

KIMBERLY CLARK CORP  
Form 10-Q  
May 07, 2010

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2010

OR

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

For the transition period from.....to.....

Commission file number 1-225

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

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

P. O. Box 619100  
Dallas, Texas  
75261-9100  
(Address of principal executive offices)  
(Zip Code)

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

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

Yes  No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of April 30, 2010, there were 413,971,851 shares of the Corporation's common stock outstanding.

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KIMBERLY-CLARK CORPORATION

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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements.

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

Three Months Ended

March 31

(Millions of dollars, except per share amounts)

2010

2009

Net Sales	\$ 4,835	\$ 4,493
Cost of products sold	3,188	3,039
Gross Profit	1,647	1,454
Marketing, research and general expenses	881	749
Other (income) and expense, net	101	77
Operating Profit	665	628
Interest income	5	8
Interest expense	(61)	(73)
Income Before Income Taxes and Equity Interests	609	563
Provision for income taxes	(241)	(164)
Income Before Equity Interests	368	399
Share of net income of equity companies	43	32
Net Income	411	431
Net income attributable to noncontrolling interests	(27)	(24)

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Net Income Attributable to Kimberly-Clark Corporation	\$	384	\$	407
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Per Share Basis:

Net Income Attributable to Kimberly-Clark Corporation				
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Basic	\$	.92	\$	.98
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Diluted		.92		.98
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Cash Dividends Declared	\$	.66	\$	.60
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See Notes to Consolidated Financial Statements.

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

	March 31,	December 31,
(Millions of dollars)	2010	2009
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 669	\$ 798
Accounts receivable, net	2,557	2,566
Inventories	2,104	2,033
Other current assets	389	467
Total Current Assets	5,719	5,864
Property	16,942	16,934
Less accumulated depreciation	8,984	8,901
Net Property	7,958	8,033
Investments in Equity Companies	398	355
Goodwill	3,277	3,275
Long-Term Notes Receivable	608	607
Other Assets	1,037	1,075
	\$ 18,997	\$ 19,209

**LIABILITIES AND STOCKHOLDERS' EQUITY**

## Current Liabilities

Debt payable within one year	\$ 1,001	\$ 610
Accounts payable	1,995	1,920
Accrued expenses	1,839	2,064
Other current liabilities	421	329
<b>Total Current Liabilities</b>	<b>5,256</b>	<b>4,923</b>

Long-Term Debt	4,387	4,792
Noncurrent Employee Benefits	1,807	1,989
Long-Term Income Taxes Payable	201	168
Deferred Income Taxes	409	377
Other Liabilities	207	218
Redeemable Preferred and Common Securities of Subsidiaries	1,052	1,052

## Stockholders' Equity

Kimberly-Clark Corporation	5,396	5,406
Noncontrolling Interests	282	284
<b>Total Stockholders' Equity</b>	<b>5,678</b>	<b>5,690</b>

\$ 18,997    \$ 19,209

See Notes to Consolidated Financial Statements.

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

	Three Months	
	Ended March 31	
(Millions of dollars)	2010	2009
<b>Operating Activities</b>		
Net income	\$ 411	\$ 431
Depreciation and amortization	193	177
Stock-based compensation	4	10
(Increase) decrease in operating working capital	(157)	156
Deferred income taxes	86	(46)
Net losses on asset dispositions	10	8
Equity companies' earnings in excess of dividends paid	(41)	(32)
Postretirement benefits	(149)	(21)
Other	107	9
<b>Cash Provided by Operations</b>	<b>464</b>	<b>692</b>
<b>Investing Activities</b>		
Capital spending	(184)	(211)
Acquisition of businesses, net of cash acquired	-	(11)
Proceeds from sales of investments	10	5
Proceeds from dispositions of property	-	3
Net decrease in time deposits	61	57
Other	(6)	(12)



Cash Used for Investing	(119)	(169)
Financing Activities		
Cash dividends paid	(250)	(240)
Net (decrease) increase in short-term debt	(10)	245
Proceeds from issuance of long-term debt	-	2
Repayments of long-term debt	(4)	(10)
Cash paid on redeemable preferred securities of subsidiary	(13)	(13)
Shares purchased from noncontrolling interests	-	(278)
Proceeds from exercise of stock options	21	16
Acquisitions of common stock for the treasury	(141)	-
Other	(20)	(17)
Cash Used for Financing	(417)	(295)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(57)	-
Increase in Cash and Cash Equivalents	(129)	228
Cash and Cash Equivalents, beginning of year	798	364
Cash and Cash Equivalents, end of period	\$ 669	\$ 592

See Notes to Consolidated Financial Statements.

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

(Millions of dollars)	Three Months Ended March 31	
	2010	2009
Net Income	\$ 411	\$ 431
<b>Other Comprehensive Income, Net of Tax:</b>		
Unrealized currency translation adjustments	(26)	(361)
Employee postretirement benefits	36	32
Other	2	(6)
<b>Total Other Comprehensive Income, Net of Tax</b>	<b>12</b>	<b>(335)</b>
Comprehensive Income	423	96
Comprehensive income attributable to noncontrolling interests	33	(9)
<b>Comprehensive Income Attributable to Kimberly-Clark Corporation</b>	<b>\$ 390</b>	<b>\$ 105</b>

See Notes to Consolidated Financial Statements.

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

Note 1. Accounting Policies

Basis of Presentation

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

For further information, refer to the Consolidated Financial Statements and footnotes included in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2009.

New Accounting Standards