

GAAP RECONCILIATIONS



We supplement the reporting of our financial information determined under U.S. generally accepted accounting principles (GAAP) with certain non-GAAP financial measures, which we refer to as "ongoing business operations" measures, including adjusted operating profit, adjusted earnings (loss) before income taxes (hereafter referred to as "adjusted earnings (loss) before tax"), adjusted diluted earnings per share (hereafter referred to as "adjusted diluted earnings per share"), adjusted operating profit by segment (hereafter referred to as "adjusted segment operating profit"), adjusted segment operating margin, and free cash flow. Management believes that free cash flow provides investors and stockholders with a relevant measure of liquidity and a useful basis for assessing the company's ability to fund its activities and obligations. Ongoing business operations measures exclude items that may not be indicative of, or are unrelated to, results from our ongoing business operations and provide a better baseline for analyzing trends in our underlying businesses. We believe that these non-GAAP measures provide meaningful information to assist investors and stockholders in understanding our financial results and assessing our prospects for future performance. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies non-GAAP financial measures having the same or similar names. These adjusted financial measures should not be considered in isolation or as a substitute for reported operating profit, earnings before income taxes, diluted net earnings per share, reported operating profit by segment, and cash provided by operating activities, the most directly comparable GAAP financial measures. These non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the following reconciliations to corresponding GAAP financial measures, provide a more complete understanding of our business. We strongly encourage investors and stockholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

ONGOING BUSINESS OPERATIONS DILUTED EARNINGS PER SHARE:



The reconciliation provided below reconciles the non-GAAP financial measure, ongoing business operations diluted earnings per share, with the most directly comparable GAAP financial measure, reported diluted earnings per share, for the **twelve-months ended December 31, 2012 and December 31, 2011**.

	Twelve Months Ended December 31,	
	2012	2011
Reported diluted earnings per share	\$ 5.06	4.99
Restructuring expense ^(a)	2.15	1.13
Brazilian tax credits (BEFIEX) ^(b)	(0.47)	(3.41)
Brazilian collection dispute & antitrust resolutions ^(c)	0.32	4.85
Investment and intangible impairment ^(d)	0.12	-
Benefit plan curtailment gain ^(e)	(0.38)	(0.28)
Contract and patent resolutions ^(f)	0.17	-
Supplier quality recovery ^(g)	-	(0.49)
Energy Tax Credits ^(h) (\$366M)	-	(4.68)
Supplier-related quality issue ⁽ⁱ⁾	-	(0.06)
Tax rate adjustment ⁽ⁱ⁾	0.08	-
Ongoing business operations diluted earnings per share	<u>\$ 7.05</u>	<u>\$ 2.05</u>

ONGOING BUSINESS OPERATIONS CASH FLOW:



The reconciliation provided below reconciles the non-GAAP financial measure, ongoing business operations cash flow, with the most directly comparable GAAP financial measure, cash provided by operating activities, for the **twelve months ended December 31, 2012 and December 31, 2011**.

(Billions of dollars)	Twelve Months Ended December 31,	
	2012	2011
Cash provided by operating activities	\$ 0.7	\$ 0.5
Capital expenditures and proceeds from sale of assets	(0.5)	(0.6)
Free cash flow	\$ 0.2	\$ (0.1)
Brazilian collection dispute	0.3	0.3
Antitrust resolutions	0.1	0.0
Restructuring cash	0.2	0.1
Brazilian tax credits	(0.0)	(0.3)
Supplier quality recovery	-	(0.1)
Contract and patent resolutions	0.0	-
Pension contributions	0.2	0.3
Ongoing business operations cash flow	\$ 0.9	\$ 0.3

- a) During the full years of 2012 and 2011, we recorded restructuring charges of \$237 million and \$136 million, respectively. The diluted earnings per share impacts are calculated based on income tax impacts of \$66 million and \$48 million, respectively.
- b) During the full years of 2012 and 2011, we monetized Brazilian (BEFIEX) tax credits of \$37 million and \$266 million, respectively. The diluted earnings per share impact is calculated based on an income tax impact of \$0 million.
- c) During 2011, we recognized expenses of approximately \$528 million related to the settlement of a previously disclosed Brazilian collection dispute and increased accruals related to the antitrust resolutions. During 2012, we recognized expenses of approximately \$25 million related to accruals related to the antitrust resolutions. The diluted earnings per share impacts are calculated based on an income tax impact of approximately \$149 million for 2011 and \$0 million for 2012.
- d) During 2012, a \$4 million intangible impairment charge and a \$7 million other-than-temporary impairment charge of a European investment occurred. The diluted earnings per share impact is calculated based on a tax impact of \$1 million and \$0 million, respectively.
- e) During 2012 and 2011, we recognized curtailment gains related to a retiree health care plan of \$49 million and \$35 million, respectively. The diluted earnings per share impacts are calculated based on income tax impact of approximately \$19 million and \$13 million, respectively.

- f) During 2012, we recorded net expenses of \$22 million primarily due to the conclusion of long-standing U.S. contract and patent litigations. The diluted earnings per share impact is calculated based on income tax impact of approximately \$8M.
- g) Pursuant to a settlement agreement, a supplier reimbursed Whirlpool Corporation \$61 million related to a prior quality issue on December 20, 2011. The diluted earnings per share impact for the period is calculated based on an income tax impact of approximately \$23 million.
- h) We earned U.S. energy tax credits of \$366 million during the full-year 2011. The diluted earnings per share impact is calculated based on an income tax impact of \$366 million.
- i) During 2010, we recognized an accrual for \$75M related to a product recall. During 2011, we revised the total cost of this recall to \$68M as a result of lower than expected costs. The diluted earnings per share impact for 2011 is calculated based on an income tax impact of \$3M for 2011.
- j) During the full year 2012, we made an adjustment to ongoing business operations EPS to reconcile specific items reported to a full-year effective tax rate of 24%.