

Worldwide Operations

Key Brand and Regional Accomplishments

North America

Completed construction of a new front-load clothes washer plant and a refrigeration plant in Mexico.

Ranked 18th among the 100 best corporate citizens by *Business Ethics Magazine*. Whirlpool has been named to the list every year since its inception six years ago.

Received the 2005 American Business Ethics Award from the Society of Financial Service Professionals.

Named one of the “50 Best Employers in Canada” by the *Globe & Mail Report on Business* magazine.

Received an Industrial Design Excellence Award from the Industrial Designers Society of America and a “Good Buy” award from *Good Housekeeping* for the *Whirlpool* Fabric Freshener.

Ranked “Highest in Customer Satisfaction with Dishwashers and Ranges, Cooktops and Ovens” by J.D. Power and Associates 2005 Major Home Appliances Study.SM (*KitchenAid*)

Received the first “lifetime achievement” ENERGY STAR[®] *Sustained Excellence / Partner of the Year* Award from the U.S. Department of Energy and the U.S. Environmental Protection Agency; represents our seventh win, a feat unmatched by any other home appliance manufacturer.

Raised over \$3 million for the Susan G. Komen Breast Cancer Foundation since 2001 through their *Cook for the Cure* program presented by *KitchenAid*. In addition to its support in the U.S. and Canada, *KitchenAid* supports breast cancer foundations in France, Germany, South Africa, Greece and Israel.

Named one of “25 Noteworthy Companies for Diversity” by *Diversity Inc. Magazine*.

Announced plans to support every Habitat for Humanity International home built globally through 2011.

Sponsored the 2005 Jimmy Carter Work Project, an annual Habitat for Humanity International initiative. During one week, over 230 homes in Michigan and Canada were built by JCWP volunteers, including 300 Whirlpool employees from around the world.

Donated \$1 million in cash, products and services to Hurricane Katrina relief efforts and continue to work with Habitat for Humanity to build new housing in some of the hardest hit areas.

Around the world, Whirlpool was recognized for its innovation, design, and socially responsible leadership during 2005.

Europe

Inaugurated a new cooking factory in Poland.

DSG International (formerly Dixons), one of Europe’s largest electronics and appliance retailers, signed a four-year agreement making Whirlpool Europe a “Focus Supplier.”

TUV Institute, the renowned German testing organization, awarded the in-home service program of the *Bauknecht* brand its highest marks.

Pret-à-Porter, the European version of the *Whirlpool* brand Fabric Freshener, was awarded a special innovation prize at the annual French trade fair, la Foire de Paris.

Blue Touch front-loading washer named the U.K.’s Fabric Care Product of the Year 2006 by *Get Connected Magazine*.

Latin America

Listed in the *Carta Capital* magazine ranking of “The most admired (companies) in Brazil 2005” — home appliances segment.

Acknowledged for the ninth consecutive year as one of “The Best Companies to Work For” in Brazil by *Guia Exame/Voce S.A.* and as one of “The Best Companies to Work For in Latin America” for the second year in a row.

Recognized as the company with the largest number of refrigerators and freezers to earn the PROCEL Energy Efficiency Label, a Brazilian government energy savings program.

Asia

Began a partnership with Habitat for Humanity India. Whirlpool also will participate in the Jimmy Carter Work Project in India in 2006.

Whirlpool North America delivered record revenue of \$8.9 billion while successfully managing our way through 30-year highs in raw material costs and oil-related expenses in 2005. Equally significant, we delivered record operating performance while continuing to invest in our strategy to achieve customer loyalty to our brands through, in part, unrivaled product and service innovations.

Strong productivity gains and reduced selling and administrative spending during the year further boosted

cooking performance; and the *KitchenAid* dual fuel range with steam-assist, the world's first freestanding, full-size oven providing consumers with the steam and convection cooking combination usually reserved for professional chefs.

Our operations in Canada and Mexico recorded outstanding results in sales, units and brand market share in 2005. Whirlpool Canada not only is the number one appliance company in Canada, but also ranks as one of the top 50 companies to work for in the country. Whirlpool Mexico,



Brands: **United States:** Whirlpool, KitchenAid, Gladiator, Roper, Estate **Mexico:** Whirlpool, Acros, Supermatic, Crolls **Canada:** Inglis, Whirlpool, KitchenAid
Headquarters: Benton Harbor, MI, USA
Manufacturing Locations: **United States:** LaVergne, TN; Findlay, OH; Marion, OH; Greenville, OH; Clyde, OH; Benton Harbor, MI; Evansville, IN; Fort Smith, AR; Tulsa, OK; Oxford, MS **Mexico:** Celaya, Monterrey, Puebla, Ramos Arizpe
Principal Products: Air Purifiers, Automatic Dryers, Automatic Washers, Bakeware, Built-in Ovens, Cooking Gadgets, Cookware, Countertop Appliances, Dehumidifiers, Dishwashers, Fabric Fresheners, Freezers, Garage Storage Organizers, Hot Water Heaters, Ice Makers, Microwave Ovens, Portable Appliances, Ranges, Refrigerators, Room Air Conditioners, Trash Compactors, Water Dispensers
W. Timothy Yaggi Executive Vice President, Market Operations, North America Region

our performance in economic conditions that included low interest rates, as well as buoyant housing starts and sales of existing homes.

Particularly gratifying was the expansion of our North American operating platform, both in the U.S. and Mexico, where we completed a new front-load clothes washer plant in time for an unprecedented launch of new laundry products in early 2006 at the International Builders Show. These breakthrough laundry products deliver increased capacity with improved water and energy conservation. When combined with many other unique products emerging from our innovation pipeline, we expect more than 60 percent of our products in the North American marketplace by the end of 2006 to be new innovations that did not exist in 2005.

We introduced a record number of successful products during 2005, including the *Whirlpool Velos* speed cook appliance, which allows consumers to grill, bake, broil and steam like a traditional oven but with the speed of a microwave; the fast fill refrigerator dispensing system, which provides consumers with programmed high-speed and measured-fill dispensing of water and ice; a completely new line of *Whirlpool Gold* built-in cooking appliances featuring European design and advanced technologies to help improve

meanwhile, recorded record growth and is rapidly becoming a vital cog in our global operating platform as an exporter and importer of our products. At the same time, fully one-third of our appliances sold in Mexico are made in the U.S. thanks to the flexibility we have to source from the lowest cost location.

Beyond our business performance, Whirlpool again was recognized by the U.S. Department of Energy and the U.S. Environmental Protection Agency for our efficient ENERGY STAR® qualified appliances and efforts to reduce greenhouse gas emissions. For our efforts in 2005, Whirlpool was named ENERGY STAR® *Partner of the Year* for the seventh time in 2006, with the distinction of *Sustained Excellence* for being named a *Partner* for three or more consecutive years.

Outlook

In 2006, we anticipate an increase in industry shipments of 2-to-3 percent in the U.S. We expect another solid year, with greater success in our customer focus initiatives, thanks to continual launches of innovative appliances and services, and by earning the business of our trade customers to ensure that we remain the number one appliance company in North America.



Dual Fuel Range with Steam Assist
 The *KitchenAid* Dual Fuel Convection Range with Steam Assist is the first full-size, freestanding appliance to offer convection plus steam-assist technology in the U.S. residential market.



Velos
 The *Whirlpool Velos* g2Connect appliance allows consumers to grill, bake, broil and steam like a traditional oven but with the speed of a microwave.



Fabric Freshener
 The *Whirlpool* Fabric Freshener conveniently releases wrinkles and removes odors, while being gentle on a range of fabrics, including wool, silks, rayon, dry clean only, polyester and cotton.

Whirlpool Europe achieved solid performance in 2005, with record revenue of \$3.2 billion, up 3 percent, while managing through significant increases in raw material costs and a somewhat sluggish market environment. Strong productivity, continued focus on customers and selling a richer mix of products drove results.

Our built-in appliance business continues to be strong, with an 11 percent increase in units sold year-over-year and a 45 percent increase in sales since 2002. Our exclusive trade customer relationships with IKEA and Alno (the largest German kitchen manufacturer), as well as a range of innovative products such as our new *Origami* cooktop accessories and the Titanium line of appliances, were the key drivers behind this solid growth.

In addition, new products such as the *Whirlpool Pret-à-Porter* clothes refresher, and entry into the professional product area with our comprehensive professional line, highlighted the strong innovations that we brought to market.

Our strategy to achieve sustainable competitive advantage continues throughout all European manufacturing operations, with the expansion of Lean Manufacturing and Six-Sigma programs driving quality and efficiency. During the year, we continued the expansion of our facility in Wroclaw, Poland, and opened a new cooking factory to produce our new cooktop and oven products.

During 2005, we continued to expand Whirlpool Corporation's partnership with Habitat for Humanity International into continental Europe. Six European Habitat projects have been completed since 2004, and many more are expected in the years ahead. We also developed a relationship with the Women's Tennis Association resulting in the WTA becoming a sponsor of Habitat.

Outlook

We expect 2006 to be a strong year for solid sales growth as the launches of innovative products and services are accelerated. Growth of our built-in appliance business,

Brands: Whirlpool, KitchenAid, Bauknecht, Ignis, Polar, Laden
Operations Center: Comerio, Italy
Manufacturing Locations: France: Amiens Germany: Neunkirchen, Schorndorf Italy: Naples, Siena, Cassinetta, Trento Poland: Wroclaw Slovakia: Poprad South Africa: Isithebe Sweden: Norrköping
Principal Products: Automatic Dryers, Automatic Washers, Built-in Hobs, Built-in Ovens, Countertop Appliances, Dishwashers, Free-standing Cookers, Freezers, Microwave Ovens, Ranges, Refrigerators

Marc Bitzer Executive Vice President and President, Whirlpool Europe



To further expand the growth of our European business, we partnered with the Turkish consumer electronics manufacturer and exporter, Vestel, giving Whirlpool Europe access to one of the world's largest emerging markets. We also were successful in being selected as a "Focus Supplier" by DSG International (formerly Dixons), Europe's largest white goods retailer.

expansion of the *Whirlpool* brand, and significant cost savings from ongoing productivity gains also are expected to contribute to performance improvements. We're especially looking forward to reaping the returns from our significant investment in Poland. Europe as a whole can expect modest growth of 1-to-2 percent in industry shipments.



Pret-à-Porter
Whirlpool Europe's new clothes freshener and revitalizer *Pret-à-Porter* (known as the Fabric freshener in North America) was launched across Europe to great fanfare.



Origami Accessories/Range
The new line of innovative *Origami* ranges and accessories was inspired by the latest trends in design and comes in a variety of models of different sizes and finishes.



Titanium Range
Whirlpool Europe's new Titanium range emphasizes simplicity, minimalism and functional luxury, creating a sense of stylish modern living on both aspirational and emotional levels.

Whirlpool Latin America delivered regional revenue of \$2 billion in 2005, a 17 percent increase from a year earlier, based on continued emphasis of our customer loyalty-based growth strategy, strong brands and innovation.

Our continued efforts to drive growth included the introduction of several new innovative products, including the Personal Lifestyle Appliance (PLA) compact refrigerator, which provides customers with fashionable, individualistic-

Our Brazil-based compressor operation, Embraco, maintained its global market and technological leadership positions. The operation continues to improve its position in the high-margin commercial and high-efficiency refrigeration segments.

In a creative effort to increase customer loyalty based on social responsibility, we auctioned *Consul* refrigerators exclusively designed by famous Brazilian female



Brands: Whirlpool, KitchenAid, Brastemp, Consul, Embraco, Eslabón de Lujo
Headquarters: São Paulo, Brazil
Manufacturing Locations (Brazil): Manaus, Rio Claro, Joinville, São Paulo
International (Embraco): Joinville, Brazil; Riva di Chieri, Italy; Spisska Nova Ves, Slovakia; Beijing, China; Apodaca, Mexico; Atlanta, USA.
Principal Products: Automatic Washers, Compressors, Countertop Appliances, Dishwashers, Freezers, Microwave Ovens, Ranges, Refrigerators, Room Air Conditioners, Fabric Dryer

Paulo F.M.O. Periquito Executive Vice President and President, Latin America

looking options beyond the concept of uniform home appliances. The *Brastemp* brand also completed its *6th Sense* product line, introducing new dishwashers, hoods and the *Brastemp* Inverse refrigerator, along with a new brand positioning campaign promoting the emotional appeal of our products beyond functionality.

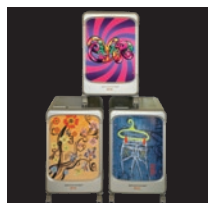
Innovations from our *Consul* brand focused on reinforcing the importance of women in the home decision-making process and are aimed at making their home life easier. During 2005, we introduced the first *Consul* two-door cycle defrost refrigerator with a water dispenser, as well as a new two-door compact refrigerator with frost-free technology. In addition, we introduced three new *Consul* automatic clothes washers that bring exclusive benefits to the consumer, such as Super Jet washing and multifunctional agitators.

During 2005, we continued to be a key contributor to Whirlpool’s global manufacturing network, exporting about 20 percent of our appliance production to Whirlpool markets worldwide. By focusing on operating excellence across our entire supply chain, our regional manufacturing organization was able to exceed its productivity targets for the year.

artists. The auction proceeds went to the Women’s Consulate Institute, a non-profit organization sponsored by Multibrás. The *Consul* brand also launched a limited edition compact version of the refrigerator, which included a donation to the Institute for each unit sold.

Outlook

In 2006, we expect continued strength in key markets of the region. We also anticipate continued sales growth, driven by an increase in overall demand, strong brands and innovative product launches. Exports will continue to be a priority for the region, and we expect to continue leveraging our cost and quality position within our global operating platform. Lastly, we foresee improved profitability, based on significant product mix improvements and productivity gains.



PLA Refrigerator
 The *Brastemp* PLA (Personal Lifestyle Appliance) refrigerator, the first product of the limited edition *Brastemp* Collection Line, has an artist designed front panel that can be switched for another simply and quickly.



Brastemp 6th Sense Dishwasher
 The *Brastemp* brand completed its line of *6th Sense* products with the introduction of a new dishwasher that automatically adjusts the cycle time for optimal cleaning, power and water efficiency.



Brastemp Inverse Refrigerator
 The *Brastemp* Inverse Refrigerator features inverted freezer and refrigerator compartments, allowing customers to adapt the appliance to their lifestyle.

Whirlpool Asia reported revenues of \$422 million in 2005, up more than 10 percent, along with a significant improvement in operating results. The profitability improvement came as a result of a broadened product mix with the launch of more innovative products and penetrating marketing plans.

Much of the Asian economy maintained strong growth, with China leading at 10 percent GDP growth and India with a 7 percent gain, despite high oil and commodity prices impacting consumer sentiment. For the year, the appliance industry grew by about 4 percent.

Our business in other parts of Asia also continued to make good progress during 2005. Whirlpool Hong Kong turned in one of the best performances in recent history, retaining its leading position in fabric care for the 11th consecutive year.

Strong manufacturing and technology infrastructure in India and China continued to play a key role in our global operating platform. Production volume of microwave ovens in our Shunde, China, manufacturing facility reached a historical high of more than 1.85 million units, while our International Procurement Office in Shanghai has

Brands: Whirlpool, KitchenAid

Headquarters: Shanghai, PRC

Manufacturing Locations: India: Faridabad, Pune, Pondicherry China: Shanghai, Shunde

Principal Products: Air Conditioners, Automatic Washers, Microwave Ovens, Refrigerators

Mark Hu Executive Vice President and President, Whirlpool Asia



In China, several new laundry products were launched to expand business in the high-end segment of the market. We also expanded distribution through third-party franchise stores, which enabled more uniform availability of Whirlpool products across the country. Additionally, we are establishing a presence in the builder channel, with the launch of built-in cooking and other high-end products.

In India, we streamlined our distribution process to make it easier for trade customers to increase their business with us. As a result, this has sharply increased our operating profit in this substantial market and improved our working capital ratios to among the best in the industry.

A series of successful launches in refrigeration and an aggressive drive in fabric care created substantial growth in market share. Several innovative product launches, such as the IceBerg frost-free refrigerator and the Genius direct-cool refrigerator, led to significant improvements in average sales value and market share.

become a source of competitive advantage for our global sourcing strategy. Asia also continued to grow as a source of engineering and design talent for our global operating capabilities.

Outlook

In 2006, we expect strong revenue growth as we introduce more innovative products to meet the growing and more discerning needs of the market. Exports will become a higher priority for the region, as we leverage our technology and manufacturing costs to benefit Asia and the rest of the world. Lastly, we anticipate profit improvement as we continue to focus on productivity and leveraging our sales growth to improve our operating margins, as well as product and sales-channel mix.



Genius

The newly launched Genius direct-cool refrigerator has more capacity than standard models, a door open alarm and a pedestal for storing non-refrigerated vegetables.



IceBerg

The IceBerg frost-free refrigerator is Whirlpool brand's latest entry in the highly competitive Indian refrigerator market.



6th Sense Dryer

Large capacity condenser dryer captures a new drying concept for the Asian market.