

Whirlpool Corporation
Q4 2006 Financial Review
Press Release
February 07, 2007

Whirlpool Corporation Annual Performance

- Earnings from continuing operations of \$6.35 per share versus previous year's record of \$6.19
- Earnings from continuing operations of \$486 million ... +15% from 2005
- Record annual sales of \$18.1 billion
- Record year of new product innovation
- Strong international performance
- Solid cash flow from continuing operations
- Maytag integration progressing in-line with plan

Fourth Quarter Performance

- Record revenue of \$5 billion
- Earnings per share from continuing operations of \$1.67 versus \$1.83 in prior year
- International business reported strong sales & operating profit improvement
- U.S. business negatively impacted by significantly lower industry demand and higher material costs

Consolidated Q4 2006 Operating Performance

\$ in Millions, except per share amounts

	Q4 2006	Q4 2005	B/(W) % Change
Net Sales	\$4,954	\$3,954	25.3%
Operating Profit	\$190	\$219	(13.1)%
Earnings from Continuing Operations	\$133	\$126	5.3%
EPS from Continuing Operations	\$1.67	\$1.83	(8.6)%

- Significant Maytag integration progress
- Strong international earnings growth
- Record revenue and strong cash flow
- Earnings impacted by slowing U.S demand and material costs

Performance Outlook 2007

- **U.S industry demand down 2-3%**
- **Industry unit shipments of appliances in U.S expected to improve in second half**
- **Global unit demand growth of approximately 2%**
- **Material costs expected to increase by approximately \$400 million**
- **Stable global currencies**

2007 Priorities

- **Realize acquisition efficiencies of \$350-to-\$400 million through 2007**
- **Revitalization of Maytag Brand**
- **Continue to accelerate new product innovation to the market**
- **Drive cost productivity**
- **Manage overall mix of business to improve margins**

Whirlpool-Maytag Merger Fits Strategy

Whirlpool's Value Creation Strategy



Whirlpool Capabilities

- Robust innovation pipeline
- Customer loyalty competency
- Brand management capability

- World class trade management
- Comprehensive customer service

- Global manufacturing, purchasing, technology, innovation efficiencies
- Capital spending efficiencies
- Best in class quality
- Elimination of redundancies

Performance Outlook 2007

- **Earnings per share of \$8.00 - \$8.50**
- **Free cash flow of \$600 - \$650 million**

North America Q4 2006 Operating Performance

\$ in Millions

	Q4 2006	Better/(Worse)	
		2005	%
Net Sales	\$3,160	\$711	29.0%
Operating Profit	\$148	(\$79)	(34.8)%
% of Sales	4.7%	(4.5) pts	-

- Margins impacted by industry demand, higher material costs, and addition of Maytag
- Acquisition efficiencies on track
- Positive impact from new product introduction

Amana *Brand* Traditional Series

This top-load laundry pair contains features to help reduce noise and a new anti-microbial component protection, which resists mold, mildew and odor-causing bacteria.



Whirlpool *Brand Continued Largest Product Launch*

The new Cabrio washer and dryer can handle the equivalent of 3 laundry baskets in a single load and saves more than half the energy and water used by conventional top-load washers.



The *Whirlpool* brand *Duet Sport™* is the smaller version of the popular *Duet* front-load pair. Like the traditional *Duet* pair, it uses less than half the water and energy of conventional top-loaders.



KitchenAid Architect II Series

Architect Series II launch— a new generation of its premium, flagship appliance line with enhancements inspired by cooks, culinary professionals and design experts.



2007 U.S. Industry Assumptions

- **GDP growth of about 2.4%**
- **Stable mortgage rates**
- **Housing starts down 15 percent**
- **Existing home sales down in low single digits**
- **Unemployment rates down just under 5 percent**

North America Business Focus

- **Realization of Maytag efficiencies**
- **Revitalization of the Maytag Brand**
- **Improve margin realization through mix and cost-based price adjustments**
- **Introduce new product innovation to the market**
- **Deliver strong levels of productivity**
- **Increase cash generation**

Maytag Centennial *top load washer and dryer*

From the heavy-gauge steel lid to the Dependable Clean wash system and Smooth Balance suspension, the *Maytag Centennial* laundry line offers uncompromising, commercial-grade strength. The aesthetics also give a nod to *Maytag* history with a classic center control knob and metallic accents.



Maytag Epic front-load laundry pair

Marking a return to the heritage of quality production and performance for which the *Maytag* brand is known, the *Epic* washer's Smooth Balance Suspension System works like shock absorbers to help reduce noise and vibration. And the *Epic* dryer's DuraCushion Dryer Drum resists scratches and allows clothing to glide off it without snagging.



Maytag Ice₂0™

The *Maytag* brand *Ice₂0™* French door bottom-freezer refrigerator installs flush with the front of most standard countertops. Bottom freezer refrigerators are the fastest growing segment of the refrigeration category.



Maytag Gemini double-oven range

The *Maytag® Gemini®* double-oven range offers consumers the ability to bake, broil, warm or toast two different foods at two different temperatures, so the foods are ready to serve at the same time. The versatile double-oven design of the *Maytag Gemini* fits in the same 30 inch space as an ordinary range.



Maytag Jetclean dishwashers

Maytag Jetclean dishwashers uses more active spray jets than any other leading brand dishwasher and their powerful motor along with micro-fine filtration, removes the toughest food particles and prevents miniscule particles from being re-deposited onto dishes.



Europe Q4 2006 Operating Performance

\$ in Millions

	Q4 2006	Better/(Worse)	
		2005	%
Net Sales	\$980	\$131	15.4%
Operating Profit	\$61	\$15	32.1%
% of Sales	6.2%	0.8 pts	-

- Record revenue and operating profit
- Operating profit margin increase to 6.2% vs. 5.4% last year
- Whirlpool brand strength, product innovations
- Lower administrative costs and improved mix

Whirlpool Europe Introduces KitchenAid

KitchenAid appliances, featuring European styling coupled with leading-edge technology, will be available to European consumers in early 2007.



Whirlpool Europe Vitesse Microwave Oven

Whirlpool Europe's "Vitesse" microwave oven with *Jet Menu* function that allows consumers to cook frozen ready-made meals with one touch and a Crisp function that allows for cooking, frying or baking at microwave speeds. The "Vitesse" also features a steam function.



Europe Business Focus

- **Improve mix of business to expand margins**
- **Productivity improvements and cost reductions**
- **Leverage global product innovation**
- **Increase cash generation**

Latin America Q4 2006 Operating Performance

\$ in Millions

	Q4 2006	Better/(Worse)	
		2005	%
Net Sales	\$729	\$150	25.8%
Operating Profit	\$84	\$28	49.0%
% of Sales	11.5%	1.8 pts	-

- Sales increase 26% to record level
- Record operating profit... margins expand ~2 points
- Strong productivity improvements, cost controls, strong appliance demand

Brastemp Launches Stainless Steel

In Brazil *Brastemp* brand launched three stainless steel appliances: a refrigerator, range, and microwave. They are sold together as a package. Sales of the stainless steel products nearly doubled in the quarter as a result of this sales approach.



Latin America Business Focus

- **Strong cost productivity**
- **Margin realization through mix improvement**
- **Acceleration of innovation launches**

Asia Q4 2006 Operating Performance

\$ in Millions

	Q4 2006	Better/(Worse)	
		2005	%
Net Sales	\$123	\$13	11.8%
Operating Profit	(\$0)	\$8	95.1%
% of Sales	(0)%	7.1 pts	-

- Strong performance in India
- Significantly improved operating profit
- Increased productivity, improved mix and successful new product introductions

Asia Business Focus

- **Extend product offering and accelerate new product launches**
- **Expand distribution and leverage global innovation**
- **Continued expansion of China procurement and technology**
- **Improve manufacturing cost position and productivity**

Fourth Quarter Operating Performance

\$ in Millions, except per share amounts

	Q4 2006	Q4 2005
Operating Profit	\$190	\$219
Interest Income and Sundry Expense	(\$7)	(\$36)
Interest Expense	(\$50)	(\$29)
Income Taxes	(\$2)	\$29
Equity in Affiliates & Minority Interests	(\$2)	\$1
Net Earnings from Continuing Operations	\$133	\$126
EPS from Continuing Operations	\$1.67	\$1.83

Q4 2006 Maytag Transaction Related EPS

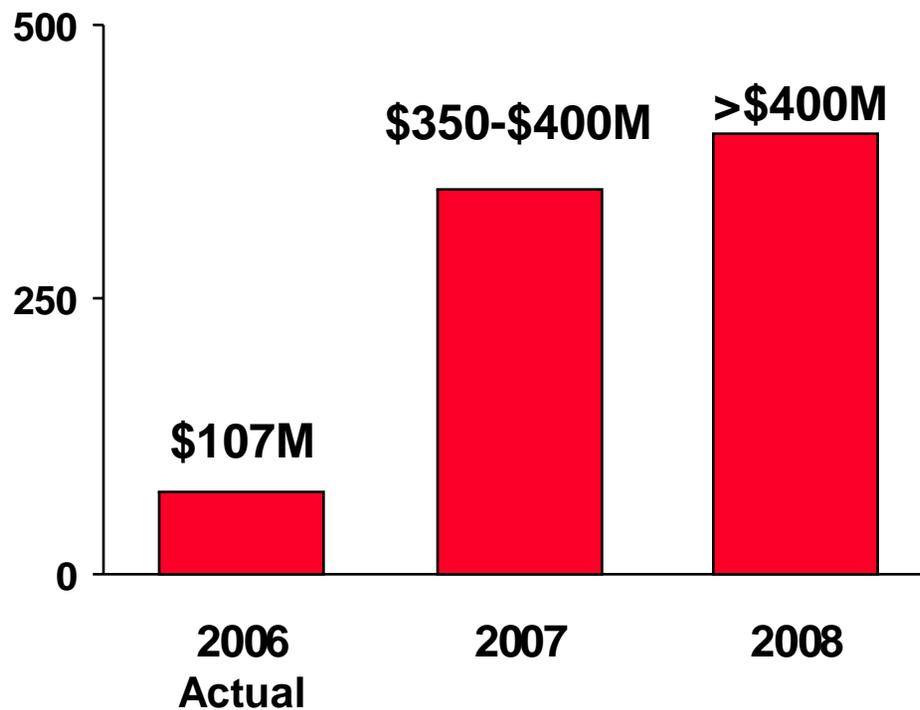
<u>Transaction Financing</u>	
• Incremental Shares Issued	(\$0.22)
• Incremental & Assumed Debt	(\$0.27)
<u>Purchase Accounting</u>	
• Depreciation, amortization, inventory step-up, pension	(\$0.04)
<u>Integration Impacts</u>	
• One-Time Costs	(\$0.30)
• Efficiencies	<u>\$0.67</u>
Net Maytag Transaction Related EPS	(\$0.16)

Free Cash Flow – December 31st

	<u>2006</u>	<u>2005</u>
\$in Millions		
Net Earnings	\$ 486	\$ 422
Depreciation / Amortization	550	442
Working Capital	(24)	(49)
Taxes Deferred & Payable, net	(154)	(105)
Restructuring, net of cash paid	(93)	8
Accrued Pension	53	47
Other	62	119
Cash Provided by Continuing Operating Activities	<u>\$ 880</u>	<u>\$ 884</u>
Capital Expenditures	(576)	(494)
Proceeds from Sale of Assets	122	141
Free Cash Flow	<u>\$ 426</u>	<u>\$ 531</u>

Merger to Drive Large Cost Savings

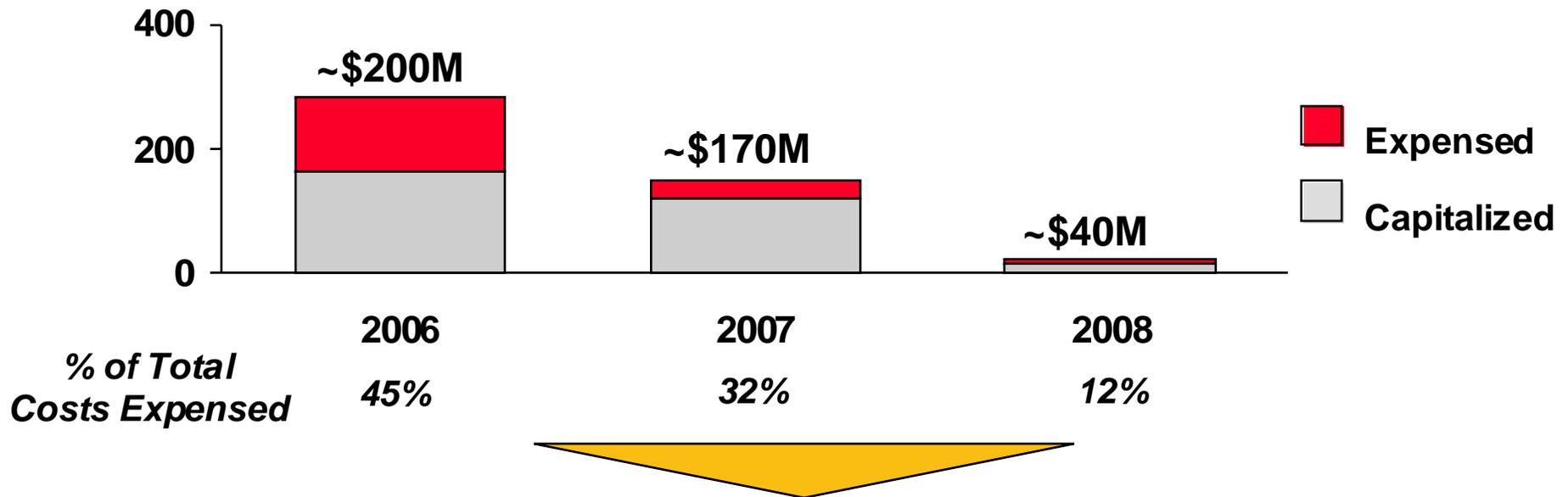
3-Year Efficiencies Summary



- Savings driven by efficiencies from:
 - Manufacturing and logistics
 - Procurement
 - Product Development
 - General Administration
- All key integration activities announced to realize projected efficiencies; majority of plans executed

Costs to Integrate Focused in '06, '07

Anticipated Integration Costs



- Total cash costs of ~\$410M
 - Two-thirds will be capitalized in purchase accounting
 - One-third will be expensed to the P&L
- ~90% of total costs will be incurred by December, 2007

Additional operating segment information is available in the “Investors” section of www.whirlpoolcorp.com.

At 10:00 a.m. (EDT) Wednesday, February 7, 2007, the company will host a conference call, which can be heard by visiting www.whirlpoolcorp.com and clicking on the "Investors" button and then the "Conference Call Audio" menu item.

Cash Flow Reconciliation

The table below reconciles projected 2007 cash provided by continuing operations determined in accordance with generally accepted accounting principles (GAAP) in the United States to free cash flow, a non-GAAP measure. Management believes that free cash flow provides shareholders with a relevant measure of liquidity and a useful basis for assessing the company's ability to fund its activities and obligations. There are limitations to using non-GAAP financial measures, including the difficulty associated with comparing companies that use similarly named non-GAAP measures whose calculations may differ from the company's calculations. As defined by the company, free cash flow is cash provided by continuing operations after capital expenditures and proceeds from the sale of assets/businesses. Free cash flow does not include potential proceeds from the sale of Maytag businesses. The projections shown here are based upon many estimates and are inherently subject to change based on future decisions made by management and the board of directors of the company and significant economic, competitive and other uncertainties and contingencies.

(millions of dollars)

Cash provided by continuing operations	\$1175-\$1225
Capital expenditures	(\$625)
Proceeds from sale of assets/non-Maytag businesses	\$50
Free Cash Flow	\$600-\$650

About Whirlpool Corporation

Whirlpool Corporation is the world's leading manufacturer and marketer of major home appliances, with annual sales of approximately \$18 billion, more than 80,000 employees, and more than 60 manufacturing and technology research centers around the world. The company markets *Whirlpool*, *Maytag*, *KitchenAid*, *Jenn-Air*, *Amana*, *Brastemp*, *Bauknecht* and other major brand names to consumers in nearly every country around the world. Additional information about the company can be found at <http://www.whirlpoolcorp.com>.

*T7 refers to the following household appliance categories: washers, dryers, refrigerators, freezers, dishwashers, ranges and compactors



Whirlpool Additional Information:

This document contains forward-looking statements that speak only as of this date. Whirlpool disclaims any obligation to update these statements. Forward-looking statements in this document include, but are not limited to, expectations regarding the Maytag integration. Many risks, contingencies and uncertainties could cause actual results to differ materially from Whirlpool Corporation's forward-looking statements. Among these factors are: (1) intense competition in the home appliance industry reflecting the impact of both new and established global, including Asian and European, manufacturers and the strength of trade customers; (2) The company's ability to continue its strong relationship with Sears Holding Corporation in North America (accounting for approximately 14% of the company's 2006 consolidated net sales of \$18.1 billion) and other significant trade customers, and the ability of these trade customers to maintain or increase market share; (3) The company's ability to complete the integration of Maytag Corporation on a timely basis and fully realize the anticipated benefits of the merger while remaining within the current cost estimates; (4) demand for the company's products, including the strength of the U.S. building industry and the level of interest rates; (5) the ability of Whirlpool to achieve its business plans, including price increases, productivity improvements, cost control, leveraging of its global operating platform and acceleration of the rate of innovation; (6) fluctuations in the cost of key materials (including steel, oil, plastic, resins, copper and zinc) and components and the ability of Whirlpool to offset cost increases; (7) the ability of suppliers of critical parts, components and manufacturing equipment to deliver sufficient quantities to Whirlpool in a timely and cost-effective manner; (8) changes in market conditions, health care cost trends and regulatory changes that could increase future funding obligations for pension and post-retirement benefit plans; (9) the cost of compliance with environmental and health and safety regulations, including regulations in Europe regarding appliance disposal; (10) potential exposure to product liability claims, including claims that may arise through the company's regular investigations of potential quality and product safety issues as part of its ongoing effort to provide quality products to consumers; (11) the impact of labor relations; (12) The company's ability to obtain and protect intellectual property rights; (13) volatility in the company's effective tax rate; (14) the ability of Whirlpool to manage foreign currency fluctuations; (15) global, political and/or economic uncertainty and disruptions, especially in the company's significant geographic markets, including uncertainty and disruptions arising from natural disasters; and (16) risks associated with operations outside the U.S. Additional information concerning these and other factors can be found in Whirlpool Corporation's filings with the Securities and Exchange Commission, including the most recent annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K.

