Innovation

Kimberly-Clark de México
ANNUAL REPORT

2013

Kimberly-Clark de México

Kimberly-Clark de México manufactures and sells disposable consumer products for daily use in and out of the home, such as diapers and baby products, feminine napkins, adult care, bath tissue, napkins, facial tissues, hand and kitchen towels, wet wipes and health care products. Among our best-known brands are *Huggies®, KleenBebé®, Kleenex®, Kimlark®, Pétalo®, Cottonelle®, Depend® and Kotex®*. Through continuous innovation and a focus on the consumer, the company is the leader in most of the markets in which we participate. The company is listed on the Mexican Stock Exchange under the ticker symbol KIMBER.

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Innovation remains the driving force in our company's growth and value creation, in the development of our products and brands, as well as in our operations and efficiency.

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In 2013, Kimberly Clark de México gave a decisive boost to its innovation plans, in order to consolidate its leadership and remain optimally positioned to capitalize on opportunities as they arise in this promising economic environment, and continue to meet consumers' ever-changing needs.

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We launched Kotex® Maxi®, 30% more absorbent and with a new shape that gives women more comfort and protection.

ovating

to accelerate **our growth**

We innovate every day, developing new and better products, promoting our brands for maximum consumer identification and recognition, and remaining alert for opportunities to venture into new categories and continue our sustainable and profitable growth.

Innova

to be **more efficient**

Our permanent strategy of lowering costs at all levels of the organization, together with our expansion of production capacity, increases our efficiency, broadens our margins, and creates value for consumers and shareholders.

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We redesigned KleenBebé® Comodisec® with wider tapes to better fit the baby's body.

Inn

to promote a

ovating

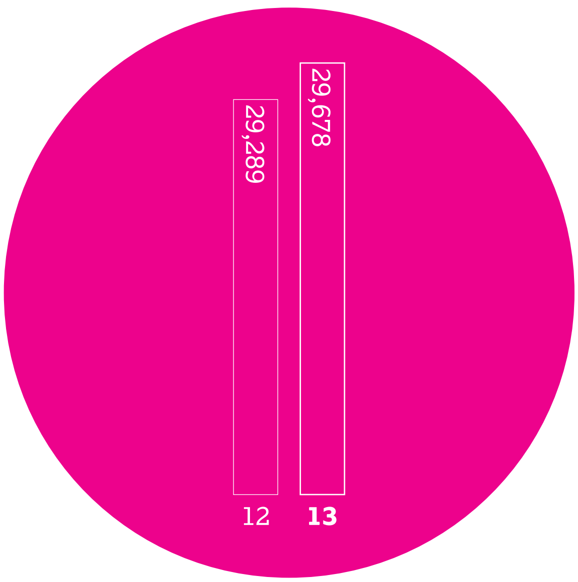
better quality of life

We focus on bringing a better quality of life to all our stakeholders, offering innovative products of the highest quality to our consumers, promoting the communities where we operate, striving for the safety and welfare of our employees, and being committed to caring for the environment and making rational use of non-renewable resources.

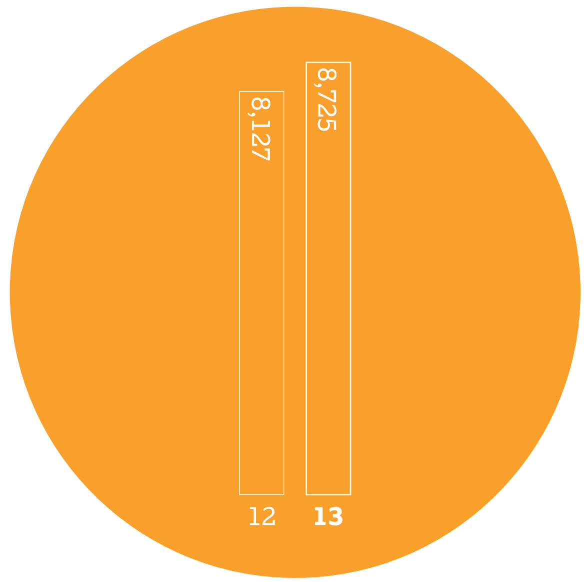
We stepped up advertising for our Depend® underwear to highlight the competitive advantage of its maximum discretion–twice as thin as other brands.

Key financial Information:

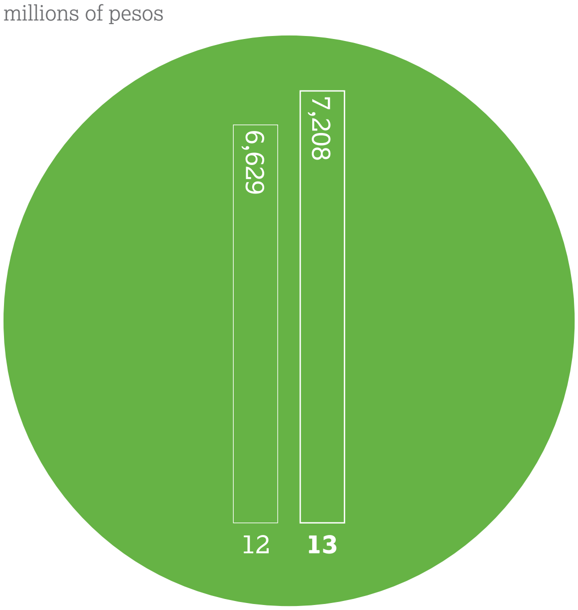
Net sales
millions of pesos



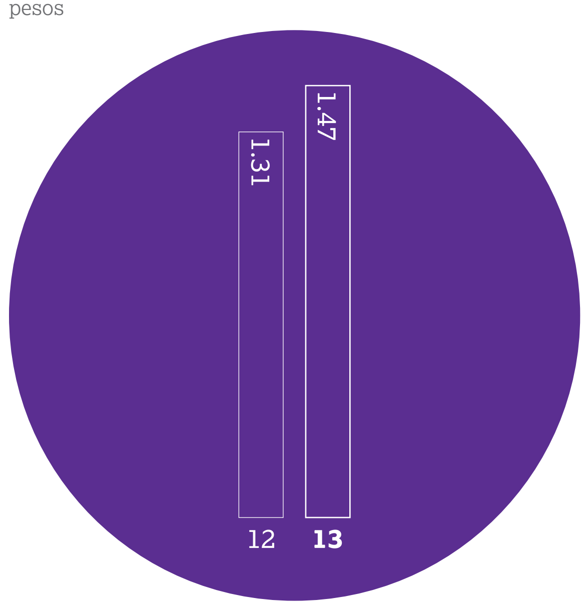
EBITDA
millions of pesos



Operating income
millions of pesos



Basic earnings per share
pesos



Years ended December 31, 2013 and 2012
(Millions of pesos)

	2013	2012	%
Net sales	$29,678	$29,289	1%
Gross profit	11,918	11,326	5%
Margin	40%	39%	
Operating profit	7,208	6,629	9%
Margin	24%	23%	
Net income	4,619	4,140	12%
EBITDA	8,725	8,127	7%
Margin	29%	28%	
Basic earnings per share (in pesos, using the weighted average number of shares outstanding)	1.47	1.31	12%

Innovation has always been a determining factor in our growth, the strength of our brands, and our ability to build value.

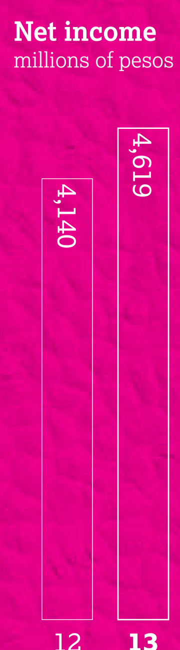
Messrs. Shareholders:

To our Shareholders:

In 2013, global economic activity registered some improvement. The United States economy continues to recover despite episodes of slower activity in the first half of the year caused by tax hikes, political tensions and their effects on government spending. Meanwhile, the euro zone was fairly stable, and although it is not expected to see stunning growth for the next few years, it would seem to be emerging from its crisis without lasting damage to any of its major economies.

In emerging markets, the pace of growth slowed, even in China, where the rate of economic expansion declined once again. Trading in the equities and currencies of countries considered emerging markets was dampened by sociopolitical tensions in Ukraine, Thailand, Turkey, Argentina and Venezuela.

In Mexico, economic growth was sharply lower than expected. A sluggish deployment of government spending, high inflation in food prices, the ongoing weakness of U.S. manufacturing, a decline in wage remittances from workers abroad and questions about the local tax reform came together to hold back economic growth which, at the start of 2013, had been forcasted at around 3.5 percent for the year. Ultimately, the growth was barely above one percent, and domestic consumption was heavily affected.



Despite it all, 2013 was a good year for Kimberly-Clark de México, particularly in cash flow generation and profit growth.

Financial results

The slowdown of consumption was reflected in a lower pace of growth for our main categories, which in turn prompted us to intensify promotional activities in the second half of the year. As we have always said, our scale is an important part of our strategy, so we increased investment in this area to prevent an erosion of our market position. This affected the value of our sales for the year, which gained only one percent over 2012.

During the year, we faced a slightly negative scenario in dollar quotations on all our primary inputs, except for natural gas, which was up against a very high comparable base.

Despite this, our operating profit grew 9 percent, net income rose 12 percent, and our margins improved during the year, spurred on by greater and better

2013 was a good year for Kimberly-Clark de México, particularly in cash flow generation and profit growth.

operating efficiency and our ongoing cost-cutting program, which brought savings of $560 million pesos over the course of the year.

EBITDA generation remained solid, reaching a record $8.7 billion pesos. This, combined with our successful management of working capital and greater financing, enabled us to close out the year with $5.4 billion pesos in cash on hand.

During the year, we invested $2.2 billion pesos ($1.6 billion in capital expenditures and $536 million in the repurchase of our own shares); and we paid out $4.1 billion pesos in dividends.

Finally, in 2013 we placed $2.5 billion pesos in debt in the form of Securities Certificates, $1.8 billion of which were at 10 years and a fixed rate of 6.98 percent, and $750 million at five years with a floating rate of 15 basis points over the TIIE. We also repaid $1.3 billion pesos in debt during the year.

Innovation

At Kimberly-Clark de México, innovation has always been a determining factor in our growth, the strength of our brands and our ability to build value. The criteria we follow in differentiating our products are: the relevance of the innovation for the consumer, the improvement in product performance and how it compares against the competition, and the financial impact of each innovation. In 2013, we continued to innovate and improve all of our product categories.

In diapers at the high end we added wider and softer new anti-leak barriers to our Huggies® Supreme®, so they fit more naturally to the baby's legs and avoid leaving marks like the elastic bands of other diapers.

In the value segment, we improved our Kleen Bebé® Suavelastic Max® by incorporating a new anti-leak

Innovating

We added wider and softer new anti-leak barriers to our Huggies® Supreme®, so they conform more naturally to the baby's legs and avoid leaving marks like the elastic bands of other diapers.

elastic strip, while the Kleen Bebé® Comodisec® brand was modified with the addition of broader tapes to better fit the baby's body.

In the economy segment, we launched the new Kleen Bebé® Absorsec Ultra®, with a more ergonomic, efficient and slim design, which has proven to be a consumer favorite by a wide margin.

In the training pants category, we launched Huggies® Pull Ups®, offering a product that works both day and night and introducing new licensed characters for boys and girls.

In wet wipes, we added a texturized finish and doubled the thickness of our Kleen Bebé® Suavelastic Max® wipes to offer consumers superior cleanliness. Our Huggies® Supreme® wipes were modified to offer 25 percent more contact area, strengthening their position as the best in the market.

In the bath tissue market, we launched the new Kleenex® Cottonelle® Bio compact, a skin-soft, environmentally friendly product. This type of tissue is compacted through a modern process that does not affect its resilience and performance, enabling us to substantially reduce packaging materials and optimize transportation and storage space.

We also launched Kleenex® Cottonelle® Karité, whose size, texture, cloth-like softness and the addition of shea extract for skin protection has made it the most comfortable product on the market.

In the feminine care category, we launched a new Kotex® Maxi® napkin, more absorbent and with a new form that lets women feel more comfortable and protected all day and all night, molding to the natural shape of their bodies better than any other napkin. It also offers 30 percent more absorption than other night time feminine napkins.

In incontinence products, we stepped up advertising for our Depend® brand of underwear to highlight its competitive advantages— twice as thin as other brands for maximum discretion. We also launched Depend® Ultraconfort®, an ultra-light anatomic pad unique in its segment because of its cloth-like cover and high quality, at a more affordable price.

In our Evenflo® product categories, we launched a new line of more absorbent, softer nursing pads, in a practical individual wrapping. Also, as part of our repositioning of products in the baby bottle category, we launched a new polypropylene Contour bottle, and evolved the classic Evenflo® line of hexagonal bottles to an hexagonal "twist" design, which is clearer, more ergonomic and has the Relax Fit® venting system to reduce colic.

Additionally, Evenflo Feeding Inc. in the United States ventured into the category of sippy cups, with both hard and soft spouts, under the patented "triple flow" system. In bottles, we also innovated with the angular bottle and Relax Fit® nipple.

Innovating

Twice a year, we hold our "Innovation Day" throughout the Corporation to promote innovation, identify areas of opportunity, and reaffirm our commitment to competitiveness and results.

Finally, in the Professional business, we launched Jumbo Kleenex® tissue with Through Air Dry (TAD) technology, the eco-friendly Jumbo Marli® toilet paper brand and pre-folded napkins with personalized printing for the restaurant and fast food segment.

Operations

Our production strategy in 2013 focused on increasing the efficiency of our manufacturing and conversion equipment. We reached record levels of productivity in all of our tissue paper plants, every one of our diaper plants and various personal care lines.

We also continued to work on a number of initiatives for achieving cost advantages, and this year our efforts were focused especially on packing materials. Savings from our ongoing cost reduction program, which amounted to $560 million pesos during the year, were equivalent to 3 percent of our cost of goods sold.

The planned installation of the number four tissue machine at our Bajío Plant continues as scheduled, and this ultramodern, productive equipment is slated for startup sometime in the third quarter of 2014.

As regards inventory turnover, we kept this indicator consistently higher than last year at 9 times, up from 8.6 in 2012.

Human Resources

To maintain our company's market leadership, we need to have the best people for each job. Well-trained, highly committed people who have a thirst for winning, surpassing expectations and continuing to learn and innovate. That's why we invest to recruit the best people and to prepare and train them to make the most of their potential and deal with present and future challenges.

During the year, we offered competitive raises to our administrative personnel and increases in the wage tables included in collective bargaining contracts, adding to the healthy climate of cordiality and mutual respect that has always defined this company. Additionally, because of our solid results, we were able to continue paying out employee profit-sharing that is consistently recognized as one of the highest in the country and is a direct consequence of our philosophy of sharing this company's results with our workers.

In the area of industrial safety, we had a year of mixed results. We were able to reduce the total number of accidents, but experienced a rise in the number of days lost, primarily due to injuries to arms, hands and fingers. Among these accidents, we are sad to report the death of one of our employees, Antonio Falcón Ortega, a truck driver for our transportation division. The company reiterates its concern for all of its employees' safety and its commitment to invest in their protection. Our ultimate goal is to achieve a rate of zero work injuries and work-related illness in our operations.

We are grateful to all our personnel for their efforts during the year and we urge them all to continue working with their usual dedication and continuing to be the best in each of their areas, so that we can continue earning the outstanding results that have always characterized this company.

Innovating

In the bath tissue market, we launched the new Kleenex® Cottonelle® Bio compact, a skin-soft, environmentally friendly product.
In the feminine care category, we launched a new Kotex® Maxi® napkin, more absorbent and with a new form that lets women feel more comfortable and protected all day and all night.

Relationship with Kimberly-Clark Corporation

Our alliance with Kimberly-Clark Corporation (KCC) is fundamental both for supporting our product and process innovation initiatives and for introducing state-of-the-art technology. This partnership also enables us to participate in global purchasing agreements for some key inputs and share best practices and information, both operating and commercial, on a worldwide basis.

Social Responsibility

At Kimberly-Clark de México, we have always made it a priority to improve the quality of life of all Mexicans through our hygiene and personal care products. For this reason, we are committed to the quality of our products, the leadership of our brands, the development of our personnel, the financial strength of our company and the constant innovation of our processes and products. Furthermore, we reiterate our commitment to the sustainability of our operations, full compliance with our obligations, and the promotion of communities where we operate as well as the productive chain we generate. These commitments enable us to offer all Mexican families yet another reason to trust our brands and products, which today reach 98 percent of Mexican households.

Innovating

In our Evenflo® product categories, we launched a new line of more absorbent, softer nursing pads, in a practical individual wrapping.

Our sustainability model is based on three pillars: 1. Economic, because results are the catalyst that enable us to contribute environmental and social value; 2. Environmental, through the five “R’s” of Kimberly-Clark de México: Reuse, Reduce, Recycle, Renew, and, above all, Results; and 3. Social, reaffirming our commitment to our human capital and the communities where we operate, as the foundations on which we operate.

In each of these pillars, we have made significant progress, which you can read about in the Sustainability Report that we publish every year, available on our website.

As an example, among our sustainability actions we continue to pursue excellence in water management and efficiency in energy consumption, both electricity and natural gas.

We have Clean Industry certifications for all of our plants, and our operations at San Juan del Río, Querétaro have maintained their Water Quality certification for 15 years.

At the same time, we continue to offer our support to more than 200 social assistance institutions through which in 2013, we were able to benefit 32,000 families, 70,000 women, 60,000 elders and 36,000 infants.

In addition to our usual annual donations, in 2013 Kimberly-Clark de México was there to help as the country dealt with natural disasters from tropical storms Ingrid and Manuel, standing in solidarity with all the affected families by donating products through institutions that benefited more than 45,000 families, 12,000 women, 500 senior citizens and 90,000 infants.

Finally, Kimberly-Clark de México is proud to be a part of the Mexican Stock Exchange’s Sustainability Index since it was introduced three years ago.

Outlook

The outlook for growth in Mexico remains positive, although the economy was sluggish in 2013 and had a slow start in 2014. The country's economic fundamentals remain solid and we are confident that growth in both the economy and for individual consumers will pick up soon and remain strong in coming years.

Although there is much to be done, the country can be proud of its achievements this year, having completed a series of far-reaching reforms in a space of 13 months in the labor, educational, transparency, telecommunications, economic competition, financial, fiscal, political and energy sectors. The key now is congressional approval of the secondary laws and, above all, an effective implementation of all these reforms in order to trigger investment, competitiveness, jobs and a continuous, inclusive, long-term growth. For this reason, further improving security, building strong institutions and promoting a true Rule of Law will also be crucial.

The big question for 2014 is when we will return to the path of growth. Domestic consumption continues to languish, and higher tax rates are clearly not contributing to the growth of the economy at the moment. As a result, the first half of the year is expected to remain sluggish, although we are confident that the second half will be better, reflecting the effects of increased government spending, an increasingly strong U.S. economy and, above all, a more confident consumer who feels that the economy and the creation of jobs are heading in the right direction.

In this climate, Kimberly-Clark de México remains poised to take advantage of future growth and increasingly vigorous consumption fueled by a stronger, growing middle class. As a result, and as we have always done, we will be strengthening and consolidating our competitive advantages.

We will continue to invest heavily in innovation to strengthen consumers' preference for our products, and in our multi-brand and multi-segment strategy to fortify our brands and market shares. This is why we have focused on introducing one of the most aggressive and disruptive innovation programs in recent years.

On the cost side, we expect moderate increases in the price of recyclable fiber and super absorbent materials, combined with a slight drop in the price of pulp and resins. The prices of other commodities should remain relatively stable, but we will face higher energy costs. On average, the cost climate in dollars will be moderately negative for this company. Also, at current levels, the exchange rate could have a significant impact on our results, because it averaged $12.83 pesos per dollar in 2013.

To offset some of these effects, we expect to save at least between $450 and $500 million pesos from our cost-cutting program during 2014.

Meanwhile, we will invest between $150 and $200 million dollars in plant and equipment, focused primarily —in addition to the tissue capacity expansion project —on innovation and product quality, and on our cost savings program.

In February 2014, we placed an additional $750 million pesos in debt in the form of Securities Certificates at five years with a floating rate of 17 basis points above the TIIE. This issue, combined with the one we made in September 2013 and our cash on hand at the close of the year, will enable us to refinance debt of $2.30 billion pesos coming due in 2014, and increase our stock repurchase program.

Finally, and in keeping with our dividend policy, we will be asking our shareholders to approve a dividend that is higher in real terms than last year's.

Once again, we would like to express our appreciation to our shareholders for their support and confidence in our management during the past year, and reiterate our commitment to carrying out the plans and programs needed for Kimberly-Clark de México to remain the successful company that it is and has always been.

Most sincerely,

Claudio X. González
Chairman of the
Board of Directors

Pablo R. González G.
Chief Executive Officer

This report was fully approved by the Board of Directors in its meeting on February 11th, 2014.

Product
line

Family care

Toilet paper
Napkins
Facial tissues
Paper towels
Antibacterial gel
Wet wipes
Food wraps

Feminine care

Pads
Pantiliners
Tampons
Feminine wipes

Baby and child care

Diapers
Training pants
Swim diapers
Bedwetting underwear
Baby wipes
Shampoo
Bath wash and solid soap

Adult care

Underwear
Cleansing cloths
Protector pads

Professional

Jumbo® toilet paper
Hand towels
Napkins
Industrial rags
Dispensers

Health care

Supplies
Medical devices

Board of Directors

Directors	Alternate Directors
Claudio X. González Laporte President	Guillermo González Guajardo
Robert Abernathy	Jesús González Laporte
Jorge Ballesteros Franco	José Antonio Mondragón Pacheco
Christian A. Brickman	Jorge A. Lara Flores
Mark Buthman	Sergio Chagoya Díaz
Emilio Carrillo Gamboa	Agustín Gutiérrez Espinosa
Antonio Cosío Ariño	Antonio Cosío Pando
Valentín Diez Morodo	Jorge Babatz García
Thomas J. Falk	José Antonio Noguera Castillo
Pablo R. González Guajardo	Fernando Ruiz Sahagún
Esteban Malpica Fomperosa	Jorge Barrero Stahl
Fernando Senderos Mestre	Juan Carlos Machorro Guerrero

Management Team

Pablo González Guajardo
Chief Executive Officer

Bernardo Aragón Paasch
Chief Operating Officer

Xavier Cortés Lascurain
Chief Financial Officer

Roberto García Palacios
Corporate Director of Innovation and Growth

Jesús González Laporte
Director of Strategic Operating Planning

Jesús González Urevig
Director of Logistics and Customer Service

Fernando González Velasco
Director of Consumer Product Sales

Virgilio Isa Cantillo
Director of Marketing, Baby Products

Gabriel Lance
Director of Manufacturing

José Antonio Lozano Córdova
Director of Product Innovation, Technological Development and Quality

Alejandro Lascurain Curbelo
Director of Human Resources

Jorge Morales Rojas
Business Director

Jean-Louis Brunet Torres
Deputy Director, Sales, Wholesale Consumer Products

Sergio Camacho Carmona
Treasurer

Carlos Conss Curiel
Deputy Director of Information Services

Alejandro Argüelles de la Torre
General Counsel

José María Robles Miaja
Export Manager

Omar Gutiérrez Hernández
Internal Audit Manager

Javier Pizzuto del Moral
Deputy Director of Marketing, Personal Care, Feminine Protection and New Products

Luis Santiago de la Torre Oropeza
Deputy Director of Labor Relations

Fernando Vergara Rosales
Corporate Comptroller

Consolidated Financial Statements

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Independent

Auditors' Report

To the Board of Directors and Stockholders of Kimberly-Clark de México, S. A. B. de C. V.

We have audited the accompanying consolidated financial statements of Kimberly-Clark de México, S. A. B. de C. V. and its Subsidiaries (the Entity), which comprise the consolidated statement of financial position as of December 31, 2013 and 2012, and the consolidated statements of income, other comprehensive income, changes in stockholders' equity and cash flows for the years then ended December 31, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Kimberly-Clark de México, S. A. B. de C. V. and its subsidiaries as of December 31, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited

C. P. C. Enrique Vázquez Gorostiza
February 5, 2014

Consolidated statements of

Financial Position

December 31, 2013 and 2012
(Thousands of Mexican pesos)

Assets	*Notes*	*2013*	*2012*
Current assets:			
Cash and cash equivalents		**$ 5,390,250**	$ 3,464,930
Accounts receivable and other	4	**4,946,464**	5,403,809
Inventories	5	**1,844,534**	1,950,268
Total current assets		**12,181,248**	10,819,007
Long-term assets:			
Property, plant and equipment	6	**15,878,641**	15,734,233
Intangibles and other assets	8	**962,964**	973,547
Goodwill	7	**516,986**	509,634
Total long-term assets		**17,358,591**	17,217,414
Total		**$ 29,539,839**	$ 28,036,421
Liabilities and stockholders' equity			
Current liabilities:			
Current portion of long-term debt	9	**$ 2,300,000**	$ 1,250,000
Trade accounts payable		**3,319,071**	2,812,375
Other accounts payable, accrued liabilities and provisions	10	**1,582,092**	1,492,996
Employee benefits		**1,085,471**	1,006,832
Income tax	11	**470,194**	630,179
Total current liabilities		**8,756,828**	7,192,382
Long-term liabilities:			
Long-term debt	9	**10,177,845**	9,978,834
Deferred income taxes	11	**1,712,747**	1,847,104
Derivative financial instruments	14	**160,131**	175,037
Retirement benefits and other liabilities	12	**144,973**	217,004
Total long-term liabilities		**12,195,696**	12,217,979
Total liabilities		**20,952,524**	19,410,361
Stockholders' equity	15	**8,587,315**	8,626,060
Total		**$ 29,539,839**	$ 28,036,421

See accompanying notes to consolidated financial statements.

Consolidated statements of Income

Years ended December 31, 2013 and 2012
(Thousands of Mexican pesos)

	Notes	2013	2012
Net sales		**$ 29,677,516**	$ 29,288,626
Cost of sales		**17,759,990**	17,962,506
Gross profit		**11,917,526**	11,326,120
General expenses		**4,709,510**	4,697,221
Operating profit		**7,208,016**	6,628,899
Finance costs:			
Borrowing costs		**746,952**	811,661
Interest income		**(126,874)**	(103,149)
Exchange fluctuation – net		**(21,327)**	(56,374)
Income before income taxes		**6,609,265**	5,976,761
Income taxes	11	**1,990,223**	1,836,413
Consolidated net income		**$ 4,619,042**	$ 4,140,348
Basic earnings per share		**$ 1.47**	$ 1.31
Weighted average number of outstanding shares		**3,137,535**	3,150,754

See accompanying notes to consolidated financial statements.

Consolidated statements of other

Comprehensive Income

Years ended December 31, 2013 and 2012
(Thousands of Mexican pesos)

	Notes	2013	2012
Consolidated net income		**$ 4,619,042**	$ 4,140,348
Other comprehensive income, net of income taxes	11		
Items that will not be reclassified subsequently to statements of income			
Actuarial losses on retirement benefits - net	12	**(1,877)**	(9,613)
Items that may be reclassified subsequently to statements of income			
Translation effects of foreign operations		**16,049**	(8,073)
Changes in valuation of financial instruments- net	14	**10,435**	(13,809)
		24,607	(31,495)
Consolidated other comprehensive income		***$ 4,643,649***	$ 4,108,853

See accompanying notes to consolidated financial statements.

Consolidated statements of changes in Stockholders' Equity

Years ended December 31, 2013 and 2012
(Thousands of Mexican pesos)

	Contributed	Earned				
	Common stock	Retained earnings	Actuarial losses	Translation effects of foreign operations	Valuation of financial instruments	Total stockholders' equity
Balance, January 1, 2012	$ 2,926,238	$ 5,907,494	$ (45,543)	$ -	$ (108,717)	$ 8,679,472
Dividends paid		(3,784,235)				(3,784,235)
Repurchase of own stock	(12,417)	(365,613)				(378,030)
Comprehensive income		4,140,348	(9,613)	(8,073)	(13,809)	4,108,853
Balance, December 31, 2012	2,913,821	5,897,994	(55,156)	(8,073)	(122,526)	8,626,060
Dividends paid		(4,146,258)				(4,146,258)
Repurchase of own stock	(12,903)	(523,233)				(536,136)
Comprehensive income		4,619,042	(1,877)	16,049	10,435	4,643,649
Balance, December 31, 2013	$ 2,900,918	$ 5,847,545	$ (57,033)	$ 7,976	$ (112,091)	$ 8,587,315

See accompanying notes to consolidated financial statements.

Consolidated statements of
Cash Flows

Years ended December 31, 2013 and 2012
(Thousands of Mexican pesos)

	2013	2012
Operating activities:		
Income before income taxes	**$ 6,609,265**	$ 5,976,761
Items related to investing and financing activities:		
Depreciation and amortization	**1,516,913**	1,498,474
Income from recovery of insurance	**(84,176)**	-
Exchange fluctuations	**(21,327)**	(56,374)
Interest expense - net	**620,078**	708,512
	8,640,753	8,127,373
Accounts receivable and other	**396,795**	(130,915)
Inventories	**105,734**	277,773
Trade accounts payable	***528,786***	(332,853)
Other accounts payable, accrued liabilities and provisions	***65,342***	260,910
Employee benefits and retirement	***52,325***	302,288
Income taxes paid	**(2,288,071)**	(1,575,922)
Net cash flows provided by operating activities	**7,501,664**	6,928,654
Investing activities		
Additions to property, plant and equipment	**(1,637,034)**	(1,017,937)
Recovery of insurance	**154,507**	91,451
Business acquisition	**-**	(1,634,793)
Other	**(15,009)**	(6,543)
Net cash flows used in financing activities	**(1,497,536)**	(2,567,822)
Excess cash to apply in financing activities	***6,004,128***	4,360,832
Financing activities		
Borrowings	**2,492,827**	-
Payment of loans	**(1,250,000)**	(15,922)
Interest paid	**(590,140)**	(697,385)
Dividends paid	**(4,146,258)**	(3,784,235)
Repurchase of own stock	**(536,136)**	(378,030)
Other liabilities	**(48,399)**	(46,420)
Net cash flows used in financing activities	**(4,078,106)**	(4,921,992)
Increase (decrease) in cash and cash equivalents	**1,926,022**	(561,160)
Adjustment to cash flows due to changes in exchange rates	**(702)**	(1,474)
Cash and cash equivalents at the beginning of year	**3,464,930**	4,027,564
Cash and cash equivalents at the end of year	**$ 5,390,250**	$ 3,464,930

See accompanying notes to consolidated financial statements.

Notes to the Consolidated
Financial Statements

Years ended December 31, 2013 and 2012
(Thousands of Mexican pesos)

1. General information

Kimberly-Clark de México, S. A. B. de C. V. and its subsidiaries (the Entity) is a public company listed on the Mexican Stock Exchange. The address of its registered office and principal place of business is 8 Jaime Balmes street, 9th floor, Los Morales Polanco, Mexico City, and is engaged in the manufacture and commercialization of disposable products for daily use by consumers within and away from home, such as: diapers and child care products, feminine pads, incontinence care products, bath tissue, napkins, facial tissue, hand and kitchen towels, wet wipes, health care products and starting on February 2012, feeding accessories. Some of the main brands include: Huggies®, KleenBebé®, Kleenex®, Kimlark®, Pétalo®, Cottonelle®, Depend® and Kotex® and since February 2012, Evenflo® (See Note 7).

2. International Financial Reporting Standards "IFRS"

Mandatory standards issued by the International Accounting Standard Board (IASB) which are in force at the beginning of January 1, 2013 and that are applicable to the Entity are as follows:

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income.

The "Statement of other comprehensive income" changes its name to Statement of income and other comprehensive income: and it is required the grouping of two categories: a) items that will not be reclassified subsequently to results and b) items that could be reclassified subsequently to results, only when certain conditions are achieved. This retrospective application change does not have any impact to the comprehensive income.

IAS 19 Employee Benefits (reviewed in 2011)

The main impact of this standard is the cost of the period calculation, due to the interest cost and the expected returning of plan assets used in the previous version of IAS 19, are replaced with the net interest which is calculated applying the same discount rate to the defined benefits asset or liability.

The net effect of this change was retrospectively applied; therefore the 2012 results decreased by $4,340 and was recorded in other comprehensive income.

3. Basis of presentation and significant accounting policies

The accompanying consolidated financial statements are in accordance with IFRS. The significant accounting policies are as follows:

a. Explanations for translation into English

The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico. These consolidated financial statements are presented on the basis of International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

b. Measurement basis

The consolidated financial statements have been prepared on the historical cost basis except for valuation of financial instruments that are measured at fair values.

- Historical cost is generally based on the fair value of the consideration given in exchange for assets.
- Fair value is defined as the price which would be received for selling an asset or which would be paid for transferring a liability in an orderly transaction between market participants at the valuation date.

c. Basis of consolidation

The consolidated financial statements include the accounts of Kimberly-Clark de México, S. A. B. de C. V. and the following wholly owned subsidiaries:

- Crisoba Industrial, S. A. de C. V., rents property, machinery and equipment and provides other services to Kimberly-Clark de México, S. A. B. de C. V.
- Servicios Empresariales Során, S. A. de C. V. provides financing and, through its subsidiaries, distribution and other services to Kimberly-Clark de México, S. A. B. de C. V.

- Taxi Aéreo de México, S. A. provides air transportation services to personnel of Kimberly-Clark de México, S. A. B. de C. V. and its subsidiaries, as well as to the general public.
- Other subsidiaries which lease properties, mainly to other subsidiaries of Kimberly-Clark de México, S. A. B. de C. V.

Starting on February 1, 2012:

- Three subsidiaries which comprise the feeding accessories business in Mexico and the United States, as well as the commercialization in Mexico of other Evenflo® trademark products.

Intercompany transactions and balances have been eliminated in these consolidated financial statements.

d. *Critical accounting judgments and key information for estimates*

In the application of the Entity's accounting policies, the management is required to make judgments, estimates and assumptions regarding the carrying amounts of financial statements' assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Review of accounting estimates are recognized in the period in which the estimate is revised or in the period of the revision and future periods if the revision affects both current and future periods (See Notes 4 and 5).

e. *Cash equivalents*

Consist of daily cash surplus investments which are highly liquid investments and are easily convertible into cash and subject to low risk of changes in value.

f. *Financial assets*

Financial assets are recognized when the Entity becomes a party to the contractual provisions of the instruments.

- ***Loans and accounts receivable***

Accounts receivable, loans and other accounts receivable with fixed or determinable payments that are not quoted in an active market are classified as loans and accounts receivable. Loans and accounts receivable are measured at amortized cost using the effective interest method, less any impairment.

- ***Impairment of financial assets***

Financial assets are assessed for indicators of impairment at the end of each reporting period.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of accounts receivable could include the Entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on payments.

In the case of accounts receivable, the carrying amount is reduced through the use of an allowance for doubtful accounts. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

g. *Inventories*

Inventories are stated at the lower of cost and net realizable value. The costs, including an appropriate portion of indirect fixed and variable costs, are allocated to the inventories by using the most appropriate method for the specific class of inventory; the majority are valued by the First-in First-out method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

h. *Property, plant and equipment*

Property, plant and equipment are recorded at acquisition cost. Depreciation is recorded in profit or loss and computed using the straight-line method, based on the estimated useful lives of the assets.

The estimated useful lives are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Properties in the course of construction for production are carried at cost, less any recognized impairment loss. Depreciation of these assets, as well as in other property assets, commences when the assets are ready for their intended use.

i. ***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be made ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

j. ***Intangibles***

Intangible assets acquired separately - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in the Consolidated Statements of Income's General expenses line item on a straight-line basis over their estimated useful lives. The estimated useful life, residual value and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination - Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

k. ***Impairment of tangible and intangible assets***

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if had no impairment loss been recognized for the asset in prior years.

l. ***Business combinations***

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are recognized in profit or loss as incurred. The consideration transferred in each business combination is measured at fair value (at the acquisition date) of the identifiable assets acquired and the liabilities assumed, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12, Income Taxes, and IAS 19, Employee Benefits, respectively.

There is a valuation period in which the acquirer adjusts the provisional amounts or recognizes additional assets or liabilities necessary to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The valuation period is the time elapsed from the acquisition date until the Entity obtains complete information on the facts and circumstances in effect at the acquisition date, which cannot exceed one year.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date.

m. Goodwill

Goodwill arising from business acquisition is carried at cost, as established at the business acquisition date (see Note 7), less accumulated impairment losses, if any.

For the purposes of impairment testing, the goodwill is allocated to each of the cash-generating unit (or groups of cash-generating units) of the Entity, that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has ben allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

n. Financial liabilities

Financial liabilities are recognized when the Entity becomes a party to the contractual provisions of the instruments.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognized immediately in results.

- ***Borrowings and trade payables***

  Borrowings and trade payables are subsequently measured at amortized cost using the effective interest method.

  The effective interest method is a method for calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate a shorter period), to the net carrying amount on initial recognition.

- ***Derecognition of financial liabilities***

  The Entity derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

o. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

- ***Current tax***

  Income tax (ISR) is recorded in results of the year in which it is incurred.

- ***Deferred income tax***

  Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities included in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, applying the rate corresponding to these differences and, as appropriate, tax losses to be amortized or tax credits are included. Deferred tax liabilities are generally recognized for all taxable temporary differences. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

- ***Current and deferred tax***

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, income tax is also recognized in other comprehensive income or directly in equity, respectively, or when income tax arises from the initial accounting for a business combination. In a business combination the tax effect is included affecting goodwill.

p. Provisions

Provisions are recognized when the Entity has a present obligation (legal or assumed) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

q. Employee benefits

Employee benefits are determined based on the services provided, considering current salaries, and the liability is recognized as accrued. It includes statutory employee profit sharing (PTU) payable, fringe benefits earned by the employees for direct benefits and incentives. Benefit includes compensation plan for officers and employees named “Plan de Asignación de Unidades Virtuales” (Virtual Share Awards Plan), compensation cost is recognized in profit or loss of each year. To meet this obligation, the Entity has established a trust.

PTU is recorded in profit or loss of the year in which it is incurred and is presented within cost of sales and general expenses line items, as applicable.

r. Retirement benefits

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation, reduced by the fair value of plan assets.

Differences between actuarial valuation at the beginning and end of each period represent actuarial gains and losses of the year and they are presented within other comprehensive income.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

s. Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss and in other comprehensive income when it qualified as cash flows hedging accounting.

t. Revenue recognition

Revenues are measured at the fair value of the consideration received or receivable, taking into account the estimated amount of customer returns, discounts and other similar allowances.

Revenue from the sale of goods is recognized when all of the following conditions are met:

- The Entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

u. Foreign currency transactions

The functional currency of the Entity is the Mexican peso, except for Evenflo Feeding, Inc., which is the US dollar.

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange rate differences are recognized in results of the period.

For the entity whose functional currency is not the Mexican peso, for purposes of the presentation of the consolidated financial statements, the Entity's foreign currency assets and liabilities are expressed in Mexican pesos using the exchange rates in effect at the end of the reporting period. The revenue and expenses items are converted at the average exchange rates in effect during the period, unless they fluctuate significantly, in which case the exchange rates in effect on the transaction dates are utilized. The conversion differences are recorded in other comprehensive results as part of stockholders' equity.

The adjustments related to goodwill and the fair value generated on the acquisition of a transaction abroad are considered as assets and liabilities of such transaction and are converted at the exchange rate in effect at closing.

4. Accounts receivable and other

	2013	2012
Trade	**$ 5,684,425**	$ 5,956,765
Provision for discounts	**(715,528)**	(562,802)
Allowance for doubtful accounts	**(114,136)**	(115,340)
Net	**4,854,761**	5,278,623
Other	**17,607**	19,829
Recoverable insurance	**-**	61,095
Prepaid expenses	**74,096**	44,262
Total	**$ 4,946,464**	$ 5,403,809

Provision for discounts	2013	2012
Balance at January 1,	**$ (562,802)**	$ (330,450)
Increases	**(4,816,619)**	(4,650,260)
Applications	**4,663,893**	4,417,908
Balance at December 31,	**$ (715,528)**	$ (562,802)

The provision for discounts is determined according to customer negotiations based on the fulfillment of conditions, such as: sales volumes, timeliness of orders, a product mix and compliance with the credit terms established, among others.

The Entity reviews on a quarterly basis the allowance for doubtful accounts. The main factors it considers to determine the amount of the allowance are the risk of the customer's financial position and delays in collection according to the credit limits established.

Recoverable insurance - On June 1, 2012, our mill located in Morelia caught fire due to an accident in its converting area. During 2013, the recovery was completed and the amount corresponding to fixed asset is shown in the consolidated statement of cash flows.

5. Inventories

	2013	2012
Finished goods	**$ 728,358**	$ 778,273
Work in process	**207,815**	214,327
Raw materials and spare parts	**946,308**	990,070
	1,882,481	1,982,670
Allowance for obsolescence	**(37,947)**	(32,402)
Total	**$ 1,844,534**	$ 1,950,268

The allowance for obsolescence of finished goods and raw materials inventories is recorded in cost of sales as it is incurred. The main factor considered is the substitution of products due to new presentations.

6. Property, plant and equipment

	2013	2012
Depreciable fixed assets	**$ 34,299,577**	$ 33,520,863
Accumulated depreciation	**(20,323,985)**	(19,012,459)
Net	**13,975,592**	14,508,404
Land	**613,141**	600,518
Construction in progress	**1,289,908**	625,311
Total	**$ 15,878,641**	$ 15,734,233

In 2013, there was an acquisition of land for $21,482 and a disposal for $8,859.

At December 31, 2013, the amount of capitalized borrowing costs amounted to $ 15,937.

	Buildings	Machinery and equipment	Transportation equipment	Total
Depreciable fixed assets				
Balance at beginning of 2012	$ 4,817,604	$ 27,290,056	$ 910,300	$ 33,017,960
Additions	93,324	800,687	5,410	899,421
Additions arising from business combinations		163,311	4,310	167,621
Disposals	(61,048)	(486,908)	(16,183)	(564,139)
Balance at December 31, 2012	4,849,880	27,767,146	903,837	33,520,863
Additions	76,948	834,160	51,083	962,191
Disposals	(18,631)	(148,404)	(16,442)	(183,477)
Balance at December 31, 2013	**$ 4,908,197**	**$ 28,452,902**	**$ 938,478**	**$ 34,299,577**
Accumulated depreciation				
Balance at beginning of 2012	$ (1,912,381)	$ (15,263,672)	$ (702,328)	$ (17,878,381)
Additions	(131,588)	(1,302,783)	(33,645)	(1,468,016)
Additions arising from business combinations		(52,930)	(2,368)	(55,298)
Disposals	24,407	349,464	15,365	389,236
Balance at December 31, 2012	(2,019,562)	(16,269,921)	(722,976)	(19,012,459)
Additions	(127,349)	(1,322,111)	(33,930)	(1,483,390)
Disposals	9,395	147,880	14,589	171,864
Balance at December 31, 2013	**$ (2,137,516)**	**$ (17,444,152)**	**$ (742,317)**	**$ (20,323,985)**

The following average useful lives are used in the calculation of depreciation:

Buildings	45 years
Machinery and equipment	15 to 25 years
Transportation equipment	6 and 25 years

7. Goodwill and Business combinations

a. ***Business acquired -*** At the end of January 2012, Evenflo Company Inc.'s feeding accessories business in Mexico, United States, and Canada was acquired along with an exclusive and perpetual license to trade products of this business worldwide. This acquisition includes ownership of the trade marks in Mexico. The consideration paid was approximately $1,648 million Mexican pesos.

b. Assets acquired and liabilities assumed at the acquisition date.

Assets:		
Cash and cash equivalents	$	13,678
Accounts receivable and other		115,828
Inventories		135,446
Plant, equipment and other assets		117,994
Identified intangibles		903,786
		1,286,732
Liabilities:		
Suppliers and other accrued liabilities		(81,997)
Employee benefits		(16,114)
Deferred taxes		(53,303)
Net assets	$	1,135,318

The costs related to this acquisition were excluded from the consideration paid and were recognized as an expense in the period as part of general expenses in the consolidated income statement.

The fair values of the net assets acquired were determined by an independent expert using the following methods: present value of future net cash flows, royalties, replacement cost and substitution cost.

c. Goodwill

Assets:		
Consideration transferred	$	1,648,471
Less: Fair value of net assets acquired		(1,135,318)
Goodwill determined in acquisition	$	513,153

This value is denominated in U.S. dollars and therefore subject to currency translation effects.

Goodwill arising from the business acquisition is because the acquisition cost included the benefits of the expected synergies, revenue growth, future market development and the established workforce. These benefits are not recognized separately from goodwill because they do not fulfill the recognition criteria for identified intangible assets.

d. Net cash flows on acquisition of subsidiaries

Consideration paid in cash	$	1,648,471
Less: cash and cash equivalents acquired		(13,678)
	$	1,634,793

8. Intangibles and other assets

		2013		2012
Trademarks and licenses	**$**	**106,735**	$	108,275
Patents and permissions		**22,681**		22,351
Customer relationship		**533,549**		527,973
		662,965		658,599
Accumulated amortization		**(86,282)**		(52,276)
Trademarks and licenses with indefinite life - added due to business combination		**351,930**		349,422
Total intangibles		**928,613**		955,745
Others assets		**34,351**		17,802
Total	**$**	**962,964**	$	973,547

		Trademarks and Licenses		Patents and permissions		Customer relationship		Total
Cost								
Balance at December 31, 2012	$	103,972	$	-	$	-	$	103,972
Additions		4,303						4,303
Additions arising from business combination				22,507		530,669		553,176
Translation effect				(156)		(2,696)		(2,852)
Balance at December 31, 2012		108,275		22,351		527,973		658,599
Reclassification to other assets		(1,540)						(1,540)
Translation effect				330		5,576		5,906
Balance at December 31, 2013	**$**	**106,735**	**$**	**22,681**	**$**	**533,549**	**$**	**662,965**

		Trademarks and Licenses		Patents and permissions		Customer relationship		Total
Accumulated amortization								
Balance at beginning of 2012	$	(21,818)	$	-	$	-	$	(21,818)
Additions		(6,577)		(1,376)		(22,505)		(30,458)
Balance at December 31, 2012		(28,395)		(1,376)		(22,505)		(52,276)
Additions		(6,825)		(1,542)		(25,156)		(33,523)
Translation effect				(45)		(438)		(483)
Balance at December 31, de 2013	**$**	**(35,220)**	**$**	**(2,963)**	**$**	**(48,099)**	**$**	**(86,282)**

The useful lives used for calculating amortization are:

Trademarks and licenses	10 and 20 years
Patents and permissions	15 years
Customer relationship	15 and 25 years

9. Long-term debt

	2013	2012
Marketable notes denominated in Mexican pesos, unsecured, bearing interest at fixed annual rates of 9.98%, 9.65%, 7.17% and 6.98%.	**$ 5,450,000**	$4,950,000
Marketable notes denominated in Mexican pesos, unsecured, bearing interest based on the TIIE with maturity of 28 days, plus or minus different basis points. As of December 31, 2013, the annualized rates ranged from 3.69% to 4.74%.	**7,050,000**	6,300,000
Total	**12,500,000**	11,250,000
Less:		
Current portion	**2,300,000**	1,250,000
Expenses on debt issuance	**22,155**	21,166
Long-term debt	**$ 10,177,845**	$ 9,978,834

Long-term debt agreements contain certain obligations that do not include financial restrictions. Such obligations have been complied with as of December 31, 2013.

Long-term debt matures as follows:

2015	$ 1,500,000
2016	800,000
2017	2,500,000
2018	750,000
2019	400,000
2020	2,500,000
2023	1,750,000
	$ 10,200,000

Considering the rates and the debt in effect as of December 31, 2013, accruable interest ranges from $760 million Mexican pesos in 2014 to $89 million Mexican pesos in 2023.

10. Other accounts payable, accrued liabilities and provisions

Other accounts payable, accrued liabilities and provisions are mainly represented by value-added tax, other taxes payable, accrued services and provisions. Provisions are composed as follows:

		2013		2012
Promotion	$	87,106	$	60,977
Freight		97,137		80,183
Total	$	184,243	$	141,160

		Promotion		Freight		Total
Balance at beginning of 2012	$	61,002	$	22,956	$	83,958
Increases		242,533		1,576,800		1,819,333
Applications		(242,558)		(1,519,573)		(1,762,131)
Balance at December 31, 2012		60,977		80,183		141,160
Increases		305,631		1,559,156		1,864,787
Applications		(279,502)		(1,542,202)		(1,821,704)
Balance at December 31, 2013	$	87,106	$	97,137	$	184,243

11. Income taxes

The statutory income tax rate is 30% for the years 2013 and 2012. The Entity is subject to ISR on a consolidated basis.

On December 7, 2009, amendments to the Income Tax Law applicable beginning 2010, were enacted which require that: a) payment of income tax, related to tax consolidation benefit achieved in the years 1999 to 2004, has to be made in installments from 2010 to 2014, and b) tax related to tax consolidation benefit achieved in fiscal 2005 and subsequent years will be paid from the sixth to the tenth year after that in which the benefit was obtained. Payment of this obligation is not significant.

a. Income taxes recognized in profit or loss

		2013		2012
Current	**$**	**2,128,086**	$	2,063,765
Deferred		**(137,863)**		(227,352)
Net	**$**	**1,990,223**	$	1,836,413

b. Reconciliation between the statutory rate and the effective rate expressed as a percentage of income before income taxes is as follows:

	2013 Rate %	2012 Rate %
Statutory rate	**30.0**	30.0
Effects of inflation	**.3**	.3
Non deductible	**.7**	.7
Tax incentive and other	**(.9)**	(.3)
Effective rate	**30.1**	30.7

c. Annual deferred income tax recognized in other comprehensive income:

		2013		2012
Due to valuation of financial instruments	**$**	**(4,472)**	$	5,918
Due to actuarial losses		**805**		4,120
Total	**$**	**(3,667)**	$	10,038

d. In 2012, the amount of deferred taxes generated in the business combination was $45,171.

e. Deferred tax in the statement of financial position

The main items comprising the balance of the deferred tax liability as of December 31 are:

	2013	2012
Property, plant and equipment	**$ 2,056,966**	$ 2,217,135
Intangibles arising from business combination	**39,550**	42,563
Inventories	**(7,810)**	(10,223)
Loss carryforwards (expiring in 2017)	**(109,338)**	(137,129)
Other liabilities and provisions	**(218,582)**	(212,731)
Derivative financial instruments	**(48,039)**	(52,511)
Total	**$ 1,712,747**	$ 1,847,104

f. On December 11, 2013, the new Tax Law was published, applicable at the beginning of January 2014, the main changes that impact the Entity are as follow:

(i) Tax consolidation regime is eliminated; therefore Kimberly-Clark de México, S. A. B. de C. V. and subsidiaries has to pay deferred tax determined as of that date during the next five tax periods.

(ii) It is required to calculate a new balance of Net tax income account, under the new rules for each legal entity.

(iii) Tax deduction of exempt compensation benefits, severance payments and contributions to pension plans is limited to 53%.

These changes will increase the statutory effective rate of the Entity in approximately one point.

12. Retirement benefits and other liabilities

a. Retirement benefits

The liability and the annual cost for labor obligations derive from a pension plan for qualifying personnel, retirement severance payments and legal seniority premium.

The present value of the obligations for defined benefits and the annual cost are calculated by an independent actuary based on the projected unit credit method. To meet this obligation, the Entity has established administration funds.

Relevant information regarding these obligations is as follows:

	2013	2012
Projected benefit obligation	**$ 454,754**	$ 458,257
Plan assets	**(398,511)**	(378,382)
Net liability	**56,243**	79,875
Annual cost	**$ 27,174**	$ 24,021

The main assumptions used for actuarial valuations purposes are as follows:

	2013 %	2012 %
Discount rate	**7.25**	6.75
Expected return on plan assets	**7.25**	6.75
Expected rate of salary increase	**4.50**	4.50

Other disclosures regarding to the amount of liability are considered non relevant.

b. Other liabilities

As of December 31, 2013 and 2012, the amount of other liabilities is $88,730 and $137,129, respectively.

13. Risks

a. Liquidity risk

The liquidity risk is very limited because the Entity has a healthy flow profile due to its diversified sales, which are made through customers and distributors which have solvent financial positions. As of December 31, 2013, the Entity had enough cash to mitigate or eliminate the effects of some external event which could imply a temporary liquidity reduction.

When the Entity acquires debt, it seeks to ensure staggered maturities to further mitigate the liquidity risk. The profile of future maturities as of December 31, 2013 is spaced out over ten years and no maturities in any one year represent more than 25% of the total debt. None of the Entity's annual maturities under its current debt profile exceeds the flow derived from the result before income taxes for the year 2013, nor the cash and cash equivalents position as of December 31, 2013.

The Entity has sound relations with different financial institutions and considers that it has access to different types of financing through loans in Mexico or abroad, whether directly with such institutions or through the capital markets. For such purpose the Entity permanently maintains ratings of the Standard & Poor's and Fitch Ratings agencies for debt both in pesos and in foreign currency. As of December 31, 2013, debt ratings by Standard & Poor's were "AAA" in pesos and "A-" in U.S. dollars, whereas those of Fitch Ratings were "AAA" in pesos and "A" in U.S. dollars. In all cases, these are considered investment-grade ratings.

b. Market risk

- Exchange rate

The purchases which the Entity makes in foreign currency are greater than sales in foreign currency. This is reflected in the fact that accounts payable in foreign currency exceed accounts receivable, resulting in a liability position which is subject to exchange rate fluctuations. To reduce the exchange rate risk for the exposed position, the Entity keeps part of its cash in U.S. dollars. The foreign currency position is presented in (Note 16).

Furthermore, the prices of a significant portion of the inputs that the Entity utilizes in its production processes are established in foreign currency or tend to be adjusted for exchange rate movements. To mitigate this risk, an export business is maintained. Also, the financial derivatives markets are continually analyzed to seek opportunities to mitigate these risks. As of December 31, 2013 the Entity had not contracted any hedge instrument related to the exchange risk. Export sales in the year 2013 were $1,425 million Mexican pesos and it is estimated that the purchases of those inputs whose prices fluctuate due to changes in the exchange rate represent about 50% of its costs.

- Interest rates

To reduce the risk of interest rate variations, the Entity divides the profile of its debt between fixed rate and variable rate. As of December 31, 2013, 44% of the debt was at a fixed rate and 56% at a variable rate. Of the variable rate debt, $1,500 million Mexican pesos are converted at a fixed rate, with the net exposure being $5,550 million Mexican pesos, equivalent to 44% of the total debt. On another hand, the Entity had $4,529 million Mexican pesos invested in variable rate investments and thus the net exposure was $1,021 million Mexican pesos.

- Other pricing risks

The main pricing risk is related with movements in cellulose prices. To reduce this risk, the Entity has different strategies in place of which the investment in paper-recycling plants outstands. Approximately 60% of the cellulose consumed by the Entity during 2013 was recycled fiber. Other strategies include the utilization of different types of fiber and different suppliers, as well as sourcing from different geographical regions. The Entity believes that no efficient financial hedge market exist for cellulose.

Another pricing risk derives from the price of natural gas as a result of the Entity's consumption of this input in its processes, as well as its impact on the prices of electricity. The prices of gas are monitored and hedging options are constantly analyzed. As of December 31, 2013, the Entity had not contracted any hedge instrument related to natural gas.

14. Derivative financial instruments

To reduce interest rate volatility, an interest rate swap was contracted for $1,500,000, whereby interest payment profile is converted from variable rate to fixed rate.

All interest rate swap contracts where interest at the variable rate is exchanged for interest at the fixed rate are designated as cash flow hedges to reduce the exposure of the Entity's cash flow derived from the variable interest rates on loans. The interest rate swaps and the interest payments on the loan take place simultaneously and the accumulated amount in stockholders' equity is reclassified to consolidated statement of income in the period in which the interest payments at the variable rate on the debt affect results.

The unfavorable effect of these contracts for $57,281 and $50,695 for the years 2013 and 2012, respectively, are presented in results as part of the borrowing costs.

15. Stockholders' equity

As of December 31, 2013 and 2012, common stock consists of nominative common shares with no par value, as follows:

	Shares			
	2013	%	2012	%
Series "A"	**1,626,493,759**	**52**	1,633,832,864	52
Series "B"	**1,500,855,717**	**48**	1,507,426,661	48
Total	**3,127,349,476**	**100**	3,141,259,525	100

In accordance with the Entity's by-laws, Series "A" shares must represent, at a minimum, 52% of common stock outstanding and must be owned by Mexican investors.

As part of the program for the repurchase of the Company's own shares approved annually by the stockholders, during the years ended December 31, 2013 and 2012, 13,910,049 and 13,386,620 shares, respectively, were repurchased.

In accordance with the Mexican income tax law, total stockholders' equity, except for stockholders' contributions and their related tax restatement, as well as retained earnings determined based on the provisions of such law, is subject to a dividend tax, payable by the Entity, in the event of distribution. As of December 31, 2013, the balances of the stockholders' equity tax accounts are represented by Contributed capital account of $29,950,000 and a Net tax income account of $15,162,000, approximately.

During the years ended December 31, 2013 and 2012, the Entity paid dividends of $4,146,258 and $3,784,235, respectively. If such dividends had not been paid, stockholders' equity would have been increased by $7,930,493 and $3,784,235, as of such dates.

The Entity is not subject to any external requirement related to the management of its equity.

16. Foreign currency balances and transactions

Assets and liabilities include monetary items receivable or payable in foreign currencies. Such items, denominated in thousands of U.S. dollars, consist of the following:

	2013	2012
Monetary assets	**$ 89,048**	$ 87,765
Monetary liabilities	**143,285**	117,727

Exchange rates used to value such balances were $13.05 and $12.86 Mexican pesos per one U.S. dollar, respectively.

Transactions denominated in thousands of U.S. dollars were as follows:

	2013	2012
Export sales	**$ 110,673**	$ 113,139
Purchases of raw materials, spare parts and services	**588,947**	569,950
Purchases of machinery and equipment	**71,320**	35,323

17. Related parties

For the years ended December 31, the Entity had the following transactions and balances with related parties:

	2013	2012
Kimberly-Clark Corporation:		
Purchases and technical services	**$ 1,401,827**	$ 1,402,900
Machinery and equipment	**80,617**	85,890
Net sales and others	**556,178**	593,267
Trade accounts payable	**160,918**	149,645
Trade accounts receivable	**116,265**	70,315

Other - As of December 31, 2013 and 2012, employee benefits granted to Entity's key senior management were $251,004 and $182,717, respectively.

18. Business segment information

IFRS 8, Operating Segments, requires that the operating segments be identified based on internal reports on the Entity's components.

Information corresponding to each business segment, based on a managerial approach is as follows:

	2013			
	Consumer Products	Professional and Health Care	Exports	Total
Net sales	**$ 25,823,752**	**$ 2,428,281**	**$ 1,425,483**	**$ 29,677,516**
Operating profit	**6,655,975**	**429,453**	**122,588**	**7,208,016**
Depreciation and amortization	**1,283,469**	**162,605**	**70,839**	**1,516,913**
Total assets	**25,703,953**	**2,417,016**	**1,418,870**	**29,539,839**

The Entity decided to include the operation of the feeding accessories business in the Consumer Products segment, based on the concurrence of markets, customers and synergies.

	2012			
	Consumer Products	Professional and Health Care	Exports	Total
Net sales	$ 25,489,460	$ 2,343,824	$ 1,455,342	$ 29,288,626
Operating profit	6,111,965	367,027	149,907	6,628,899
Depreciation and amortization	1,262,425	161,614	74,435	1,498,474
Total assets	24,399,684	2,243,616	1,393,121	28,036,421

19. Commitments

At December 31, the Entity held the following commitments:

	2013	2012
Acquisition of machinery, equipment and construction projects	$ 712,800	$ 403,900
Acquisition of raw materials	383,600	403,200
Operating lease agreements of real state and offices with non-cancelable terms ranging from 5 to 10 years, and estimated annual rents	166,900	160,200

Commitments for the acquisition of machinery, equipment, raw materials and some operating lease agreements are mainly denominated in U.S. dollars.

20. New accounting principles

The following new and revised IFRS have been analyzed but not yet implemented:

- IFRS 9 Financial Instruments
- IFRS 7 Financial Instruments: Disclosures
- IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities.

21. Authorization of issuance of financial statements

On February 5, 2014, the issuance of these consolidated financial statements was authorized by Licenciado Pablo R. González Guajardo, General Director, and Ingeniero Xavier Cortés Lascurain, Finance Director. These consolidated financial statements are subject to the approval of the Board of Directors and the Stockholders' Ordinary Meeting.

Trade markets
Bolsa Mexicana de Valores (BMV), Mexico.
United States (ADR'S - OTC)

Type of shares
A series
B series

Ticker
BMV: KIMBER

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