



Whirlpool Corporation Q2 2008 Review

July 23, 2008



Agenda

▶ Overview

- ▶ Jeff Fettig – Chairman and Chief Executive Officer

▶ North American Operations

- ▶ Mike Todman – President, North America

▶ International Operations

- ▶ Jeff Fettig – Chairman and Chief Executive Officer

▶ Financial Review and 2008 Outlook

- ▶ Roy Templin – EVP and Chief Financial Officer

Q2 Overview

- ▶ Revenue of \$5.1 billion...+5% year-over-year
- ▶ Earnings per share from continuing operations of \$1.53 versus \$2.00
- ▶ Latin American results strong
- ▶ U.S. demand weakness persistent in the quarter...industry down 8%
- ▶ Raw material and oil-related cost increases continue...focused cost reduction and pricing initiatives
- ▶ Signed joint venture with Hisense Group

2008 Performance Outlook

- ▶ U.S. demand down 6 - 7%...Europe down 2 – 3%
- ▶ Emerging regions stable...some indications of slowing growth
- ▶ Material and oil-related costs increase ~ \$600 - \$650 million
- ▶ Second half macroeconomic outlook more challenging

Strong focus on key actions to address macroeconomic challenges

2008 Priorities

- ▶ Implement previously announced cost-based **price** adjustments globally
- ▶ Outperform market **growth** by using strong brands, innovation and consumer investments to drive revenue growth
- ▶ Deliver record **productivity**
- ▶ Adjust **cost structure** and production capacity to expected demand levels

Continue to successfully execute key 2008 priorities



North America

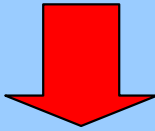
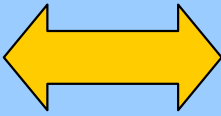
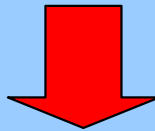
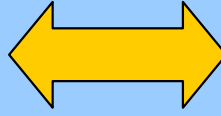


North America Q2 Results

	Second Quarter		Better/(Worse)	
	2008	2007	2007	%
<i>(USD in millions)</i>				
Net Sales	2,895	3,018	(123)	(4)%
Operating Profit	101	179	(78)	(44)%
Operating Margin %	3.5%	5.9%	(2.4) pts	






- ***U.S. demand down ~8% during 2Q...growth in Whirlpool brands outpace industry***
- ***Material and oil-related costs unfavorable during the quarter***
- ***Managing inventory to market conditions...improved inventory turnover during the quarter***

2008 U.S. Industry Outlook (T7*)

Demand Component	Outlook	Trend
New Home Completions	~ (28)%	
Existing Home Sales	~ (13)%	
Discretionary	Low Consumer Confidence	
Replacement	Stable	

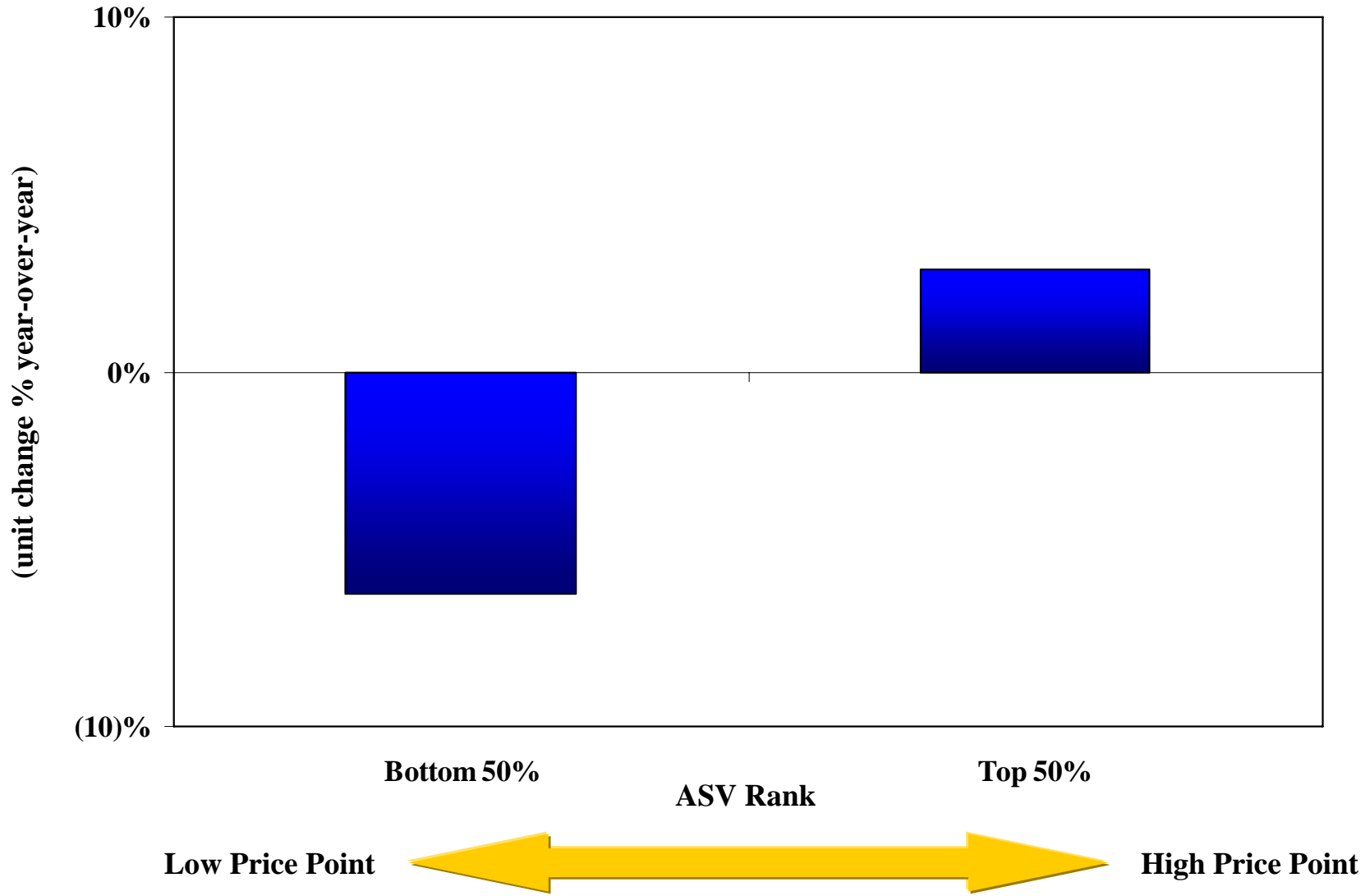
Current outlook for U.S. demand now expected to be down (6 – 7)%

Key Performance Initiatives

Key Performance Initiatives	Status
Implement previously announced cost-based price increases	
Productivity initiatives and structural cost changes	
New product innovation	
Maintain strong brand momentum in the U.S.	
Continue to invest in industry leading brands and innovation	

Addressing key opportunities in a very challenging operating environment

2Q U.S. Product Mix Trends



2008 Outlook

- ▶ Industry demand forecast down 6 to 7% with continued weak conditions in the third quarter and some improvement in the fourth quarter
- ▶ Implemented cost-based price increases positively impact second half results
- ▶ Raw material and oil-based headwinds intensified during the second quarter

Strong market place execution key to mitigate macroeconomic headwinds



International



Q2 Summary

- ▶ Latin America continues strong performance trends
- ▶ Asia shows year-over-year improvement
- ▶ Macroeconomic trends weakened as quarter progressed

International businesses continue to perform well in a slowing environment

Europe Q2 Results

	Second Quarter		Better/(Worse)	
	2008	2007	2007	%
<i>(USD in millions)</i>				
Net Sales	1,051	900	151	17%
Operating Profit	50	51	(1)	(1)%
Operating Margin %	4.8%	5.7%	(0.9) pts	

- **Industry demand down approximately 2% during the second quarter**
- **Sales increased ~2% excluding foreign currency translation**
- **Material and oil-related cost increases partially offset by favorable product price/mix and productivity**

Latin America Q2 Results

	Second Quarter		Better/(Worse)	
	2008	2007	2007	%
<i>(USD in millions)</i>				
Net Sales	1,005	822	183	22%
Operating Profit	133	95	38	40%
Operating Margin %	13.3%	11.6%	1.7 pts	

- ***Strong top-line growth across the region...net sales increase ~7% excluding foreign exchange***
- ***Productivity initiatives and cost-controls more than offset material and oil-related cost increases during the quarter***

Asia Q2 Results

	Second Quarter		Better/(Worse)	
	2008	2007	2007	%
<i>(USD in millions)</i>				
Net Sales	178	163	15	9%
Operating Profit	5	2	3	160%
Operating Margin %	2.6%	1.1%	1.5 pts	

- ***Solid improvement compared with prior year...net sales increase ~8% excluding foreign currency***
- ***Profitability improvement resulting from product price/mix initiatives and ongoing productivity gains***

2008 Outlook

- ▶ European region weakened during the first half...expect continued softness in second half
 - ▶ Industry Unit Volume (2 - 3)%
- ▶ Latin American region shows strong growth through the first half...growth rates expected to slow in the second half
 - ▶ Industry Unit Volume +5 - 8%
- ▶ Asia continues to show growth...expect more volatility in some markets
 - ▶ Industry Unit Volume +5 - 10%
- ▶ Implemented cost-based price increases to offset higher input costs
- ▶ Strong focus on productivity actions



Financial Overview



Second-Quarter Summary

Revenue performance

- + International demand
- + Foreign currency exchange
- U.S. demand

Margin performance

- + International volume performance
- + Cost productivity gains
- Material and oil-related costs
- U.S. demand

Other items

- + Strong cash flow performance
- + Higher regional tax incentives as a result of higher sales and product mix

Financial Summary

	Second Quarter		Better/(Worse)	
	2008	2007	2007	%
Net Sales	5,076	4,854	222	5%
Cost of Goods Sold	4,324	4,121	(203)	(5)%
Gross Margin %	14.8%	15.1%	(0.3) pts	
SG&A	502	463	(39)	(8)%
Restructuring	40	16	(24)	(144)%
Intangible Amortization	7	7	(0)	(2)%
Operating Profit	203	247	(44)	(18)%
Operating Margin %	4.0%	5.1%	(1.1) pts	

- Net Sales: Excluding foreign exchange sales decreased ~1%
- Gross Margin: Increased raw material and oil-related costs
- SG&A: Foreign exchange translation and increased brand investment

Financial Summary

	Second Quarter		Better/(Worse)	
	2008	2007	2007	%
Operating Profit	203	247	(44)	(18)%
Interest Expense	(49)	(49)	(0)	(2)%
Interest & Sundry Income/(Expense)	(24)	2	(26)	NM
Earnings Before Income Taxes	130	200	(70)	(35)%
Income Taxes	2	29	27	93%
Effective Tax Rate	1.5%	14.5%		
Equity Earnings/(Loss)	-	(2)	2	NM
Minority Interest	(11)	(8)	(3)	(49)%
Earnings from Continuing Operations	117	161	(44)	(27)%
EPS - Diluted	\$ 1.53	\$ 2.00	\$ (0.47)	(24)%

- Interest and Sundry variance due to unfavorable foreign exchange and legal settlements

Working Capital

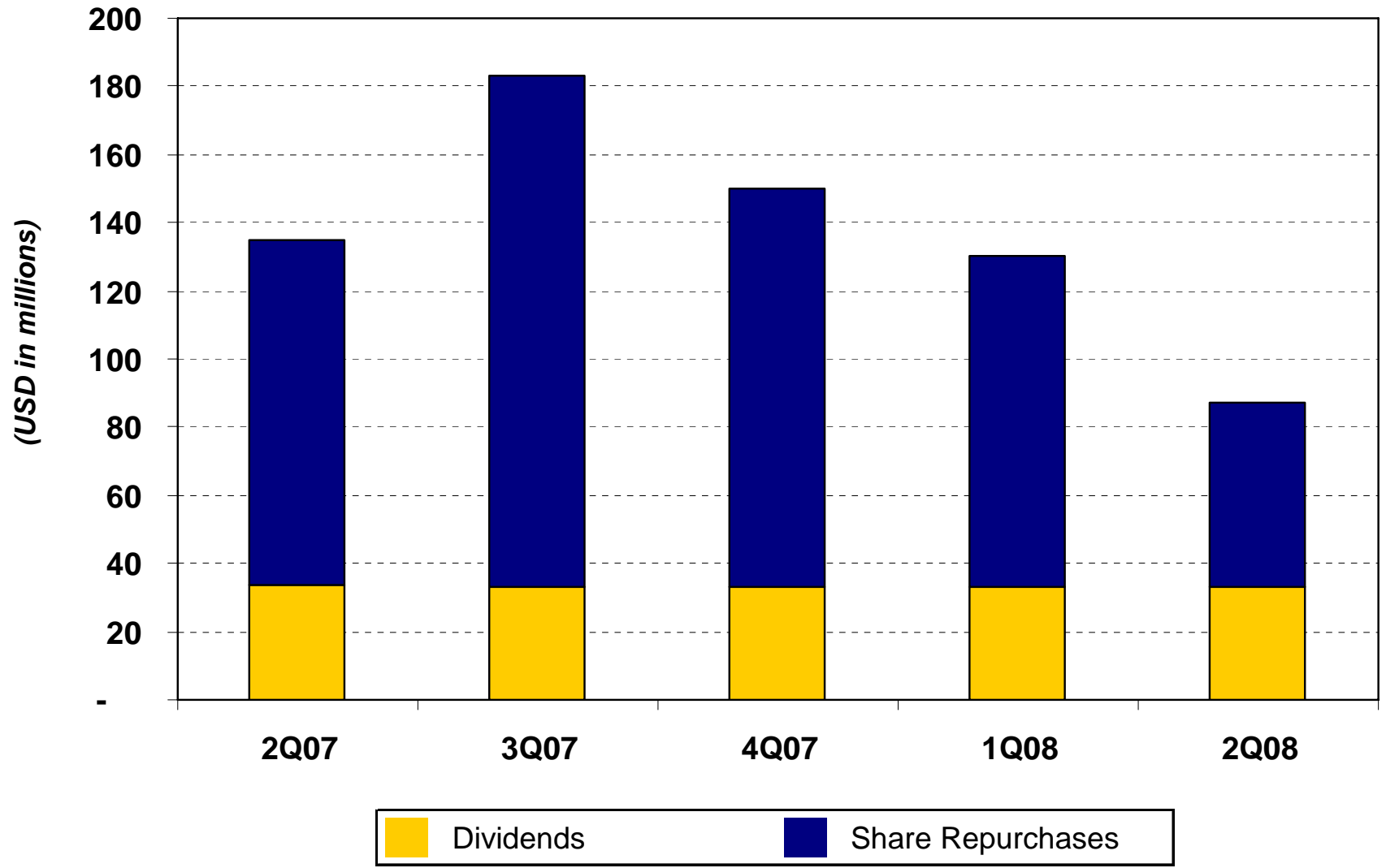
	<u>6/30/08</u>	<u>6/30/07</u>	<u>3/31/08</u>
Accounts Receivable	2,628	2,683	2,564
Inventory	2,996	2,810	2,912
Accounts Payable	3,399	3,191	3,165
Working Capital	2,225	2,302	2,311
% of Sales	11.5%	12.4%	12.5%

Cash Flow

	Six Months Ended June 30	
	2008	2007
Earnings from Continuing Operations	211	285
Depreciation & Amortization	310	292
Working Capital	(189)	(276)
Other	(297)	(307)
Cash Provided By Continuing Operating Activities	35	(6)
Capital Expenditures	(231)	(202)
Proceeds from Sale of Assets/Businesses (non-Maytag)	14	20
Free Cash Flow	(182)	(188)

- Improvement in accounts receivable and inventory compared with first half 2007

Shareholder Returns



2008 Guidance

2008 Guidance

Earnings per Share

\$7.00 - \$7.50

Free Cash Flow

\$500 - \$550 million

Closing Remarks

Key Investment Highlights

- ▶ **#1 position** in global marketplace
- ▶ Leading **consumer brands**
- ▶ Turning innovation into **profitable growth**
- ▶ **Global** operating platform synergies

Whirlpool continues to strengthen its global operations despite near-term macroeconomic challenges



Appendix

Cash Flow Reconciliation

The table below reconciles actual 2007 & 2008 and projected 2008 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. 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.

	Six Months Ended		2008 Outlook
	June 30		
(millions of dollars)	2008	2007	
Cash provided/(used) by continuing operations	\$ 35	\$ (6)	\$ 1,000 - \$ 1,025
Capital expenditures	(231)	(202)	(550) - (575)
Proceeds from sale of assets/non-Maytag businesses	14	20	50 - 100
Free cash flow	\$ (182)	\$ (188)	\$ 500 - \$ 550

About Whirlpool Corporation

Whirlpool Corporation is the world's leading manufacturer and marketer of major home appliances, with annual sales of approximately \$19 billion, 73,000 employees, and 72 manufacturing and technology research centers around the world. The company markets *Whirlpool*, *Maytag*, *KitchenAid*, *Jenn-Air*, *Amana*, *Brastemp*, *Consul*, *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, statements regarding expected earnings per share, cash flow, productivity and material and oil-related prices. 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 competitors, including Asian and European manufacturers; (2) Whirlpool's ability to continue its relationship with significant trade customers, including Sears Holding Corporation in North America (accounting for approximately 12% of Whirlpool's 2007 consolidated net sales of \$19.4 billion) and the ability of these trade customers to maintain or increase market share; (3) changes in economic conditions, including the strength of the U.S. building industry and the level of interest rates; (4) the ability of Whirlpool to achieve its business plans, productivity improvements, cost control, leveraging of its global operating platform, and acceleration of the rate of innovation; (5) fluctuations in the cost of key materials (including steel, oil, plastic, resins, copper and aluminum) and components and the ability of Whirlpool to offset cost increases; (6) the ability of suppliers of critical parts, components and manufacturing equipment to deliver sufficient quantities to Whirlpool in a timely and cost-effective manner; (7) our ability to attract, develop and retain executives and other qualified employees; (8) 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; (10) litigation including product liability and product defect claims; (11) the impact of labor relations; (12) Whirlpool's ability to obtain and protect intellectual property rights; (13) the ability of Whirlpool to manage foreign currency fluctuations; and (14) global, political and/or economic uncertainty and disruptions, especially in Whirlpool's significant geographic regions, including uncertainty and disruptions arising from natural disasters or terrorist attacks. 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.