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### Student Handout #3: **Whirlpool Corporation Announces Steps to Integrate Maytag Operations**

May 10, 2006

BENTON HARBOR, Mich., May 10 /PRNewswire-FirstCall/ -- Whirlpool Corporation (NYSE: WHR) today announced a series of changes within its North American organization relating to the integration of Maytag operations. Locations affected by the changes include three manufacturing sites, the former Maytag corporate headquarters and a research and development center in Newton, Iowa, and administrative offices in Illinois, Canada and Mexico.

Approximately 4,500 positions will be eliminated as a result of the changes. Moving forward, about 1,500 new positions will also be created at other Whirlpool locations, resulting in a net total elimination of 3,000 positions when all changes have been completed. Details on the number and location of new positions created at other Whirlpool locations will be announced in the near future.

"We are taking these actions to rapidly restore the competitiveness of the Maytag brands," said Jeff M. Fetting, Whirlpool chairman and chief executive officer. "This is an important step in our integration process that will allow us to drive continuing performance improvements and will better align our brands, products and operations with the markets we serve domestically and globally."

#### **Laundry Manufacturing Consolidation**

Today's announcement includes plans to consolidate laundry washer and dryer production from Maytag manufacturing sites in Newton, Iowa; Herrin, Illinois and Searcy, Arkansas with Whirlpool laundry factories in Clyde and Marion, Ohio. The series of moves will build upon the efficiency of Whirlpool's manufacturing capabilities and enhance the company's ability to compete within the highly competitive global home appliance industry. The changes follow an extensive review of Maytag operations by Whirlpool, and the company's commitment to quickly communicate any operational decisions to clarify employee status moving forward.

"Our manufacturing sites in Clyde and Marion are two of the most efficient facilities in the world, with capacity to grow," said David L. Swift, president, Whirlpool North America. "This was a difficult, but necessary decision that will further improve the cost efficiency of our laundry operations, providing consumers with industry-leading

innovation and competitively produced washers and dryers from U.S.-based manufacturing locations."

The timetables for the affected manufacturing operations include an orderly closure process, with complete closure targeted on the dates included below:

- The factory in Herrin, Illinois, which manufactures washers and dryers and employs about 1,000, will continue production until the end of 2006.
- The factory in Searcy, Arkansas, which manufactures dryers and employs about 700, will continue production until the end of 2006.
- The factory in Newton, Iowa, which manufactures washers and dryers and employs about 1,000, will continue production into 2007.

The company currently plans no further manufacturing facility closures related to the Maytag integration process, though it will continue to aggressively pursue ongoing productivity improvements across its global operating platform. At the same time, Whirlpool will continue to evaluate strategic options for, including the potential sale of, the Hoover floor-care and the Dixie-Narco, Amana commercial microwave and Jade commercial appliance businesses.

### **Administrative Consolidation**

Maytag administrative offices will be consolidated in the United States -- from Newton, Iowa to Benton Harbor, Michigan and other Whirlpool locations; in Canada -- from Burlington to Mississauga; and in Monterrey, Mexico where both companies have offices. The Newton-based research and development center, and the administrative office of Maytag International, based in Schaumburg, Illinois, also will be closed.

Approximately 1,800 salaried positions, included in the 4,500 affected positions, will be eliminated as a result of these changes. Several hundred salaried employees from the affected administrative offices are expected to be offered jobs in other Whirlpool locations.

Whirlpool's review of Maytag operations will continue, and further decisions related to office facilities are expected in the future.

### **Transition Support**

The company will support employees affected by the changes with a comprehensive assistance package during the transition period, including severance pay, health benefits continuation, job search assistance, and other benefits. Whirlpool plans to open negotiations with labor unions in Newton and Herrin for close-out agreements in the future. Employees in Searcy, a non-union facility, also will receive severance, benefits continuation and job search assistance.

## **Community Commitment**

The company said it would work with local and state officials to ensure that all available training resources are made available to affected employees, and to reposition affected locations for future job development opportunities within the community.

## **Cost Estimates**

The preliminary estimate of termination and relocation costs resulting from consolidation of Maytag administrative offices is approximately \$135-to- \$145 million. Non-employee exit costs associated with laundry facility closings are approximately \$30 million. Whirlpool is unable to estimate, at this time, the termination costs associated with the manufacturing facility closings. Cost associated with today's announcement will be recognized as an assumed liability and accounted for as part of the purchase price for Maytag in accordance with generally accepted accounting principles.

Whirlpool continues to analyze integration costs and benefits associated with the acquisition and will be hosting a conference call on May 23, 2006 to update guidance for the year.

## **About Whirlpool Corporation**

Whirlpool Corporation is the world's leading manufacturer and marketer of major home appliances, with annual sales of more than \$19 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> .

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