2007.

Stock-Based Compensation

A summary of stock-based compensation under the Plans as of December 31, 2006 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 ($000)
Outstanding at January 1, 2006	32,622	$ 56.99		
Granted	4,779	58.75		
Exercised	(6,608)	50.08		
Forfeited or expired	(843)	63.52		
Outstanding at December 31, 2006	29,950	58.58	5.5	$280,510
Exercisable at December 31, 2006	21,125	57.87	4.2	$212,965

During 2006, cash received from the exercise of stock options aggregated $331 million. The total intrinsic value of stock options exercised during 2006 was $85.9 million; the Corporation received a related income tax benefit of about $21.6 million.

	Restricted Shares		Time-Based Restricted Share Units		Performance-Based Restricted Share Units	
Other Stock-Based Awards	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 Jan. 1, 2006	624	$ 51.82	873	$ 58.95	467	$ 62.82
Granted	—	—	301	59.20	253	58.74
Vested	(124)	55.56	(86)	59.57	(34)	63.10
Forfeited	(35)	48.10	(44)	59.05	(26)	62.45
Nonvested at Dec. 31, 2006	465	51.14	1,044	58.97	660	61.26

The total fair value of shares and share units that became vested during 2006 was $15.5 million.

Note 10. Risk Management

As a multinational enterprise, the Corporation is exposed to risks such as changes in foreign currency exchange rates, interest rates and commodity prices. The Corporation employs a variety of practices to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. The Corporation's policies restrict the use of derivatives for risk management purposes only and prohibit their use for speculation or trading, and prohibit the use of any leveraged derivative instrument. Foreign currency derivative instruments are either exchange traded or are entered into with major financial institutions. The Corporation's credit exposure under these arrangements is limited to those agreements with a positive fair value at the reporting date. Credit risk with respect to the counterparties is considered minimal in view of the financial strength of the counterparties.

Foreign Currency Exchange Risk

Foreign currency exchange risk is managed by the systematic use of foreign currency forward, option and swap contracts. The use of these instruments allows management of transactional exposure 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. Management does not foresee or expect any significant change in such exposures in the near future or in the strategies it employs to manage them. In addition, many of the Corporation's non-U.S. operations buy the majority of their inputs and sell the majority of their outputs in their local currency, thereby minimizing the effect of currency rate changes on their local operating profit margins.

Foreign Currency Translation Risk

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. In 2005, in connection with its plan to repatriate unremitted foreign earnings under the American Jobs Creation Act, the Corporation hedged a portion of its investments in certain subsidiaries. There are no net investment hedges in place at December 31, 2006. 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

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. Management does not foresee or expect any significant changes in its exposure to interest rate fluctuations in the near future or in the strategies it employs to manage them.

Commodity Price Risk

The Corporation is subject to commodity price risk, the most significant of which relates to the price of pulp, polypropylene, petroleum and natural gas.

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 sources approximately 10 percent of its virgin fiber needs from internal pulp manufacturing operations. 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 the pulp price risk.

Note 10. (Continued)

Polypropylene is subject to price fluctuations based on changes in petroleum prices, availability and other factors. A number of the Corporation's products, such as diapers, training and youth pants, and incontinence care products contain certain polypropylene materials. 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.

The Corporation's distribution costs for its finished products are subject to fluctuations in petroleum prices and other factors. The Corporation utilizes a number of providers of transportation services. Significant increases in prices for these services 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 services. Derivative instruments have not been used to manage these risks.

The Corporation uses derivative financial instruments to offset a substantial 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 hedges of specific quantities of natural gas expected to be purchased in future months. These readily marketable swap contracts are recorded in the Corporation's Consolidated Balance Sheet at fair value. On the date the derivative contract is entered into, the Corporation formally documents and designates the swap contract as a cash flow hedge, including how the effectiveness of the hedge will be measured. This process links the swap contract to specific forecasted transactions. Since these swap contracts were highly effective, changes in their fair values were recorded in other comprehensive income, net of related income taxes, and recognized in income at the time the cost of the natural gas was recognized in income.

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

Fair Value Hedges

The Corporation's fair value hedges offset the effect of the hedged items in 2006, 2005 and 2004, resulting in no effect on income. In addition, during these years, all designated derivatives for firm commitments continued to qualify for fair value hedge accounting.

Cash Flow Hedges

The effective portion of the gain or loss on the derivative instruments designated as cash flow hedges is initially recorded in other comprehensive income and is subsequently recognized in income when the hedged exposure affects income. The Corporation's cash flow hedges resulted in no significant ineffectiveness in 2006, 2005 and 2004 and consequently resulted in no significant effect on income. During the same period in which the hedged forecasted transactions affected earnings, the Corporation reclassified $14.0 million of after-tax losses, $11.2 million of after-tax gains, and $9.0 million of after-tax losses, respectively, from accumulated other comprehensive income to earnings. At December 31, 2006, the Corporation expects to reclassify $6.3 million of after-tax losses 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 derivatives in place at December 31, 2006 is August 2017.

Net Investment Hedges

In 2006, the Corporation hedged a portion of its investment position in one of its equity affiliates. Under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, changes in the fair value of the derivative instruments are recognized in other comprehensive income to offset the change in value of the net investment being hedged. The net investment hedge was closed out in December 2006.

Note 11. Variable Interest Entities

The Corporation has interests in the following financing and real estate entities and synthetic fuel partnerships described in Note 14, all of which are subject to the requirements of FASB Interpretation No. 46 (Revised December 2003), *Consolidation of Variable Interest Entities – an Interpretation of ARB 51* ("FIN 46R").

Financing Entities

The Corporation holds a significant interest in two financing entities that were used to monetize long-term notes received from the sale of certain nonstrategic timberlands and related assets to nonaffiliated buyers. These transactions qualified for the installment method of accounting for income tax purposes and met the criteria for immediate profit recognition for financial reporting purposes contained in SFAS No. 66, *Accounting for Sales of Real Estate*. These sales involved notes receivable with an aggregate face value of $617 million and a fair value of approximately $593 million at the date of sale. The notes receivable are backed by irrevocable standby letters of credit issued by money center banks, which aggregated $617 million at December 31, 2006.

Because the Corporation desired to monetize the $617 million of notes receivable and continue the deferral of current income taxes on the gains, the Corporation transferred the notes received from the sales to noncontrolled financing entities. The Corporation has minority voting interests in each of the financing entities (collectively, the "Financing Entities"). The transfers of the notes and certain other assets to the Financing Entities were made at fair value, were accounted for as asset sales and resulted in no gain or loss. In conjunction with the transfer of the notes and other assets, the Financing Entities became obligated for $617 million in third-party debt financing. A nonaffiliated financial institution has made substantive capital investments in each of the Financing Entities, has majority voting control over them and has substantive risks and rewards of ownership of the assets in the Financing Entities. The Corporation also contributed intercompany notes receivable aggregating $662 million and intercompany preferred stock of $50 million to the Financing Entities, which serve as secondary collateral for the third-party lending arrangements. In the unlikely event of default by both of the money center banks that provided the irrevocable standby letters of credit, the Corporation could experience a maximum loss of $617 million under these arrangements.

The Corporation has not consolidated the Financing Entities because it is not the primary beneficiary of either entity. Rather, it will continue to account for its ownership interests in these entities using the equity method of accounting. The Corporation retains equity interests in the Financing Entities for which the legal right of offset exists against the intercompany notes. As a result, the intercompany notes payable have been offset against the Corporation's equity interests in the Financing Entities for financial reporting purposes.

See Note 6 for a description of the Corporation's Luxembourg-based financing subsidiary, which is consolidated because the Corporation is the primary beneficiary of the entity.

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 United States 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) partnership arrangements as a limited partner, (ii) limited liability companies as a nonmanaging member and (iii) investments in various funds in which the Corporation is one of many noncontrolling investors. These entities borrow money from third parties generally on a nonrecourse basis and invest in and own various real estate projects.

Note 11. (Continued)

FASB Interpretation No. 46, *Consolidation of Variable Interest Entities – an Interpretation of ARB51*, requires the Corporation to consolidate certain real estate entities because it is the primary beneficiary of them. At December 31, 2006, the carrying amount of assets of these entities, aggregating $4.9 million, serves as collateral for $3.7 million of obligations of these ventures. The assets are classified as property, plant and equipment on the Consolidated Balance Sheet. Neither the creditors nor the other beneficial interest holders of these consolidated ventures have recourse to the general credit of the Corporation.

The Corporation accounts for its interests in its nonconsolidated real estate entities by the equity method of accounting or by the effective yield method, as appropriate, 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, 2006, the Corporation had net equity of $19.6 million in its nonconsolidated real estate entities. The Corporation has earned income tax credits totaling approximately $97.7 million, $84.1 million and $71.8 million through 2006, 2005 and 2004, respectively. As of December 31, 2006, total permanent financing debt for the nonconsolidated entities was $283.5 million. A total of $35.0 million of the permanent financing debt is guaranteed by the Corporation and the remainder of this debt is not supported or guaranteed by the Corporation. Except for the guaranteed portion, permanent financing debt is secured solely by the properties and is nonrecourse to the Corporation. From time to time, temporary interim financing is guaranteed by the Corporation. In general, the Corporation's interim financing guarantees are eliminated at the time permanent financing is obtained. At December 31, 2006, $49.3 million of temporary interim financing associated with these nonconsolidated real estate entities was guaranteed by the Corporation.

If the Corporation's investments in its nonconsolidated 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, 2006, this recapture risk is estimated to be $36.6 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.

At December 31, 2006, the Corporation's maximum loss exposure for its nonconsolidated real estate entities is estimated to be $140.5 million and was comprised of its net equity in these entities of $19.6 million, its permanent financing guarantees of $35.0 million, its interim financing guarantees of $49.3 million and the income tax credit recapture risk of $36.6 million.

Note 12. 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, 2006, are as follows:

	Millions
Year Ending December 31:	
2007	$ 84.2
2008	70.9
2009	61.2
2010	49.0
2011	40.8
Thereafter	145.1
Future minimum obligations	$451.2

Certain operating leases contain residual value guarantees, which provide that if the Corporation does not purchase the leased property from the lessor at the end of the lease term, the Corporation is 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, 2006, the maximum amount of the residual value guarantee was approximately $20 million. Management expects the proceeds from the sale of the properties under the operating leases will exceed the agreed values.

Operating lease obligations have been reduced by approximately $2 million for rental income from noncancelable sublease agreements.

Consolidated rental expense under operating leases was $227.9 million, $199.0 million and $195.9 million in 2006, 2005 and 2004, respectively.

Purchase Commitments

In conjunction with the Spin-off, the Corporation entered into a long-term pulp supply agreement with Neenah Paper. Under the agreement, the Corporation has agreed to purchase annually declining specified minimum tonnages of pulp. During 2006, the pulp supply agreement was modified to decrease the Corporation's 2007 minimum purchase obligation by approximately 25 percent. Minimum commitments under the agreement are estimated to be approximately $216 million in 2007, $231 million in 2008, $182 million in 2009 and $121 million in 2010. The latter two years reflect the phase-down period described in the following paragraph. These commitments represent 13 percent, 14 percent, 11 percent and 7 percent, respectively, of the Corporation's total estimated requirements for virgin pulp. The Corporation purchased approximately $216 million under that agreement in 2006.

Under the agreement, the prices for pulp will be based on published industry index prices, subject to certain minimum and maximum prices, less agreed-upon discounts. The commitments are structured as supply-or-pay and take-or-pay arrangements. Accordingly, if the Corporation does not purchase the specified minimums, it must pay for the shortfall based on the difference between the contract price and any lower price Neenah Paper obtains for the pulp, plus ten percent of the difference. If Neenah Paper does not supply the specified minimums, it must pay for the shortfall based on the difference between the contract price and any higher price that the Corporation pays to purchase the pulp, plus ten percent of that difference. Either party can elect a two-year phase-down period for the

Note 12. (Continued)

agreement, to begin no earlier than January 1, 2009 under which the minimum commitments would be approximately $182 million in the first year and $121 million in the second year. Either party may terminate the pulp supply agreement for certain events specified in the agreement.

The Corporation has entered into other long-term contracts for the purchase of pulp and utilities, principally electricity. Commitments under these contracts are approximately $273 million in 2007, $143 million in 2008, $100 million in 2009, $75 million in 2010 and $54 million in 2011. Total commitments beyond the year 2011 are $262 million.

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

Note 13. 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 11 years. In the event that the mill was 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, 2006 is estimated to be approximately $107 million. Management considers the probability of closure of this mill to be remote.

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.

Note 14. Synthetic Fuel Partnerships

The Corporation has minority interests in two synthetic fuel partnerships. Although these partnerships are variable interest entities that are subject to the requirements of FIN 46R, the Corporation is not the primary beneficiary, and the entities have not been consolidated. Synthetic fuel produced by the partnerships is eligible for synthetic fuel tax credits through 2007. In addition, there are tax deductions for pretax losses generated by the partnerships that are reported as nonoperating expense in the Corporation's Consolidated Income Statement. Both the credits and tax deductions reduce the Corporation's income tax expense. The tax credits begin to be phased out as the average annual domestic price of oil exceeds certain statutory amounts. The effects of these credits and deductions are shown in the following table:

	Year Ended December 31					
(Millions of dollars)	*2006*		*2005*		*2004*	
Nonoperating expense		**$(65.5)**		$(179.0)		$(158.4)
Tax credits	**$60.5**		$169.2		$144.4	
Tax benefit of nonoperating expense	**25.5**	**86.0**	65.1	234.3	55.4	199.8
Net synthetic fuel benefit		**$ 20.5**		$ 55.3		$ 41.4
Per share basis – diluted		**$ .04**		$ .12		$ .08

The effects of the credits are shown separately in the Corporation's reconciliation of the U.S. statutory rate to its effective income tax rate in Note 15.

Because the partnerships have received favorable private letter rulings from the IRS and because the partnerships' test procedures conform to IRS guidance, the Corporation's loss exposure under the synthetic fuel partnerships is minimal.

Note 15. Income Taxes

An analysis of the provision for income taxes for income from continuing operations follows:

(Millions of dollars)	*Year Ended December 31*		
	2006	*2005*	*2004*
Current income taxes:			
United States	**$ 347.8**	$ 308.1	$ 192.0
State	**32.8**	66.9	35.4
Other countries	**296.6**	206.1	275.9
Total	**677.2**	581.1	503.3
Deferred income taxes:			
United States	**(144.7)**	(118.6)	30.8
State	**(9.7)**	(30.3)	(20.7)
Other countries	**(53.6)**	6.2	(29.5)
Total	**(208.0)**	(142.7)	(19.4)
Total provision for income taxes	**$ 469.2**	$ 438.4	$ 483.9

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

(Millions of dollars)	*Year Ended December 31*		
	2006	*2005*	*2004*
United States	**$1,359.7**	$1,562.3	$1,578.1
Other countries	**485.2**	406.6	625.3
Total income before income taxes	**$1,844.9**	$1,968.9	$2,203.4

Note 15. (Continued)

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

(Millions of dollars)	*December 31*	
	2006	*2005*
Net current deferred income tax asset attributable to:		
Accrued expenses	**$ 144.7**	$ 145.5
Pension, postretirement and other employee benefits	**76.0**	94.8
Inventory	**(38.7)**	(27.5)
Other	**47.5**	19.0
Valuation allowances	**(10.3)**	(8.4)
Net current deferred income tax asset	**$ 219.2**	$ 223.4
Net noncurrent deferred income tax asset attributable to:		
Income tax loss carryforwards	**$ 311.8**	$ 235.8
State tax credits	**100.1**	96.0
Pension and other postretirement benefits	**215.7**	22.2
Accumulated depreciation	**(145.4)**	3.7
Other	**41.1**	94.8
Valuation allowances	**(245.4)**	(224.4)
Net noncurrent deferred income tax asset included in other assets	**$ 277.9**	$ 228.1
Net noncurrent deferred income tax liability attributable to:		
Accumulated depreciation	**$(866.0)**	$(1,103.1)
Pension, postretirement and other employee benefits	**478.8**	548.1
Foreign tax credits and loss carryforwards	**354.5**	484.1
Installment sales	**(189.4)**	(192.0)
Other	**(53.3)**	(70.2)
Valuation allowances	**(115.7)**	(239.8)
Net noncurrent deferred income tax liability	**$(391.1)**	$ (572.9)

Valuation allowances decreased $102.9 million in 2006 and increased $221.6 million in 2005. The decrease in 2006 was related to excess foreign tax credits. Valuation allowances at the end of 2006 primarily relate to the realization of excess foreign tax credits in the U.S. and income tax loss carryforwards of $884.2 million, which potentially are not useable primarily in jurisdictions outside the U.S. If not utilized against taxable income, $416.7 million of the loss carryforwards will expire from 2007 through 2026. The remaining $467.5 million has no expiration date.

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.

Note 15. (Continued)

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					
	2006		2005		2004	
(Millions of dollars)	*Amount*	*Percent*	*Amount*	*Percent*	*Amount*	*Percent*
Income from continuing operations before income taxes	**$1,844.9**		$1,968.9		$2,203.4	
Tax at U.S. statutory rate applied to income from continuing operations	**$ 645.7**	**35.0%**	$ 689.1	35.0%	$ 771.2	35.0%
State income taxes, net of federal tax benefit	**15.0**	**.8**	23.8	1.2	9.6	.4
Taxes on American Jobs Creation Act dividends	**—**	**—**	55.5	2.8	—	—
Synthetic fuel credits	**(60.5)**	**(3.3)**	(169.2)	(8.6)	(144.4)	(6.6)
Recognition of additional prior year foreign tax credits	**(35.9)**	**(1.9)**	—	—	—	—
Net operating losses realized	**(8.0)**	**(.4)**	(14.2)	(.7)	(9.2)	(.4)
Other – net[(a)]	**(87.1)**	**(4.8)**	(146.6)	(7.4)	(143.3)	(6.4)
Provision for income taxes	**$ 469.2**	**25.4%**	$ 438.4	22.3%	$ 483.9	22.0%

(a) *Other – net is comprised of numerous items, none of which is greater than 1.3 percent of income from continuing operations.*

The 2004 American Jobs Creation Act (the “Act”) provided, among other things, for a one-time deduction for certain foreign earnings that are repatriated to and reinvested in the United States. During 2005, the Corporation repatriated approximately $985 million of previously unremitted earnings of certain of its non-U.S. subsidiaries under the provisions of the Act. As a result, the Corporation recorded income tax expense and a related income tax liability of approximately $55.5 million in 2005.

At December 31, 2006, U.S. income taxes have not been provided on approximately $4.4 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.

The Corporation accrues liabilities in current income taxes for potential assessments, which at December 31, 2006 and 2005 aggregated $237.2 million and $268.8 million, respectively. The decrease was due to prior year tax audit settlements. The accruals relate to uncertain tax positions in a variety of taxing jurisdictions and are based on what management believes will be the ultimate 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 2003. IRS assessments of additional taxes have been paid through 1998. Refund actions are pending with the IRS Examination Division or Appeals Office for the years 1993 through 1998. 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.

Note 16. 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		
(Millions)	*2006*	*2005*	*2004*
Basic	**458.5**	474.0	495.2
Dilutive effect of stock options	**1.9**	2.6	3.4
Dilutive effect of restricted share awards	**1.2**	.8	.6
Diluted	**461.6**	477.4	499.2

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	*2006*	*2005*	*2004*
Average number of share equivalents (millions)	**8.6**	9.1	5.4
Weighted-average exercise price	**$ 66.48**	$ 66.58	$ 70.13
Expiration date of options	**2007 to 2015**	2007 to 2015	2007 to 2012
Options outstanding at year-end	**8.2**	8.8	5.4

The number of common shares outstanding as of December 31, 2006, 2005 and 2004 was 455.6 million, 461.5 million and 482.9 million, respectively.

Note 17. 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 2. 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 and Kimcare brand names.
- The Health Care segment manufactures and markets health care products such as surgical gowns, drapes, infection control products, sterilization wrap, disposable face masks and exam gloves, respiratory products and other disposable medical products. Products in this segment are sold under the Kimberly-Clark, Ballard and other brand names.

Approximately 13 percent of net sales were to Wal-Mart Stores, Inc. in 2006, 2005 and 2004, primarily in the Personal Care and Consumer Tissue businesses.

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

Note 17. (Continued)

Consolidated Operations by Business Segment

(Millions of dollars)	Personal Care	Consumer Tissue	K-C Professional & Other	Health Care	Inter-segment Sales	Corporate & Other	Consolidated Total
Net Sales							
2006	**$6,740.9**	**$5,982.0**	**$ 2,813.1**	**$1,237.4**	**$ (58.8)**	**$ 32.3**	**$ 16,746.9**
2005	6,287.4	5,781.3	2,672.2	1,149.6	(19.3)	31.4	15,902.6
2004	5,975.1	5,343.0	2,826.7	1,131.2	(217.1)	24.3	15,083.2
Operating Profit [(a)]							
2006	**1,302.5**	**772.6**	**472.1**	**211.2**	**—**	**(656.9)**[(b)]	**2,101.5**
2005	1,242.2	805.8	472.8	200.4	—	(410.6)[(b)]	2,310.6
2004	1,253.2	803.1	411.5	245.1	—	(206.5)	2,506.4
Depreciation and Amortization							
2006	**266.3**	**273.7**	**126.3**	**40.3**	**—**	**226.2**	**932.8**
2005	267.4	301.0	135.7	52.4	—	88.0	844.5
2004	286.9	310.7	141.8	52.2	—	8.7	800.3
Assets							
2006	**5,026.5**	**6,032.2**	**2,593.2**	**2,169.7**	**—**	**1,245.4**	**17,067.0**
2005	4,650.7	5,672.9	2,540.4	2,038.5	—	1,400.7	16,303.2
2004	4,813.3	5,881.5	2,693.1	2,052.1	—	1,578.0	17,018.0
Capital Spending							
2006	**345.0**	**455.8**	**131.1**	**40.1**	**—**	**.1**	**972.1**
2005	297.9	296.6	87.7	27.3	—	.1	709.6
2004	242.5	202.3	64.8	24.6	—	.8	535.0

(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*:

(Millions of dollars)	*Personal Care*	*Consumer Tissue*	*K-C Professional & Other*	*Health Care*	*Total*
Corporate & Other					
2006	*$(245.5)*	*$ (139.6)*	*$ (40.8)*	*$(50.5)*	*$(476.4)*
2005	*(146.0)*	*(31.3)*	*(13.1)*	*(38.2)*	*(228.6)*

Additional information concerning these costs is contained in Note 2.

Note 17. (Continued)

Sales of Principal Products

(Billions of dollars)	*2006*	*2005*	*2004*
Consumer tissue products	**$ 5.9**	$ 5.7	$ 5.3
Diapers	**3.6**	3.3	3.2
Away-from-home professional products	**2.6**	2.5	2.3
All other	**4.6**	4.4	4.3
Consolidated	**$16.7**	$15.9	$15.1

Consolidated Operations by Geographic Area

(Millions of dollars)	*United States*	*Canada*	*Inter-geographic Items[a]*	*Total North America*	*Europe*	*Asia, Latin America & Other*	*Inter-geographic Items*	*Corporate & Other*	*Consolidated Total*
Net Sales									
2006	**$9,405.6**	**$538.0**	**$ (249.2)**	**$9,694.4**	**$3,153.4**	**$4,480.9**	**$ (581.8)**	**$ —**	**$16,746.9**
2005	9,093.1	516.4	(254.7)	9,354.8	3,072.8	4,019.2	(544.2)	—	15,902.6
2004	8,683.5	911.0	(554.4)	9,040.1	3,098.3	3,488.8	(544.0)	—	15,083.2
Operating Profit[b]									
2006	**1,856.2**	**142.8**	**—**	**1,999.0**	**211.1**	**548.3**	**—**	**(656.9)[c]**	**2,101.5**
2005	1,973.5	107.7	—	2,081.2	165.9	474.1	—	(410.6)[c]	2,310.6
2004	1,953.1	122.0	—	2,075.1	221.0	416.8	—	(206.5)	2,506.4
Net Property									
2006	**4,132.6**	**33.7**	**—**	**4,166.3**	**1,591.3**	**1,927.2**	**—**	**—**	**7,684.8**
2005	4,082.0	82.1	—	4,164.1	1,529.5	1,801.1	—	—	7,494.7
2004	4,177.8	103.5	—	4,281.3	1,875.2	1,834.0	—	—	7,990.5

(a) Intergeographic net sales include $48.4 million, $59.4 million and $368.0 million by operations in Canada to the U.S. in 2006, 2005 and 2004, 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:

(Millions of dollars)	*United States*	*Canada*	*Europe*	*Asia, Latin America & Other*	*Total*
Corporate & Other					
2006	*$(226.5)*	*$(16.7)*	*$(195.5)*	*$ (37.7)*	*$(476.4)*
2005	*(59.9)*	*(25.0)*	*(113.5)*	*(30.2)*	*(228.6)*

Additional information concerning these costs is contained in Note 2.

Note 17. (Continued)

Equity Companies' Data

(Millions of dollars)	*Net Sales*	*Gross Profit*	*Operating Profit*	*Net Income*	*Corporation's Share of Net Income*
2006	**$2,275.1**	**$815.2**	**$ 668.3**	**$456.2**	**$ 218.6**[(a)]
2005	2,115.0	730.0	441.2	286.1	136.6
2004	1,823.0	635.1	433.3	261.1	124.8

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

(Millions of dollars)	*Current Assets*	*Non-Current Assets*	*Current Liabilities*	*Non-Current Liabilities*	*Stockholders' Equity*
2006	**$879.6**	**$905.1**	**$ 667.4**	**$ 465.5**	**$ 651.8**
2005	869.7	992.1	564.6	513.4	783.9
2004	821.7	931.1	525.5	475.5	751.9

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

At December 31, 2006, the Corporation's equity companies and ownership interest were as follows: Kimberly-Clark Lever, Ltd. (India) (50%), Kimberly-Clark de Mexico, S.A.B. de C.V. and subsidiaries (47.9%), Olayan Kimberly-Clark Arabia (49%), Olayan Kimberly-Clark (Bahrain) WLL (49%) and Tecnosur S.A. (Colombia) (34.3%).

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, 2006, the Corporation's investment in this equity company was $328 million, and the estimated fair value of the investment was $2.5 billion based on the market price of publicly traded shares.

Note 18. Supplemental Data ***(Millions of dollars)***

Supplemental Income Statement Data	December 31 *2006*	*2005*	*2004*
Advertising expense	**$438.4**	$451.0	$421.3
Research expense	**301.2**	319.5	279.7
Net foreign currency transaction losses	**22.7**	50.0	26.2

Supplemental Balance Sheet Data

Summary of Accounts Receivable, net	December 31 *2006*	*2005*
Accounts Receivable:		
From customers	**$2,142.2**	$1,930.6
Other	**253.2**	228.8
Less allowance for doubtful accounts and sales discounts	**(58.7)**	(57.5)
Total	**$2,336.7**	$2,101.9

Accounts receivable are carried at amounts that approximate fair value.

Summary of Inventories	December 31 *2006*	*2005*
Inventories by Major Class:		
At the lower of cost determined on the FIFO or weighted-average cost methods or market:		
Raw materials	**$ 398.3**	$ 338.9
Work in process	**298.6**	236.7
Finished goods	**1,263.4**	1,128.9
Supplies and other	**242.6**	232.3
	2,202.9	1,936.8
Excess of FIFO or weighted-average cost over LIFO cost	**(198.4)**	(184.7)
Total	**$2,004.5**	$1,752.1

FIFO or weighted-average value of total inventories determined on the LIFO method were $936.0 million and $857.6 million at December 31, 2006 and December 31, 2005, respectively.

Summary of Property, Plant and Equipment, net	December 31 *2006*	*2005*
Property, Plant and Equipment:		
Land	**$ 241.5**	$ 257.4
Buildings	**2,432.3**	2,349.7
Machinery and equipment	**12,130.7**	11,617.8
Construction in progress	**600.4**	391.3
	15,404.9	14,616.2
Less accumulated depreciation	**(7,720.1)**	(7,121.5)
Total	**$ 7,684.8**	$ 7,494.7

Note 18. (Continued)

Summary of Accrued Expenses	*December 31*	
	2006	*2005*
Accrued advertising and promotion	**$ 333.2**	$ 260.3
Accrued salaries and wages	**404.5**	377.1
Accrued expenses – strategic cost reductions	**111.2**	28.2
Other	**754.9**	734.0
Total	**$1,603.8**	$1,399.6

Supplemental Cash Flow Statement Data

Summary of Cash Flow Effects of Decrease (Increase) in Operating Working Capital [a]	*Year Ended December 31*		
	2006	*2005*	*2004*[b]
Accounts receivable	**$(231.4)**	$ (41.9)	$(135.9)
Inventories	**(252.4)**	(81.1)	(192.9)
Prepaid expenses	**19.6**	(10.6)	27.0
Trade accounts payable	**150.1**	51.1	99.4
Other payables	**29.2**	45.6	(22.5)
Accrued expenses	**268.2**	(2.9)	107.1
Accrued income taxes	**(65.0)**	13.6	163.9
Derivatives	**(1.2)**	5.3	(29.4)
Currency	**88.0**	(159.2)	78.1
Decrease (increase) in operating working capital	**$ 5.1**	$(180.1)	$ 94.8

Other Cash Flow Data	*Year Ended December 31*		
	2006	*2005*	*2004*[b]
Interest paid	**$234.5**	$195.8	$175.3
Income taxes paid	**708.9**	590.7	368.7

Interest Expense	*Year Ended December 31*		
	2006	*2005*	*2004*[b]
Gross interest cost	**$234.6**	$197.5	$169.0
Capitalized interest on major construction projects	**(14.3)**	(7.3)	(6.5)
Interest expense	**$220.3**	$190.2	$162.5

(a) *Excludes the effects of acquisitions and dispositions.*
(b) *Excludes the effects of the Spin-off.*

Cash used for investing and financing activities for discontinued operations was approximately $5 million in 2004.

Note 19. Unaudited Quarterly Data

(Millions of dollars, except per share amounts)	*2006*				*2005*			
	Fourth	*Third*	*Second*	*First*	*Fourth*	*Third*	*Second*	*First*
Net sales	**$4,307.2**	**$4,210.4**	**$4,161.4**	**$4,067.9**	$4,008.9	$4,000.8	$3,987.1	$3,905.8
Gross profit	**1,365.9**	**1,275.5**	**1,287.6**	**1,153.1**	1,289.6	1,156.4	1,322.6	1,306.6
Operating profit	**610.6**	**526.4**	**544.1**	**420.4**	572.2	464.6	636.2	637.6
Income before cumulative effect of accounting change	**482.6**	**364.2**	**377.6**	**275.1**	383.4	325.3	421.8	450.1
Net income	**482.6**	**364.2**	**377.6**	**275.1**	371.1	325.3	421.8	450.1
Per share basis:								
Basic								
Income before cumulative effect of accounting change	**1.06**	**.80**	**.82**	**.60**	.82	.69	.88	.94
Net income	**1.06**	**.80**	**.82**	**.60**	.79	.69	.88	.94
Diluted								
Income before cumulative effect of accounting change	**1.05**	**.79**	**.82**	**.60**	.82	.68	.88	.93
Net income	**1.05**	**.79**	**.82**	**.60**	.79	.68	.88	.93
Cash dividends declared per share	**.49**	**.49**	**.49**	**.49**	.45	.45	.45	.45
Market price per share:								
High	**68.58**	**65.76**	**62.15**	**61.75**	60.80	64.99	66.99	68.29
Low	**65.00**	**58.63**	**56.96**	**56.59**	55.60	58.62	61.26	63.33
Close	**67.95**	**65.36**	**61.70**	**57.80**	59.65	59.53	62.59	65.73

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, 2006 and 2005, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2006. Our audits also included the financial statement schedule. 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 at December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006, 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 Notes 1 and 7 to the consolidated financial statements, on January 1, 2006, the Corporation adopted the provisions of Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment*, and on December 31, 2006, the Corporation adopted the provisions of Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. Also as discussed in Note 1, on December 31, 2005, the Corporation adopted the provisions of Financial Accounting Standards Board Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2006, 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 20, 2007 expressed an unqualified opinion on management's assessment of the effectiveness of the Corporation's internal control over financial reporting and an unqualified opinion on the effectiveness of the Corporation's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Dallas, Texas
February 20, 2007
(July 20, 2007 as to Notes 1, 4, 9, and 17)

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(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, 2006					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	$ 35.8	$ 11.7	$ 3.2	$ 11.8 [b]	$ 38.9
Allowances for sales discounts	21.6	274.6	.9	277.3 [d]	19.8
December 31, 2005					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	$ 42.5	$ 8.9	$ (.6)	$ 15.0 [b]	$ 35.8
Allowances for sales discounts	20.1	249.5	(.7)	247.3 [d]	21.6
December 31, 2004					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	$ 47.9	$ 8.8	$ 4.0	$ 18.2 [b][c]	$ 42.5
Allowances for sales discounts	19.7	233.1	.1	232.8 [d]	20.1

[a] Includes bad debt recoveries and the effects of changes in foreign currency exchange rates.
[b] Primarily uncollectible receivables written off.
[c] Includes $4.6 million of Neenah Paper balances spun off in November 2004.
[d] Sales discounts allowed.

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(Millions of dollars)

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts	Deductions[(a)]	Balance at End of Period
December 31, 2006					
Deferred Taxes Valuation Allowance	$ 474.0	$ (105.3)	$ —	$ (2.4)	$ 371.1
December 31, 2005					
Deferred Taxes Valuation Allowance	$ 252.4	$ 233.6	$ —	$ 12.0	$ 474.0
December 31, 2004					
Deferred Taxes Valuation Allowance	$ 247.9	$ (12.4)	$ —	$ (16.9)	$ 252.4

(a) Includes the net currency effects of translating valuation allowances at current rates under Statement of Financial Accounting Standards No. 52, *Foreign Currency Translation*, of $(1.9) million in 2006, $13.4 million in 2005 and $(18.4) million in 2004.