

WHIRLPOOL CORP /DE/

FORM 10-K (Annual Report)

Filed 03/17/95 for the Period Ending 12/31/94

Address	WHIRLPOOL CNTR 2000 M 63 C/O CORPORATE SECRETARY BENTON HARBOR, MI 49022-2692
Telephone	6169235000
CIK	0000106640
Symbol	WHR
SIC Code	3630 - Household Appliances
Industry	Appliance & Tool
Sector	Consumer Cyclical
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]**

For the fiscal year ended December 31, 1994

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

COMMISSION FILE NUMBER 1-3932

WHIRLPOOL CORPORATION

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OF INCORPORATION)

38-1490038
(I.R.S. EMPLOYER IDENTIFICATION NO.)

2000 NORTH M-63, BENTON HARBOR, MICHIGAN
(ADDRESS OF PRINCIPAL EXECUTIVE
OFFICES)

49022-2692
(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (616) 923-5000

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
Common stock, par value \$1.00 per share	Chicago Stock Exchange
	New York Stock Exchange
Liquid Yield Option Notes due 2011	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes X No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K .

The aggregate market value of the voting stock of the registrant held by stockholders [not including voting stock held by directors and elected officers of the registrant and certain employee plans of the registrant (the exclusion of such shares shall not be deemed an admission by the registrant that any such person is an affiliate of the registrant)] on March 3, 1995, was \$3,875,448,476.

On March 3, 1995, the registrant had 74,163,512 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated herein by reference into the Part of the Form 10-K indicated:

DOCUMENT -----	PART OF FORM 10-K INTO WHICH INCORPORATED -----
The Company's annual report to stockholders for the year ended December 31, 1994	Parts I, II and IV
The Company's proxy statement for the 1995 annual meeting of stockholders (SEC File No. 1-3932)	Part III

EXHIBIT INDEX ON PAGE: **

TOTAL NUMBER OF PAGES: ***

PART I

ITEM 1. BUSINESS.

GENERAL

Whirlpool Corporation, the leading worldwide manufacturer and marketer of major home appliances, was incorporated in 1955 under the laws of Delaware as the successor to a business that traces its origin to 1898. As used herein, and except where the context otherwise requires, the term "Company" includes Whirlpool Corporation and its consolidated subsidiaries. All currency figures are in U.S. dollars.

RECENT DEVELOPMENTS

RESTRUCTURING

In November 1994, the Company announced a restructuring of its North American and European operations, resulting in a before tax charge of approximately \$240 million. The restructuring, designed to improve efficiency, better integrate operations and reduce costs, will result in the elimination of approximately 3,200 jobs worldwide. The Company expects to realize annual cost savings of about \$150 million by 1997.

Regarding Whirlpool Europe, B.V. ("WEBV" or "Whirlpool Europe"), the restructuring is aimed at furthering the Company's pan-European approach to delivering products and services. The restructuring shifts the organization from country focused sales, marketing and support functions to a trade channel focus. The changes are designed to support the two key elements of WEBV's strategy. The first involves improving efficiency, reducing costs and creating greater value in the products and services delivered to the marketplace. The second centers on improving the Company's core business processes aimed at satisfying trade partners who sell Whirlpool products and the customers who buy them. The core business processes include product creation, brand management, trade partner management, logistics and customer service.

A major focus of the restructuring is a new sales organization that will operate at three levels: a centralized European level, based in Whirlpool Europe's offices in Italy; an "Area" level involving four groupings of countries based on similar channel characteristics; and a "local" market level. The sales organization will also assume responsibility for trade marketing, which encompasses merchandising, promotions and the creation of unique programs for trade partners at the European, Area and Local levels. Group Marketing will continue to be organized by brand and product category on a European level. The restructuring will result in the loss of about 2,000 jobs.

In North America, the restructuring will result in the loss of approximately 1,200 jobs and the closing of manufacturing facilities in Cambridge, Ontario, Canada, and Columbia, South Carolina.

NORTH AMERICA

In December 1994, the Board of Directors approved a plan to buy back up to five (5) percent of the Company's outstanding shares of common stock. The shares may be purchased from time to time via open-market and privately negotiated transactions. Through February 28, 1995 the Company had repurchased approximately 965,800 shares.

In September 1994, the Company sold its minority interest in Matsushita Floor Care Company, a joint venture which manufactures and markets vacuum cleaners in North America. The sale resulted in cash proceeds of \$44 million and a before tax gain of \$26 million.

During 1994, the Company announced several investments designed to expand or improve its manufacturing capabilities in North America. These investments included: the construction of a new \$100 million range facility in Tulsa, Oklahoma; an approximate \$42 million commitment to redesign the automatic washer facility in Clyde, Ohio, to allow the manufacture of horizontal axis washers; and an approximate \$12 million investment to construct and equip a new small appliance manufacturing facility in Greenville, Ohio.

ASIA

In August 1994, Whirlpool Asia announced a realignment of its organization in an effort to accelerate execution of its strategic plan. The realignment calls for four operating regions: the Greater China region, based in Hong Kong, which includes the Peoples Republic of China and Hong Kong; the South Asia region, based in New Delhi, which includes India, Pakistan and other surrounding markets; the North Asia region, based in Tokyo, which includes Japan, Korea, the Philippines and Taiwan; and the Southeast Asia-Australia region, based in Singapore.

In December 1994, the Company announced it had reached agreement to acquire majority interests in two joint ventures in the Peoples Republic of China to manufacture and market microwave ovens and refrigerators. In the larger of the two agreements, the Company will spend approximately \$90 million to acquire a majority stake in SMC Microwave Products Co., Ltd. ("SMC"). The transaction will place the Company among the top five microwave oven producers in the world. The SMC transaction is expected to receive government approval and close during late first quarter or early second quarter of 1995.

The other joint venture links the Company with Beijing Snowflake Electric Appliance Group Corporation ("Beijing Snowflake"), a state-owned enterprise and the first producer of refrigerators in China. The new joint venture company will be known as the Beijing Whirlpool Snowflake Electric Appliance Company, Limited, with the Company investing about \$17 million for a 60 percent position in the venture. This is the first joint venture company for refrigerators involving a Western partner in China. The Beijing Snowflake transaction received government approval and closed in December 1994.

In related developments, the Company's Brazilian affiliate, Embraco S.A., has signed a joint venture agreement with Beijing Snowflake to produce compressors. Embraco would hold a majority equity position with Whirlpool and Beijing Snowflake holding minority positions. The Company has also signed a joint venture agreement for the production of washing machines with the Shanghai Narcissus Electric Appliance Corp., Ltd., a leading manufacturer of washing machines. These transactions are expected to receive government approval and close during late first quarter or early second quarter of 1995.

In August 1994, the Company announced an agreement in principle under which the Company will purchase the remaining interest of Sundaram-Clayton, Ltd. in TVS Whirlpool, Ltd. ("TWL"), an automatic washer joint venture based in Madras, India. The agreement, which is subject to government approval, will raise the Company's stake in the joint venture to 78 percent. As part of the transaction, TWL will have the right to use the TVS brand name on washer products for three years following the closing. The Company assumed controlling interest of TWL earlier this year through a capital restructuring.

In July 1994, the Company announced it had reached agreement to acquire a controlling interest in Kelvinator of India, Ltd. (KOI), historically the largest manufacturer and marketer of refrigerators in India, for approximately \$120 million in cash. The acquisition received government approval and closed during the first quarter of 1995. As part of the transaction, KOI will have the right to use the Kelvinator name for a two year phase-out period beginning on December 29, 1994 on refrigerators, freezers, ice making machines, refrigerated display cabinets and microwave ovens.

LATIN AMERICA

In May 1994, the Brasmotor Group in Brazil merged two of its subsidiaries, Consul S.A. and Brastemp S.A., both manufacturers of home appliances, into a new company, Multibras S.A. Electrodomesticos ("Multibras"). The consolidation has resulted in significant operating efficiencies and better management of brands and products. Multibras is the leading producer and marketer of major appliances in Brazil with

annual sales of \$1 billion. The restructuring did not materially affect the Company's significant, minority equity interest in the Brasmotor Group. The move did not affect Embraco, a producer of compressors in Brazil and Italy that is also part of the Brasmotor Group.

WHIRLPOOL FINANCIAL CORPORATION

In October 1994, Whirlpool Financial Corporation ("WFC"), a majority owned subsidiary of the Company, began operating a national credit card bank, Whirlpool Financial National Bank ("WFNB"), a wholly-owned subsidiary of WFC, after receiving approval of its charter from the Office of the Comptroller of Currency and the Federal Deposit Insurance Corporation. WFNB will function solely as a credit facility for the purpose of issuing consumer credit cards (private and non-private label) and the related lending for consumer purchases.

FINANCIAL INFORMATION RELATING TO BUSINESS SEGMENTS, FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

The Company operates predominantly in the business segments classified as Major Home Appliances and Financial Services.

During 1994, the Company's U.S. operations sold product into Canada, Mexico, Latin America, Asia and Europe. However, export sales by the Company's U.S. operations were less than 10 percent of gross revenues.

For certain other financial information concerning the Company's business segments and foreign and domestic operations, see Note 15 of the Notes to Consolidated Financial Statements in the Company's Annual Report to Stockholders (the "Annual Report"), which is incorporated herein by reference.

PRODUCTS AND SERVICES

The Company manufactures and markets a full line of major home appliances and related products for home and commercial use and provides certain inventory, consumer and other financial services. The Company's principal products and financial services are as follows:

Major Home Appliances:

Home laundry appliances: automatic and semi-automatic washers; automatic dryers; coin-operated laundry machines; and combination washer-dryer units.

Home refrigeration and room air conditioning equipment: refrigerator- freezers; upright and chest freezers; room air conditioners; dehumidifiers; and residential, commercial and component ice makers.

Other home appliances, products and services: dishwashers; free-standing and set-in ranges; built-in ovens and surface cooking units; microwave ovens; countertop cooking units; residential trash compactors; food waste disposers; portable appliances; hot water dispensers; water filtration products; range hoods; oil radiators; water heaters; component parts, replacement parts, repair services and warranty contracts; and product kits.

Financial Services:

WFC provides inventory financing services for dealers and distributors that market products manufactured by the Company plus other manufacturers and consumer financing services for retail sales by dealers. WFC also continues to manage down its commercial lending and aerospace financing and leasing portfolios.

The Company purchases a portion of its product requirements from other manufacturers for resale by the Company. The Company purchases all of its requirements of range hoods, food waste disposers, upright

and chest freezers (North America), hand mixers and food processors and certain other miscellaneous products from other manufacturers for resale by the Company.

For certain information with respect to each class of similar products which accounted for 10 percent or more of the Company's consolidated revenue in 1994, 1993 and 1992, see Revenue Information in the Annual Report, which is incorporated herein by reference.

Major home appliances are marketed and distributed in the United States under the WHIRLPOOL, KITCHENAID, ROPER, ESTATE and COOLERATOR brand names through Company-owned sales branches primarily to retail dealers and builders. WHIRLPOOL and ROPER brand name products were also marketed and distributed indirectly through independent wholesale distributors in some markets. As of January 1, 1994, the Company assumed responsibility for direct distribution of all its major home appliances to dealers in the United States. KITCHENAID portable appliances are sold to retailers either directly or through an independent representative organization and, in Canada, through independent agents. The Company sells product to the builder trade both directly and through contract distributors. Major home appliances are manufactured and/or distributed in Canada under the INGLIS, ADMIRAL, SPEED QUEEN, WHIRLPOOL, ESTATE, ROPER and KITCHENAID brand names. Refrigerator-freezers, laundry products, room air conditioners, residential trash compactors, residential and component ice makers, cooking products, dishwashers and other products are sold in limited quantities by the Company to other manufacturers and retailers for resale in North America under their respective brand names.

The Company has been the principal supplier of home laundry appliances to Sears, Roebuck and Co. ("Sears") for over 75 years and of room air conditioning equipment for over 30 years. The Company is also the principal supplier to Sears of residential trash compactors and a major supplier to Sears of dishwashers and home refrigeration equipment. The Company also supplies Sears with certain other products for which the Company is not a principal or major supplier. Sales of such other products to Sears are not significant to the Company's business. The Company supplies products to Sears for sale under Sears' KENMORE and SEARS brand names and products under the Company's WHIRLPOOL and KITCHENAID brand names. Sales to Sears are made without underlying merchandise agreements.

In Europe, Whirlpool Europe markets and distributes its major home appliances through regional networks under a number of brand names. In 1990, Whirlpool Europe began an estimated \$110 million program to introduce the WHIRLPOOL brand name to the European marketplace and phase out the PHILIPS brand name. The Company is continuing to fund this successful marketing campaign to further develop the WHIRLPOOL brand name in Europe. By the end of 1994 the PHILIPS name had been removed from the product in almost all countries in Europe, including Eastern Europe. In France, Italy, Spain and Portugal, the complete phase-in of the WHIRLPOOL brand and the removal of the PHILIPS name, although started in 1994, will not be completed until 1995 to coincide with new product launches. Whirlpool Europe also markets products under the BAUKNECHT, IGNIS and LADEN brand names. In most Eastern European countries, products bearing the WHIRLPOOL, BAUKNECHT and IGNIS brand names are presently sold through independent distributors. Whirlpool Europe also has company-owned sales subsidiaries in Hungary, Poland, the Czech Republic, Slovakia, and Greece. Pursuant to the Company's joint venture agreement with Philips N.V. ("Philips"), except for certain limited exceptions and subject to certain phase-out provisions, neither Philips nor any subsidiary of Philips may engage directly or indirectly in the major domestic appliance business anywhere in the world until January 2, 1999.

Whirlpool Europe also sells products carrying the WHIRLPOOL, BAUKNECHT, IGNIS, ALGOR and FIDES brand names to the Company's wholly-owned sales companies in Asia and/or Latin America (Whirlpool Asia Appliance Group and the Latin America Appliance Group) and to independent distributors and dealers in Africa and the Middle East.

WHIRLPOOL FINANCIAL CORPORATION

Whirlpool Financial provides diversified financial services to businesses and consumers throughout the United States and Canada and inventory and display financing activities in Europe and Argentina. WFC conducts its business through four divisions: the Inventory Finance Division, which provides floorplan financing and display programs to dealers; the Consumer Finance Division, which provides installment financing and, through WFNB, WFC's recently formed credit card bank, consumer credit card programs; the Specialized Finance Division, which provides asset based working capital loans to manufacturers, distributors and dealers; and the International Division, operated through Whirlpool Financial Corporation International and Whirlpool Financial Corporation Overseas, wholly owned subsidiaries of WFC, which provide inventory and display financing for retailers of products of Whirlpool Europe and Whirlpool Argentina. Inventory financing represents the largest segment of WFC's business, providing services for manufacturers, distributors and dealers in the appliance, consumer electronics, outdoor power equipment and residential heating and cooling equipment industries. As previously mentioned, WFC is phasing-out its commercial lending and aerospace financing and leasing portfolios.

COMPETITION

The major home appliance business is a highly competitive industry. The Company believes that, in terms of units sold annually, it is the largest United States manufacturer of home laundry appliances and one of the largest United States manufacturers of home refrigeration and room air conditioning equipment and dishwashers. The Company estimates that during 1994 there were approximately five United States manufacturers of home laundry appliances, 15 United States manufacturers of home refrigeration and room air conditioning equipment, and five United States manufacturers of dishwashers. Competition in the North American major home appliance business is based on a wide variety of factors, including principally product features, price, product quality and performance, service, warranty, advertising and promotion. As a result of the Company's global expansion, the Company believes it may have a competitive advantage by reason of its ability to share engineering breakthroughs across regions, leverage best practices and economically purchase raw materials and component parts in large volumes.

The Company believes that Whirlpool Europe, in terms of units sold annually, is one of the three largest consolidated manufacturers and marketers of major home appliance products in Western Europe. The Company estimates that during 1994 there were approximately 35 Western European manufacturers of major home appliances, the majority of which manufacture a limited range of products for a specific geographic region. In recent years, there has been significant merger and acquisition activity as manufacturers seek to broaden product lines and expand geographic markets, and the Company believes that this trend will continue. The Company believes that, with Whirlpool Europe, it is in a favorable position relative to its competitors because it has an experienced Western European sales network, balanced sales throughout the Western European market under well-recognized brand names, manufacturing facilities located in different countries and the ability to customize its products to meet the specific needs of diverse consumer groups. With respect to microwave ovens, Western European manufacturers face competition from manufacturers in Asia, primarily Japan and South Korea.

In Asia, the major domestic appliance market is characterized by rapid growth and is dominated primarily by Asian diversified industrial manufacturers whose significant size and scope of operations enable them to achieve economies of scale. The Company estimates that during 1994 there were approximately 50 Asian manufacturers of major home appliances. Competition in the Asian home appliance business is based on a wide variety of factors, including principally local production capabilities, product features, price, product quality and performance.

The Company believes that, together with its Brazilian affiliates, it is well-positioned in the Latin American appliance market due to its ability to offer a broad range of products under well-recognized brand names such as WHIRLPOOL, BRASTEMP, CONSUL and SEMER to meet the specific requirements of consumers in

the region. The Company estimates that during 1994 there were approximately 65 manufacturers of home appliances in the region. Competition in the Latin American home appliance business is based on a wide variety of factors, including principally product features, price, product quality and performance, service, warranty, advertising and promotion. In Latin America there are trends toward privatization of government-owned businesses and a liberalization of investment and trade restrictions.

The financial services industry is an intensely competitive business. Factors affecting competition include new entrants into a market experiencing only moderate growth and the continuing pressure to improve investment returns in the financial services industry. With respect to inventory financing, there has been a trend toward consolidation resulting in five dominant companies in the United States market. In terms of total assets, WFC is the smallest of these companies. WFC believes it has a competitive advantage due to its strong relationship with the Company and other distribution networks. In the inventory finance business, WFC's strategy is to exploit niches within the consumer durables retail market. In consumer finance, WFC utilizes the same retailer relationships to address the needs of their consumers through private label credit card programs. The consumer finance market is highly fragmented with numerous competitors, none of which has a dominant market share.

EMPLOYEES

The Company and its consolidated subsidiaries had approximately 39,000 employees as of December 31, 1994.

OTHER INFORMATION

The Company owns minority equity interests in certain Brazilian manufacturers of major home appliances and components (Multibras and Embraco) and has a controlling interest in a sales and marketing joint venture with Multibras (the South American Sales Company). The Company also has a majority interest in joint venture companies in Argentina and Slovakia. Both companies manufacture home appliances for sale and distribution in their home and surrounding countries. In India, the Company has a majority interest in joint venture companies that produce refrigeration products and washing machines for the Indian market. The Company also has minority equity interests in a Mexican manufacturer of home appliances and components and a Taiwan marketer and distributor of home appliances. For additional information regarding the Company's affiliated companies, see the discussion contained under Note 5 of the Notes to Consolidated Financial Statements in the Annual Report which is incorporated herein by reference. In addition, the Company furnishes engineering, manufacturing and marketing assistance to certain foreign manufacturers of home laundry and refrigeration equipment and other major home appliances for negotiated fees.

The Company's interests outside the United States are subject to risks which may be greater than or in addition to those risks currently present in the United States. Such risks may include high inflation, the need for governmental approval of and restrictions on certain financial and other corporate transactions and new or continued business operations, government price controls, restrictions on the remittance of dividends, interest, royalties and other payments and the convertibility of local currencies, restrictions on imports and exports, political and economic developments and instability, the possibility of expropriation, uncertainty as to the enforceability of commercial rights and trademarks and various types of local participation in ownership. In Brazil, the Company's minority equity interests earned profits in 1993 and 1994 due to cost control, productivity improvements and an increase in consumer demand. However, issues such as economic volatility and exchange rate changes continue to impact consumer purchasing power and the appliance industry as a whole.

The Company is generally not dependent on any one source for raw materials or purchased components essential to its business. In those areas where a single supplier is used, alternative sources are generally available and can be developed within the normal manufacturing environment. While there are pricing

pressures on some materials and significant demand for certain components, it is believed that such raw materials and components will be available in adequate quantities to meet anticipated production schedules.

Patents presently owned by the Company are considered, in the aggregate, to be important to the conduct of the Company's business. The Company is licensed under a number of patents, none of which individually is considered material to its business. The Company is the owner of a number of trademarks and the U.S. and foreign registrations thereof. The most important for its North American operations are the trademarks WHIRLPOOL, KITCHENAID, ROPER and INGLIS. Whirlpool Europe, through its subsidiaries, is also the owner of a number of trademarks and the foreign registrations thereof. The most important trademarks owned by Whirlpool Europe are BAUKNECHT, IGNIS and LADEN. The most important trademark licensed to the Company's subsidiaries is the trademark PHILIPS and the Philips shield emblem, which can be used exclusively on major home appliances by such subsidiaries until July 31, 1998. In the event of a change in control of the Company, Philips has the option to terminate the use by the Company's subsidiaries of the trademark PHILIPS and the Philips shield emblem.

The Company believes that its business, in the aggregate, is not seasonal. Certain of its products, however, sell more heavily in some seasons than in others, including room air conditioners, which are generally produced and sold heavily in the first half of each year. In Europe, clothes dryers are sold more heavily in the winter.

Backlogs of the Company's products are completed and renewed relatively frequently in each year and are not significant in relation to the Company's annual sales.

Expenditures for Company-sponsored research and engineering activities relating to the development of new products and the improvement of existing products are included in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report, which is incorporated herein by reference. Customer-sponsored research activities relating to the development of new products, services or techniques or the improvement of existing products, services or techniques are not material.

The Company's manufacturing facilities are subject to numerous laws and regulations designed to protect or enhance the environment, many of which require federal, state or other governmental licenses and permits with regard to wastewater discharges, air emissions and hazardous waste management. These laws are continually changing and, as a general matter, are becoming more restrictive. The Company's policy is to comply with all such laws and regulations.

The Company believes that it is in compliance in all material respects with all presently applicable federal, state, local and other provisions relating to environmental protection in the countries in which it has manufacturing operations. Capital expenditures and expenses attributable to compliance with such provisions worldwide amounted to approximately \$44 million in 1992, \$57 million in 1993, and \$78 million in 1994. The Company anticipates that such capital expenditures and expenses will aggregate approximately \$82 million in 1995. Much of the increase in 1993 and 1994 is attributable to taxes on chloroflourocarbons ("CFCs") (which will be eliminated from the Company's products in the United States by December 31, 1995) and a decision to broaden the definition of environmental costs to include investments in product development to meet or exceed anticipated energy and/or water regulations. Most of the increase for 1995 relates to capital expenditures associated with plant modifications necessary to produce a more energy and water efficient horizontal axis washer in North America. The Company has developed a global environmental management process designed to achieve its goals of producing environmentally compatible products, better integrating environmental considerations into the Company's product design and employee training, improving the Company's ability to report and monitor its management of environmental, health and safety affairs and reducing its worldwide emissions of certain chemicals.

The entire United States appliance industry, including the Company, must contend with adoption of stricter governmental energy and environmental standards to be phased in over the next several years. These

include the general phaseout of CFCs used in refrigeration and energy standards rulemakings for all major appliances produced by the Company. Compliance with these various standards as they become effective will require some product redesign although the standard levels were anticipated in current projects.

In Europe the Company met the December 31, 1994 deadline for the elimination of CFCs in its products. As in the United States, Whirlpool Europe is also dealing with anticipated regulations and rules regarding improved efficiency and energy usage for its products. The Company believes it is well positioned to field products that comply with these anticipated regulations.

The Company has been notified by state and federal environmental protection agencies of its possible involvement in a number of so-called "Superfund" sites in the United States. However, the Company does not presently anticipate any material adverse effect upon the Company's earnings or financial condition arising out of the resolution of these matters or the resolution of any other known governmental proceeding regarding environmental protection matters. The Company is in the process of performing environmental assessments of its European facilities acquired as a result of the Company's purchase of the Major Domestic Appliance division of Philips. Remedial plans are being prepared to address contamination found during the evaluation. The Company believes it has a contractual right to reimbursement from Philips for the vast majority of anticipated remediation costs. The Company does not presently anticipate any material adverse effect upon the Company's earnings or financial condition arising out of the resolution of these matters.

The following table sets forth the names of the Company's executive officers at December 31, 1994, the positions and offices with the Company held by them at such date, the year they first became officers, and their ages at December 31, 1994:

NAME ----	OFFICE -----	FIRST BECAME AN OFFICER -----	AGE ---
David R. Whitwam	Director, Chairman of the Board and Chief Executive Officer	1983	52
William D. Marohn	Director, President and Chief Operating Officer	1984	54
*Harry W. Bowman	Executive Vice President	1985	51
Jeff M. Fettig	Executive Vice President	1993	37
Robert I. Frey	Executive Vice President	1985	51
Ralph F. Hake	Executive Vice President	1988	45
Ronald L. Kerber	Executive Vice President	1991	51
P. Daniel Miller	Executive Vice President	1991	46
James R. Samartini	Executive Vice President and Chief Administrative Officer	1986	59

* Resigned from the Company effective 2/21/95

Each of the executive officers named above was elected to serve in the office indicated until the first meeting of the Board of Directors following the annual meeting of stockholders in 1995 and until his successor is chosen and qualified or until his earlier resignation or removal.

Each of the executive officers of the Company has held the position set forth in the table above or has served the Company in various executive or administrative capacities for at least the past five years, except for:

NAME ----	COMPANY/POSITION -----	PERIOD -----
Ronald L. Kerber	McDonnell Douglas Corporation-- Corporate Vice President	2/88 to 2/91 (joined the Company 2/91)

ITEM 2. PROPERTIES.

The principal executive offices of Whirlpool Corporation are located in Benton Harbor, Michigan. At December 31, 1994, the principal manufacturing and service operations of the Company were carried on at 26 locations worldwide, 14 of which are located outside the United States in seven countries. The Company occupied a total of approximately 32 million square feet devoted to manufacturing, service, administrative offices, warehouse, distribution and sales space. Over seven (7) million square feet of such space is occupied under lease. In general, all such facilities are well maintained, suitably equipped and in good operating condition.

ITEM 3. LEGAL PROCEEDINGS.

As of, and during the quarter ended, December 31, 1994, there were no material pending legal proceedings to which the Company or any of its subsidiaries was a party or to which any of their property was subject.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no matters submitted to a vote of security holders in the fourth quarter of 1994.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's common stock is traded on the New York Stock Exchange, the Chicago Stock Exchange and The London Stock Exchange.

At March 3, 1995, the number of holders of record of the Company's common stock was approximately 11,829.

High and low sales prices (as reported on the New York Stock Exchange composite tape) and cash dividends declared and paid for the Company's common stock for each quarter during the years 1993 and 1994 are set forth in Note 16 of the Notes to Consolidated Financial Statements in the Annual Report, which is herein incorporated by reference.

ITEM 6. SELECTED FINANCIAL DATA.

The selected financial data for the five years ended December 31, 1994 with respect to the following line items shown under the "Consolidated Statistical Review" in the Annual Report is incorporated herein by reference and made a part of this report: Total revenues; earnings from continuing operations before accounting change; earnings from continuing operations before accounting change per share of common stock; dividends paid per share of common stock; total assets; and long-term debt. See the material incorporated herein by reference in response to Item 7 of this report for a discussion of the effects on such data of business combinations and other acquisitions, disposition and consolidation activity, restructuring costs, accounting changes and earnings of foreign affiliates.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The Management's Discussion and Analysis of Results of Operations and Financial Condition in the Annual Report is incorporated herein by reference and made a part of this report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The consolidated financial statements of the Company in the Annual Report are incorporated herein by reference and made a part of this report. Supplementary financial information regarding quarterly results of

operations (unaudited) for the years ended December 31, 1994 and 1993 is set forth in Note 16 of the Notes to Consolidated Financial Statements. For a list of financial statements and schedules filed as part of this report, see the "Index to Financial Statements and Financial Statement Schedules" beginning on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information with respect to directors of the Company is incorporated herein by reference to the information under the caption "Directors and Nominees for Election as Directors" in the Company's proxy statement for the 1995 annual meeting of stockholders (SEC File No. 1-3932) (the "Proxy Statement"). Information regarding compliance with Section 16(a) of the Securities Exchange Act of 1934 is incorporated herein by reference to the information under the caption "Section 16(a) Compliance" in the Proxy Statement. Information with respect to executive officers of the Company is set forth in Part I of this report.

ITEM 11. EXECUTIVE COMPENSATION.

Information with respect to compensation of executive officers and directors of the Company is incorporated herein by reference to the information under the captions "Executive Compensation" and "Compensation of Directors" in the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP.

Information with respect to security ownership by the only person known to the Company to beneficially own more than 5 percent of the Company's stock and by each director of the Company and all directors and elected officers of the Company as a group is incorporated herein by reference to the information under the caption "Security Ownership" in the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Inapplicable.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) The following documents are filed as a part of this report:

1. The financial statements listed in the "Index to Financial Statements and Financial Statement Schedules."
2. The financial statement schedule listed in the "Index to Financial Statements and Financial Statement Schedules."
3. The exhibits listed in the "Index to Exhibits."

(b) Reports on Form 8-K.

None

(c) Exhibits.

1. The following exhibits are included herein:

- (11) Computation of per share earnings.
- (12) Computation of the ratios of earnings to fixed charges.

2. The response to this portion of Item 14 is submitted as a separate section of this report.

(d) Financial Statement Schedules.

The response to this portion of Item 14 is submitted as a separate section of this report.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

Whirlpool Corporation (Registrant)

/s/ Bradley J. Bell
By: _____
Bradley J. Bell
(Principal Financial Officer)
Vice President and Treasurer

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATE INDICATED.

SIGNATURE -----	TITLE -----	DATE ----
David R. Whitwam*	Director, Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 17, 1995
David R. Whitwam		
William D. Marohn*	Director, President and Chief Operating Officer	March 17, 1995
William D. Marohn		
Bradley J. Bell*	Vice President and Treasurer (Principal Financial Officer)	March 17, 1995
Bradley J. Bell		
Robert G. Thompson*	Vice President and Controller (Principal Accounting Officer)	March 17, 1995
Robert G. Thompson		
Victor A. Bonomo*	Director	March 17, 1995
Victor A. Bonomo		
Robert A. Burnett*	Director	March 17, 1995
Robert A. Burnett		
Herman Cain*	Director	March 17, 1995
Herman Cain		
Allan D. Gilmour*	Director	March 17, 1995
Allan D. Gilmour		
Kathleen J. Hempel*	Director	March 17, 1995
Kathleen J. Hempel		
Arnold G. Langbo*	Director	March 17, 1995
Arnold G. Langbo		
Miles L. Marsh*	Director	March 17, 1995
Miles L. Marsh		

ANNUAL REPORT ON FORM 10-K

ITEMS 14(A)(1) AND (2) AND 14(D)

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

YEAR ENDED DECEMBER 31, 1994

WHIRLPOOL CORPORATION AND CONSOLIDATED SUBSIDIARIES

The following consolidated financial statements of the registrant and its consolidated subsidiaries, set forth in the Annual Report, are incorporated herein by reference in Item 8:

Consolidated balance sheets--December 31, 1994 and 1993

Consolidated statements of earnings--Three years ended December 31, 1994

Consolidated statements of cash flows--Three years ended December 31, 1994

Notes to consolidated financial statements

The following reports of independent auditors and consolidated financial statement schedules of the registrant and its consolidated subsidiaries are submitted herewith in response to Items 14(a)(2) and 14(d):

	PAGE

Report of Ernst & Young, Independent Auditors.....	F-2
Reports of Price Waterhouse, Independent Auditors.....	F-3
Schedule II--Valuation and qualifying account.....	F-9

The following exhibits are included herein:

Exhibit 11--Statement Re: Computation of Earnings Per Share.....	F-13
Exhibit 12--Ratio of Earnings to Fixed Charge.....	F-14

Individual financial statements of the registrant's affiliated foreign companies, accounted for by the equity method, have been omitted since no such company individually constitutes a significant subsidiary. Summarized financial information relating to the affiliated companies is set forth in Note 5 of the Notes to Consolidated Financial Statements incorporated by reference herein.

Certain schedules for which provisions are made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

[ERNST & YOUNG LLP LETTERHEAD]

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
Whirlpool Corporation
Benton Harbor, Michigan

We have audited the consolidated financial statements of Whirlpool Corporation and subsidiaries listed in the Index at Item 14(a)(1) of the annual report on Form 10-K of Whirlpool Corporation for the year ended December 31, 1994. Our audits also included the financial statement schedule listed in the Index at Item 14(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits. We did not audit the financial statements of the Brazilian affiliates used as the basis for recording the Company's equity in their net earnings (losses), as presented in Note 5 to the consolidated financial statements. The financial statements of those affiliates were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Brazilian affiliates, is based solely on the reports of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Whirlpool Corporation and subsidiaries at December 31, 1994 and 1993, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in the notes to the consolidated financial statements, in 1993 the Company changed its method of accounting for postretirement benefits other than pensions, postemployment benefits and income taxes.

/s/ Ernst & Young LLP

*Chicago, Illinois
January 26, 1995*

Price Waterhouse

Report of Independent Accountants

January 23, 1995

To the Board of Directors and Stockholders Brasmotor S.A.

1 We have audited the consolidated balance sheets of Brasmotor S.A. and its subsidiaries as of December 31, 1994 and 1993 and the related consolidated statements of income, of movement in stockholders' equity and of cash flows for the years then ended, expressed in U.S. dollars (not presented herein). Such audits were made in conjunction with our audits of the financial statements expressed in local currency on which we issued an unqualified opinion dated January 23, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Whirlpool Argentina S.A. used as the basis for recording the Company's equity in its net earnings, as presented in Note 4 to the consolidated financial statements. The financial statements of that affiliate were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Whirlpool Argentina S.A., is based solely on the reports of the other auditors.

2 We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

January 23, 1995

Brasmotor S.A. [LOGO OF PRICE WATERHOUSE]

Page 2

3 As stated in Note 1, Whirlpool Corporation has prescribed that accounting principles generally accepted in the United States of America be applied in the preparation of the consolidated financial statements of Brasmotor S.A. and its subsidiaries to be included in Whirlpool's consolidated financial statements. Brazil has a highly inflationary economy. Accounting principles generally accepted in the United States of America require that financial statements of a company denominated in the currency of a country with a highly inflationary economy be remeasured into a more stable currency unit for purposes of consolidation. Accordingly, the accounts of Brasmotor S.A. and its Brazilian subsidiaries, which are maintained in reais, were remeasured and adjusted into U.S. dollars for the financial statements prepared in accordance with accounting principles generally accepted in the United States of America on the bases stated in Note 1.

4 In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements expressed in U.S. dollars audited by us are presented fairly, in all material respects, on the bases stated in Note 1 and discussed in the preceding paragraph.

[SIGNATURE OF PRICE WATERHOUSE]

F-4

Price Waterhouse

Report of Independent Accountants

January 23, 1995

To the Board of Directors and Stockholders Empresa Brasileira de Compressores S.A. - EMBRACO

1 We have audited the consolidated balance sheets of Empresa Brasileira de Compressores S.A. -EMBRACO and its subsidiaries as of December 31, 1994 and 1993 and the related consolidated statements of income, of movement in stockholders' equity and of cash flows for the years then ended, expressed in U.S. dollars (not presented herein). Such audits were made in conjunction with our audits of the financial statements expressed in local currency on which we issued an unqualified opinion dated January 23, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

2 We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

3 As stated in Note 1, Whirlpool Corporation has prescribed that accounting principles generally accepted in the United States of America be applied in the preparation of the consolidated financial statements of Empresa Brasileira de Compressores S.A. - EMBRACO and its subsidiaries to be included in Whirlpool's consolidated financial statements. Brazil has a highly inflationary economy. Accounting principles generally accepted in the United States of America require that financial statements of a company denominated in the currency of a country with a highly inflationary economy be remeasured into a more stable currency unit for purposes of consolidation. Accordingly, the accounts of Empresa Brasileira de Compressores S.A. -EMBRACO and its Brazilian subsidiaries, which are maintained in reais, were remeasured and adjusted into U.S. dollars for the financial statements prepared in accordance with accounting principles generally accepted in the United States of America on the bases stated in Note 1.

4 In our opinion, the consolidated financial statements expressed in U.S. dollars audited by us are presented fairly, in all material respects, on the bases stated in Note 1 and discussed in the preceding paragraph.

[SIGNATURE OF PRICE WATERHOUSE]

Price Waterhouse

Report of Independent Accountants

January 23, 1995

To the Board of Directors and Stockholders Multibras S.A. Eletrodomesticos

1 We have audited the consolidated balance sheets of Multibras S.A.

Eletrodomesticos and its subsidiaries as of December 31, 1994 and 1993 and the related consolidated statements of income, of movement in stockholders' equity and of cash flows for the years then ended, expressed in U.S. dollars (not presented herein). Such audits were made in conjunction with our audits of the financial statements expressed in local currency on which we issued an unqualified opinion dated January 23, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

2 We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

3 As stated in Note 1, Whirlpool Corporation has prescribed that accounting principles generally accepted in the United States of America be applied in the preparation of the consolidated financial statements of Multibras S.A. Eletrodomesticos and its subsidiaries to be included in Whirlpool's consolidated financial statements. Brazil has a highly inflationary economy. Accounting principles generally accepted in the United States of America require that financial statements of a company denominated in the currency of a country with a highly inflationary economy be remeasured into a more stable currency unit for purposes of consolidation. Accordingly, the accounts of Multibras S.A. Eletrodomesticos and its Brazilian subsidiaries, which are maintained in reais, were remeasured and adjusted into U.S. dollars for the financial statements prepared in accordance with accounting principles generally accepted in the United States of America on the bases stated in Note 1.

4 In our opinion, the consolidated financial statements expressed in U.S. dollars audited by us are presented fairly, in all material respects, on the bases stated in Note 1 and discussed in the preceding paragraph.

[SIGNATURE OF PRICE WATERHOUSE]

WHIRLPOOL CORPORATION AND SUBSIDIARIES

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

YEARS ENDED DECEMBER 31, 1994, 1993, AND 1992
(MILLIONS OF DOLLARS)

COL. A	COL. B	COL. C	COL. D	COL. E
-----	-----	-----	-----	-----
	ADDITIONS			
		(1)	(2)	
	BALANCE AT	CHARGED TO	CHARGED TO	BALANCE AT
DESCRIPTION	BEGINNING	COSTS	OTHER	END
-----	OF PERIOD	AND EXPENSES	ACCOUNTS--	OF PERIOD
			DEDUCTIONS--	
			DESCRIBE	
			DESCRIBE	
Year Ended December 31, 1994:				
Current assets:				
Allowance for doubtful accounts-- trade receivables..	\$ 36	\$ 13		\$ 11-- A \$ 38
	====	====	===	====
Allowance for doubtful accounts-- financing receivables and leases.....	\$ 14	\$ 13		\$ 12-- B \$ 15
	====	====	===	====
Long-term receivables:				
Allowance for doubtful accounts-- financing receivables and leases.....	\$ 35	\$ 9		\$ 13-- C \$ 31
	====	====	===	====
Accrued expenses:				
Restructuring reserves.....	\$ 33	\$250		\$108-- D \$175
	====	====	===	====
Year Ended December 31, 1993:				
Current assets:				
Allowance for doubtful accounts-- trade receivables..	\$ 35	\$ 9		\$ 8-- A \$ 36
	====	====	===	====
Allowance for doubtful accounts-- financing receivables and leases.....	\$ 22	\$ 18		\$ 26-- B \$ 14
	====	====	===	====
Long-term receivables:				
Allowance for doubtful accounts-- financing receivables and leases.....	\$ 15	\$ 49		\$ 29-- C \$ 35
	====	====	===	====
Accrued expenses:				
Restructuring reserves.....	\$ 22	\$ 31		\$ 20-- D 33
	====	====	===	====
Year Ended December 31, 1992:				
Current assets:				
Allowance for doubtful accounts-- trade receivables..	\$ 47	\$ 12		\$ 24-- A \$ 35
	====	====	===	====
Allowance for doubtful accounts-- financing receivables and leases.....	\$ 14	\$ 27		\$ 19-- B \$ 22
	====	====	===	====
Long-term receivables:				
Allowance for				

doubtful accounts--					
financing					
receivables and				\$ 14--	
leases.....	\$ 16	\$ 13		C	\$ 15
	====	====	===	====	====
Accrued expenses:					
Restructuring				\$ 90--	
reserves.....	\$102	\$ 10		D	\$ 22
	====	====	===	====	====

Note A--The amounts represent accounts charged off, less recoveries of \$1 in 1994, \$6 in 1993, and \$3 in 1992.

Note B--The amounts represent accounts charged off, less recoveries of \$1 in 1994 and 1993 and \$2 in 1992.

Note C--The amounts represent accounts charged off, less recoveries of \$1 in 1994, 1993, and 1992.

Note D--Charges include employee related severance and relocation, disposal of fixed assets and translation adjustments.

EXHIBIT 11--STATEMENT RE: COMPUTATION OF EARNINGS PER SHARE

WHIRLPOOL CORPORATION AND SUBSIDIARIES

(MILLIONS OF DOLLARS EXCEPT EARNINGS PER SHARE)

	1994	1993	1992
	-----	-----	-----
Primary			
Average Shares Outstanding.....	74.2	71.1	69.8
Treasury Method (Average Market Price)			
Stock Options.....	1.0	1.2	0.7
Restricted Stock (RSVP).....	0.3	--	--
	-----	-----	-----
Primary Average Shares Outstanding.....	75.5	72.3	70.5
	=====	=====	=====
Net Earnings Before Cumulative Effect of Accounting Change.....	\$158.3	\$230.7	\$204.7
RSVP Amortization, net of tax.....	--	--	--
	-----	-----	-----
Primary Net Earnings Before Cumulative Effect of Accounting Change.....	\$158.3	\$230.7	\$204.7
	=====	=====	=====
Earnings Per Share Before Cumulative Effect of Accounting Change.....	\$ 2.10	\$ 3.19	\$ 2.90
	=====	=====	=====
Less Cumulative Effect of Accounting Change.....	\$ --	\$(2.52)	\$ --
	=====	=====	=====
Earnings Per Share.....	\$ 2.10	\$ 0.67	\$ 2.90
	=====	=====	=====
Fully Diluted			
Average Shares Outstanding.....	74.2	71.1	69.8
Treasury Method (Average Market Price or End of Period, whichever is greater):			
Stock Options.....	1.2	2.0	1.3
Restricted Stock.....	0.3	--	--
Assumed Conversion of Debt (4,885 shares issued May 1991).....	2.2	3.3	4.9
	-----	-----	-----
Fully Diluted Average Shares Outstanding.....	77.9	76.4	76.0
	=====	=====	=====
Net Earnings Before Cumulative Effect of Accounting Change.....	\$158.3	\$230.7	\$204.7
Interest Expense, net of tax.....	4.3	7.3	7.6
RSVP Amortization, net of tax.....	--	--	--
	-----	-----	-----
Fully Diluted Net Earnings Before Cumulative Effect of Accounting Change.....	\$162.6	\$238.0	\$212.3
	=====	=====	=====
Earnings Per Share Before Cumulative Effect of Accounting Change.....	\$ 2.09	\$ 3.11	\$ 2.79
	=====	=====	=====
Net Earnings.....	\$158.3	\$ 50.7	\$204.7
Interest Expense, net of tax.....	4.3	7.3	7.6
RSVP Amortization, net of tax.....	--	--	--
	-----	-----	-----
Fully Diluted Net Earnings.....	\$162.6	\$ 58.0	\$212.3
	=====	=====	=====
Earnings Per Share.....	\$ 2.09	\$ 0.67*	\$ 2.79
	=====	=====	=====

*Since the fully diluted net earnings per share is anti-dilutive, the primary net earnings per share is presented.

**EXHIBIT 12--STATEMENT RE: COMPUTATION OF THE
RATIOS OF EARNINGS TO FIXED CHARGES**

WHIRLPOOL CORPORATION AND SUBSIDIARIES

	YEAR ENDED DECEMBER 31, 1994		
	APPLIANCE BUSINESS	FINANCIAL SERVICES	WHIRLPOOL CORPORATION
	(MILLIONS OF DOLLARS)		
Pretax earnings.....	\$268.9	\$23.4	\$292.3
Portion of rents representative of the interest factor.....	19.6	0.8	20.4
Interest on indebtedness.....	102.4	61.0	163.4
Amortization of debt expense and premium.....	1.9	0.1	2.0
WFC preferred stock dividend.....	--	4.5	4.5
	-----	-----	-----
Adjusted income.....	\$392.8	\$89.8	\$482.6
	=====	=====	=====
FIXED CHARGES			
- - - - -			
Portion of rents representative of the interest factor.....	\$ 19.6	\$ 0.8	\$ 20.4
Interest on indebtedness.....	102.4	61.0	163.4
Amortization of debt expense and premium.....	1.9	0.1	2.0
WFC preferred stock dividend.....	--	4.5	4.5
	-----	-----	-----
	\$123.9	\$66.4	\$190.3
	=====	=====	=====
Ratio of earnings to fixed charges.....	3.17	1.35	2.54
	=====	=====	=====

**EXHIBIT 12--STATEMENT RE: COMPUTATION OF THE
RATIOS OF EARNINGS TO FIXED CHARGES**

WHIRLPOOL CORPORATION AND SUBSIDIARIES

	YEAR ENDED DECEMBER 31, 1993		
	APPLIANCE BUSINESS	FINANCIAL SERVICES	WHIRLPOOL CORPORATION
	(MILLIONS OF DOLLARS)		
Pretax earnings.....	\$417.5	\$(43.0)	\$374.5
Portion of rents representative of the interest factor.....	16.3	1.1	17.4
Interest on indebtedness.....	102.8	67.2	170.0
Amortization of debt expense and premium.....	2.0	0.4	2.4
WFC preferred stock dividend.....	--	1.5	1.5
	-----	-----	-----
Adjusted income.....	\$538.6	\$ 27.2	\$565.8
	=====	=====	=====
FIXED CHARGES			
- - - - -			
Portion of rents representative of the interest factor.....	\$ 16.3	\$ 1.1	\$ 17.4
Interest on indebtedness.....	102.8	67.2	170.0
Amortization of debt expense and premium.....	2.0	0.4	2.4
WFC preferred stock dividend.....	--	1.5	1.5
	-----	-----	-----
	\$121.1	\$ 70.2	\$191.3
	=====	=====	=====
Ratio of earnings to fixed charges.....	4.45	0.39	2.96
	=====	=====	=====

ANNUAL REPORT ON FORM 10-K

ITEMS 14(A)(3) AND 14(C)

INDEX TO EXHIBITS

YEAR ENDED DECEMBER 31, 1994

The following exhibits are submitted herewith or incorporated herein by reference in response to Items 14(a)(3) and 14(c):

NUMBER AND DESCRIPTION OF EXHIBIT -----		SEQUENTIAL PAGE NUMBERS*

3(i)	Restated Certificate of Incorporation of the Company [Incorporated by reference from Exhibit 3(i) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]	
3(ii)	Amended and Restated By-laws of the Company (as amended January 23, 1995).	
4	The registrant hereby agrees to furnish to the Securities and Exchange Commission, upon request, the instruments defining the rights of holders of each issue of long-term debt of the registrant and its subsidiaries.	
10(iii)	(a) Whirlpool Retirement Benefits Restoration Plan (as amended January 1, 1992) [Incorporated by reference from Exhibit 10(iii)(a) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]	
10(iii)	(b) 1979 Stock Option Plan (as amended April 28, 1987) [Incorporated by reference from Exhibit 10(iii)(b) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]	
10(iii)	(c) Whirlpool Supplemental Executive Retirement Plan (as amended and restated effective December 31, 1993) [Incorporated by reference from Exhibit 10(iii)(c) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]	
10(iii)	(d) Resolution adopted on December 12, 1989 by the Board of Directors of the Company adopting a compensation schedule, life insurance program and retirement benefit program for eligible Directors. [Incorporated by reference from Exhibit 10(iii)(d) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]	
10(iii)	(e) Resolution adopted on December 8, 1992 by the Board of Directors of the Company adopting a Flexible Compensation Program for the Corporation's nonemployee directors. [Incorporated by reference from Exhibit 10(iii)(e) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]	
10(iii)	(f) Whirlpool Corporation Deferred Compensation Plan for Directors (as amended effective January 1, 1992 and April 20, 1993) [Incorporated by reference from Exhibit 10(iii)(f) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]	
10(iii)	(g) Form of Agreement providing for severance benefits for certain executive officers [Incorporated by reference from Exhibit 10(iii)(g) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]	

10(iii)	(h)	Whirlpool Corporation 1989 Omnibus Stock and Incentive Plan (as amended July 1, 1991) [Incorporated by reference from Exhibit 10(iii)(h) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]
10(iii)	(i)	Whirlpool Corporation Restricted Stock Value Program (Pursuant to the 1989 Whirlpool Corporation Omnibus Stock and Incentive Plan) [Incorporated by reference from Exhibit 10(iii)(i) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]
10(iii)	(j)	Whirlpool Executive Stock Appreciation and Performance Program (Pursuant to the 1989 Whirlpool Corporation Omnibus Stock and Incentive Plan) [Incorporated by reference from Exhibit 10(iii)(j) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]
10(iii)	(k)	Whirlpool Corporation Nonemployee Director Stock Ownership Plan (as amended April 20, 1993) [Incorporated by reference from Exhibit 10(iii)(k) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]
10(iii)	(l)	Whirlpool 401(k) Plan (as amended and restated April 1, 1993) [Incorporated by reference to Exhibit 10(iii)(l) from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]
10(iii)	(m)	Whirlpool Performance Excellence Plan (as amended January 1, 1992 and February 15, 1994) [Incorporated by reference from Exhibit 10(iii)(m) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]
10(iii)	(n)	Whirlpool Corporation Executive Deferred Savings Plan (as amended effective January 1, 1992) [Incorporated by reference from Exhibit 10(iii)(n) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]
10(iii)	(o)	Whirlpool Corporation Executive Officer Bonus Plan (Effective as of January 1, 1994)
10(iii)	(p)	Whirlpool Corporation Charitable Award Contribution and Additional Life Insurance Plan for Directors (Effective April 20, 1993)
11		Statement Re: Computation of Earnings per share.
12		Statement Re: Computation of the Ratios of Earnings to Fixed Charges
13		Management's Discussion and Analysis and Consolidated Financial Statements contained in Annual Report to Stockholders for the year ended December 31, 1994
21		List of Subsidiaries
23(ii)	(a)	Consent of Ernst & Young
23(ii)	(b)	Consent of Price Waterhouse
24		Powers of Attorney
27		Financial Data Schedule

*This information appears only in the manually signed originals of the Form 10- K and conformed copies with exhibits.

BY - LAWS
OF
WHIRLPOOL CORPORATION

(As Amended January 23, 1995)

ARTICLE I

OFFICES

SECTION 1. Registered Office. The registered office of Whirlpool Corporation (the "Corporation") shall be in the City of Wilmington, County of New Castle, State of Delaware, and the name of the registered agent in charge thereof is The Corporation Trust Company.

SECTION 2. Additional Offices. The Corporation may also have offices at such other places within or without the State of Delaware as the board of directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. Place of Holding Meetings. The annual meeting of stockholders for the election of directors shall be held at such place, within or without the State of Delaware, as may from time to time be fixed by the board of directors. Subject to the provisions of Section 4 of this Article II, each meeting of stockholders for any other purpose may be held at such place, within or without the State of Delaware, as shall be fixed by the board of directors.

SECTION 2. Annual Meetings; Election of Directors. The annual meeting of stockholders for the election of directors shall be held on the third Tuesday in April, or such other date and time as may be determined by the board of directors. Any other proper business may also be transacted at the annual meeting.

SECTION 3. Stockholders' List. At least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be prepared by or for the Secretary. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, at the place where the meeting is to be held,

and shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 4. Special Meetings. Special meetings of the stockholders for any purpose or purposes, except as otherwise prescribed by statute or by the certificate of incorporation, may be called by the Chairman of the Board, any Vice Chairman, or the President and shall be called by the Chairman of the Board, any Vice Chairman, or the President or the Secretary at the request in writing of a majority of the directors in office or pursuant to a resolution adopted by the board of directors. Such request or resolution shall state the place, date and hour and the purpose or purposes of the proposed meeting. No business shall be transacted at any special meeting except that referred to in the notice thereof.

SECTION 5. Notice of Meetings. A written or printed notice stating the place, date and hour of the meeting and, in case of a special meeting or whenever required by statute, by the certificate of incorporation, or by these by-laws, further stating the purpose or purposes for which the meeting is called, shall be given by the Secretary to each stockholder entitled to vote thereat by delivering such notice to him personally or by mailing it, postage prepaid, addressed to him at his address as it appears on statute, such notice shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting. An affidavit of the Secretary or an Assistant Secretary or of a transfer agent of the Corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

SECTION 6. Quorum. The holders of at least fifty percent (50%) of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, then the holders of a majority of the shares of capital stock present in person or represented by proxy and entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice or call other than by announcement at the meeting of the time and place of the holding of the adjourned meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 7. Voting. When a quorum is present at any meeting, any question properly brought before such meeting shall be decided by the vote of the holders of a majority of the voting power of the stock present in person or represented by proxy and entitled to vote thereon, unless the question is one upon which a different vote is required by provision of statute, the certificate of incorporation or these by-laws, in which case such provision shall govern and control the decision of such question.

Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may, by an instrument in writing subscribed by such stockholder, authorize another person or persons to act for such stockholder by proxy, but no such

proxy instrument shall be voted or acted upon after three years from its date unless such instrument provides for a longer period.

SECTION 8. Inspectors of Election. At any election of directors, the chairman of the meeting may, and upon request of the holders of ten percent (10%) or more of the stock present and entitled to vote at such election shall, appoint two inspectors of election who shall subscribe an oath or affirmation to execute faithfully the duties of inspectors at such election with strict impartiality and according to the best of their ability and who shall canvass the votes and make and sign a certificate of the result thereof. No candidate for the office of director shall be appointed as such inspector.

SECTION 9. Conduct of Stockholders' Meetings. The meetings of the stockholders shall be presided over by the Chairman of the Board, or if he is not present, by a Vice Chairman or the President, or if none of such officers is present, by a Vice President designated by the board of directors, or if none of such officers is present, by a chairman to be elected at the meeting. The Secretary of the Corporation, if present, shall act as secretary of such meetings or, if he is not present, an Assistant Secretary designated by the chairman of the meeting shall so act; if neither the Secretary nor an Assistant Secretary is present, then a secretary shall be appointed by the chairman of the meeting. The order of business shall be as determined by the chairman of the meeting.

SECTION 10. Validity of Proxies; Ballots, etc. At every meeting of the stockholders, all proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting, who shall decide all questions touching the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes, unless inspectors of election shall have been appointed by the chairman of the meeting, in which event such inspectors of election shall decide all such questions.

SECTION 11. Nominations and Qualifications of Directors. Subject to the rights of holders of Preferred Stock, nominations for the election of directors may be made by the board of directors or a holder entitled to vote generally in the election of directors. For a nomination or nominations to be properly made by any stockholder entitled to vote generally in the election of directors, written notice of such stockholder's intent to make such nomination or nominations must be given, either by personal delivery or by registered or certified United States mail, postage prepaid, to the Secretary of the Corporation not later than

(i) with respect to an election to be had at an annual meeting of stockholders to be held on the fourth Tuesday in April, ninety (90) days in advance of such meeting, and (ii) with respect to an election to be had at an annual meeting to be held on a day other than the fourth Tuesday in April or to be held at a special meeting of stockholders for the election of directors, the close of business on the seventh day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are

to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the then current proxy rules of the Securities and Exchange Commission, if the nominee were to be nominated by the Board; and (e) the consent of each nominee to serve as a director of the Corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

ARTICLE III

DIRECTORS

SECTION 1. General Powers. The property and business of the Corporation shall be managed by its board of directors, which shall possess all the powers of the Corporation except as may be otherwise provided by statute or by the certificate of incorporation or by these by-laws.

The board of directors may hold its meetings, establish corporate offices and agencies, and keep the books and records of the Corporation at such places either within or without the State of Delaware as it may from time to time determine.

SECTION 2. Election of Directors; Terms of Office. At all meetings of the stockholders for the election of directors at which a quorum is present, the persons who were nominated in accordance with Section 11 of Article II of these by-laws and receive the greatest number of votes shall be elected as directors. Commencing at the annual meeting of stockholders held in 1986, the board of directors shall be divided into three classes, and shall have terms of office, as provided in Article FIFTH of the Certificate.

SECTION 3. Regular Meetings. An annual meeting of the board of directors may be held immediately after and at the same place as the annual meeting of stockholders and no notice of such meetings shall be necessary if a quorum be present, or the time and place of such meeting may instead be fixed by action of the board of directors and notice of the meeting given pursuant to Section 5 of this Article III. Such annual meeting shall constitute a regular meeting of the board of directors. Other regular meetings of the board of directors (so designated in the resolution fixing the dates thereof) may be held either within or without the State of Delaware on such dates as may be fixed from time to time by resolution of the board.

SECTION 4. Special Meetings. Special meetings of the board of directors may be called by the Chairman of the Board, any Vice Chairman, or the President and shall be called by the Chairman of the Board, any Vice Chairman, or the President or Secretary at the request in writing of a majority of the directors in office, and the person or persons so calling or requesting the calling of any special meeting of the board of directors shall in such call or request fix the date, hour and place, within or without the State of Delaware, for holding any such special meeting.

SECTION 5. Notice of Meetings. Notice of any meeting of the board of directors (except where no notice is required under Section 3 of this Article III) shall be given to each director by mail on or

before the second day (excluding Sundays and legal holidays) next preceding the day of the meeting or by telegraph, cable, telecopier or telex, or personally in writing, on or before the first day next preceding the day of the meeting.

SECTION 6. Number of Directors. The number of directors which shall constitute the whole board of directors of the Corporation shall be not less than seven nor more than fifteen; provided that at all times a majority of the directors shall be persons who are not employed by the Corporation or any of its subsidiaries unless a proviso is waived by a majority of directors who are not so employed present at a meeting at which it is determined that such waiver is in the best interest of the Corporation. Within such limits the number of directors shall be as fixed at any meeting of the board of directors by resolution adopted by a majority of the directors then in office; provided, however, that no decrease in the number of directors constituting the whole board shall shorten the term of any incumbent director. Vacancies created by an increase in the number of directors may be filled as provided in Section 10 of this Article III.

SECTION 7. Quorum. The presence at any meeting of the board of directors of a majority of the number of directors then in office shall constitute a quorum for the transaction of business except as otherwise provided in Section 10 of this Article III.

SECTION 8. Voting. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors unless by provision of statute, the certificate of incorporation or these by-laws the vote of a different number of directors is required, in which case such provision shall govern.

SECTION 9. Resignation. Any director or member of a committee of directors may resign at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the Chairman of the Board, any Vice Chairman, President or Secretary. Except as hereinafter provided, the acceptance of a resignation shall not be necessary to make it effective. When there is a change in the principal occupation of a director from that in which he or she was engaged when elected to the board, such director shall promptly give notice of the change and submit a resignation from the board and all committees for consideration by the Chairman. The Chairman, with the approval of the full board, may elect to accept or reject such resignation. Directors who are full-time employees of the Corporation or one of its subsidiaries must promptly resign from the board and all committees whenever their term of employment ends for any reason, including but not limited to retirement; the effective date of such resignation to be not later than the last day of employment. The requirement that a director submit a resignation due to a change in occupation or due to the termination of employment with the Corporation or one of its subsidiaries may be waived by a majority of all other directors present at a meeting of directors at which it is determined that such waiver is in the best interest of the Corporation.

SECTION 10. Filling of Vacancies. Subject to the rights of holders of Preferred Stock, in the event of a vacancy in the board of directors or any newly created directorship resulting from any increase in the number of directors or any vacancy in any committee of directors, a majority of the directors, excluding any directors who shall theretofore have resigned effective as of a future date,

may, although less than a quorum, appoint any person to fill such vacancy upon the occurrence thereof (such person to hold office for the unexpired term of such office), or to fill such newly created directorship (such person to serve for the term for the class of directors of which such director is a member), and until such director's successor shall have been elected or qualified or until such director's earlier death, resignation, or removal from office.

SECTION 11. Ratification by Stockholders. Any contract, transaction or act of the Corporation or of the board of directors or of any committee thereof or of any officer of the Corporation which shall be ratified at any annual meeting of stockholders or at any special meeting thereof called for such purpose by the holders of a majority of the voting power of the then outstanding stock of the Corporation shall be as valid and binding upon the Corporation and all of its stockholders as though ratified by every stockholder of the Corporation.

SECTION 12. Compensation of Directors. Directors and members of any committee of directors, other than those who shall be officers or employees of the Corporation or of a subsidiary thereof, shall be entitled to receive for their services as such directors or members either an annual fee or a fixed fee, or both, for attendance at meetings of the board or such committee, in such amounts as may be provided from time to time by resolution of the board, in addition to which directors and committee members shall be entitled to receive reimbursement for their expenses of attendance at meetings of the board or such committee; provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

COMMITTEES

SECTION 1. Appointment; Powers. The board of directors by resolution adopted by a majority of the whole board, may, (by provision of these by-laws or otherwise) designate one or more committees of the board, each committee to consist of such number of directors, in no event less than two, and to have such powers of affairs of the Corporation as the board may determine and specify in such a resolution. The board of directors may at any time, by resolution similarly adopted, change the number, members or powers of any such committee, fill vacancies, or discharge any such committee.

SECTION 2. Procedures; Meetings; Quorum. To the extent any such action is not taken by the board of directors, each committee may choose its own chairman and secretary, fix its own rules of procedure, and meet at such times and at such place or places as may be provided by such rules. At every meeting of each committee, the presence of a majority of all the members thereof shall be necessary to constitute a quorum and the affirmative vote of a majority of the members present shall be necessary to decide any question before the committee.

SECTION 3. Human Resources Committee. The Human Resources Committee shall consist of such directors of the Corporation who are not officers or employees of the Corporation or of any

subsidiary as shall be appointed from time to time by the board of directors. The Human Resources Committee shall make determinations and awards pursuant to any bonus or incentive plans of the Corporation, determine salaries to be paid to officers of the Corporation, the terms and conditions of their employment, the allotment of shares to officers and other employees under any stock option plan of the Corporation, and shall also make such other determinations as the Committee deems proper relating to remuneration or benefits to be paid to officers of the Corporation. At each meeting of the board of directors a report shall be made to the board respecting such determinations made by the Committee subsequent to the next preceding meeting of the board, and each such determination so made and reported shall be final unless, at said meeting, the same shall be revoked or modified by action of the board. In addition, the Chairman of the Board shall review with the Committee from time to time plans for the development, training and utilization of the management resources of the Corporation. On such occasions, the Human Resources Committee shall act in an advisory capacity to the Chief Executive Officer in respect of the foregoing. The Human Resources Committee shall have and perform such other and additional duties as from time to time may be prescribed by the board of directors.

SECTION 4. Finance Committee. The Finance Committee shall consist of such directors of the Corporation, a majority of whom are not officers or employees of the Corporation or of any subsidiary, as shall be appointed from time to time by the board of directors. The Finance Committee shall consider and make recommendations to the board of directors as to such financial matters concerning the Corporation as shall be referred to it by the board of directors, or the Chairman of the Board, or which the Committee may consider on its own initiative, and perform such additional duties as from time to time may be prescribed by the board of directors.

SECTION 5. Audit Committee. The Audit Committee shall consist of at least three (3) but not more than five (5) directors of the Corporation, who are not officers or employees of the Corporation or of any subsidiary, as shall be appointed from time to time by the board of directors. The Audit Committee shall (i) consider and make recommendations to the board of directors as to such auditing matters concerning the Corporation as shall be referred to it by the board of directors, or the Chairman of the Board, or which the Committee may consider on its own initiative; (ii) each year recommend to the board of directors, for appointment by the board, independent auditors of the Corporation and its wholly-owned subsidiaries, respectively, for such year, to audit the financial statements of the Corporation and such subsidiaries, and to perform such other duties as the board may prescribe; (iii) have authority, to the extent considered desirable by the Committee, to examine into and make recommendations to the board of directors in respect of (a) the general scope and results of the audit conducted by the independent auditors; (b) the internal controls, systems and processes maintained by the Corporation to protect assets and manage risks; (c) legal, regulatory, compliance or similar matters that may have a material impact on the Corporation's financial position, and (d) the appointment, replacement, reassignment or dismissal of the director of internal audit; and (iv) perform such additional duties as from time to time may be prescribed by the board of directors. The Audit Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities and, in connection therewith, may retain independent counsel, accountants or others to assist it.

SECTION 6. Corporate Governance Committee. The Corporate Governance Committee shall consist of at least three (3) but not more than five (5) directors of the Corporation who are not officers or employees of the Corporation or of any subsidiary, as shall be appointed from time to time by the board of directors. The Corporate Governance Committee shall (i) in consultation with the Chairman of the Board, consider and make recommendations to the full board of directors concerning the number and accountability of board committees, committee assignments and committee membership rotation practices, (ii) establish qualifications, desired backgrounds and selection criteria for nominees to the board of directors, (iii) recommend to the full board of directors nominees for board membership, (iv) on an annual basis, conduct an evaluation of the effectiveness of the full board of directors (but not of individual members) and the effectiveness of overall governance practices and guidelines, based on input from all board members, and (v) perform such additional duties as from time to time may be prescribed by the board of directors.

ARTICLE V

OFFICERS

SECTION 1. Officers. The officers of the Corporation shall be a Chairman of the Board, one or more Vice Chairmen, a President, one or more Vice Presidents, a Treasurer, a Controller, and a Secretary, all of whom shall be elected by the board of directors. Any two or more offices, except those of President and Secretary, may be held by the same person. In addition, the Chairman of the Board may designate as Vice Presidents any number of individuals responsible for major operations or functions of the Corporation. Each such Vice President designated as a Senior Officer or member of the Chairman's Council, as evidenced by a listing maintained by the Corporate Secretary, shall have all the authority with respect to such individual's area of responsibility as is conferred upon a Vice President elected by the board of directors.

The board of directors may appoint one or more Assistant Treasurers, one or more Assistant Controllers, one or more Assistant Secretaries, and such other assistant officers as the board may deem necessary, who shall have such authority and shall perform such duties as from time to time may be prescribed by the board of directors.

Subject to Section 9 of this Article V, each officer and assistant officer elected or appointed by the board of directors or designated by the Chairman shall hold office until the next annual meeting of the board of directors and until his successor shall be chosen.

SECTION 2. The Chairman of the Board. The Chairman of the Board shall be a director. If so designated by the board of directors, he shall be the chief executive officer of the Corporation and shall have general direction over the affairs of the Corporation, subject to the control and direction of the board of directors. He shall, when present, preside as chairman at all meetings of the stockholders and of the board of directors. He may call meetings of the board of directors whenever he deems it advisable. In the absence or incapacity of the President to act, he shall perform all duties and functions and exercise all the powers of the President. Unless otherwise provided by the board of directors, he may execute and deliver bonds, notes, contracts, agreements

or other obligations or instruments in the name of the Corporation, and with the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, may execute and deliver all certificates for shares of the capital stock or other securities of the Corporation and any warrants evidencing the right to subscribe to shares of the capital stock of the Corporation. The Chairman of the Board shall have such other powers and perform such other duties as from time to time may be assigned to him by the board of directors.

SECTION 3. Vice Chairman. Each Vice Chairman shall be a director. He shall have such powers and shall perform such duties as may be assigned to him by the board of directors or by the Chairman of the Board, or elsewhere in these by-laws.

SECTION 4. The President. The President shall be a director. If so designated by the board of directors, he shall be the chief executive officer of the Corporation and shall have general direction over the affairs of the Corporation, subject to the control and direction of the Chairman of the Board and the board of directors. He shall have general charge, control and supervision over the administration and operations of the Corporation, subject to the control and direction of the board of directors and the Chairman of the Board. He shall keep the Chairman of the Board fully informed concerning the business of the Corporation under his supervision. In the absence or incapacity of the Chairman of the Board, a Vice Chairman or the President shall preside at meetings of the stockholders and of the board of directors and shall perform all duties and functions and exercise all the powers of the Chairman of the Board. Unless otherwise provided by the board of directors, the President may execute and deliver bonds, notes, contracts, agreements or other obligations or instruments in the name of the Corporation, and with the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, may execute and deliver all certificates for shares of the capital stock or other securities of the Corporation and any warrants evidencing the right to subscribe to shares of the capital stock of the Corporation. In general, the President shall have and perform all powers and duties incident to the office of a president of a corporation and such other powers and duties as from time to time may be assigned to him by the board of directors or the Chairman of the Board.

SECTION 5. Vice President. In the absence or incapacity of the Chairman of the Board, any Vice Chairman, or the President, a Vice President designated by the Chairman of the Board or by the board of directors shall have and perform all the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Vice President shall have such other powers and shall perform such other duties as may be assigned to him by the board of directors or by the Chairman of the Board, any Vice Chairman, or the President.

SECTION 6. Treasurer. The Treasurer shall have responsibility for the custody and safekeeping of all funds and securities of the Corporation; he shall obtain and maintain appropriate insurance for the benefit of the Corporation; he shall be responsible for determining credit policies of the Corporation, for administration of such policies, and collection of monies due the Corporation in accordance therewith; he may sign with the Chairman of the Board, any Vice Chairman, or the President any or all certificates for shares of the capital stock or other securities of the Corporation and any warrants evidencing the right to subscribe to shares of the capital stock of the Corporation; and in general he shall have and perform all of the other powers and duties incident to the office of

treasurer and such other powers and duties as may be assigned to him by the board of directors or the Chairman of the Board, any Vice Chairman, or the President.

SECTION 7. The Controller. The Controller shall be the chief accounting officer of the Corporation, shall maintain adequate records of its assets, liabilities and transactions, shall see that adequate audits thereof are currently and regularly made, and shall be in charge of its books of account and its accounting and financial statements and records, operating reports, budgets, statistics, and estimates and projections. He shall be responsible for the development and maintenance of inventory control records and the taking and costing of physical inventories; for the initiation, preparation and issuance of standard practices relating to all accounting matters and procedures, and the coordination of accounting systems throughout the Corporation and its subsidiaries; and for the analysis and interpretation of significant data to develop trends and cost comparisons, which shall be made available to the Corporation's management together with his conclusions therefrom. He shall maintain adequate records of authorized appropriations and determine that all sums expended pursuant thereto are accounted for, and shall be responsible for the preparation and filing of tax returns and all matters relating to taxes. The Controller shall have such other powers and perform such other duties as may from time to time be assigned to him by the board of directors or the Chairman of the Board, any Vice Chairman, or the President.

SECTION 8. The Secretary. The Secretary shall keep or cause to be kept the minutes of all meetings of the stockholders and of the board of directors; shall see that all notices are duly given in accordance with the provisions of these by-laws and as required by law; shall be custodian of the minute books, stock ledger, and similar corporate records and of the seal of the Corporation and see that the seal is affixed to all documents the execution and delivery of which on behalf of the Corporation under its seal are duly authorized in accordance with the provisions of these by-laws; shall keep or cause to be kept a stock ledger of the Corporation containing a complete list of stockholders, the post office address of each stockholder, and the number of shares registered in the name of each stockholder; may sign with the Chairman of the Board, any Vice Chairman, or the President any and all certificates for shares of the capital stock or other securities of the Corporation and any warrants evidencing the right to subscribe to shares of the capital stock of the Corporation; and in general the Secretary shall have and perform all powers and duties incident to the office of the secretary and such other powers and duties as may, from time to time, be assigned to him by the board of directors or the Chairman of the Board, any Vice Chairman, or the President.

SECTION 9. Removal of Officers. Any officer elected or appointed by the board of directors may be removed, either with or without cause, by the vote of a majority of the directors then in office at any meeting of the board of directors. Any Vice President designated by the Chairman of the Board may be removed, either with or without cause, by written designation from the Chairman delivered to the Corporate Secretary.

SECTION 10. Filling of Vacancies. If a vacancy shall exist in the office of any officer or assistant officer of the Corporation, the board of directors may elect or appoint any person to fill such vacancy, such person to hold office (subject to Section 9 of this Article V) until the next annual meeting of the board of directors and until his successor shall be chosen and qualified.

ARTICLE VI

CAPITAL STOCK

SECTION 1. Transfer of Shares. The shares of stock of the Corporation shall be transferable only upon its books by the holders thereof in person or by their duly authorized attorneys or legal representatives or pursuant to the unclaimed property laws of the various states and upon such transfer the old certificates shall be surrendered to the Corporation by the delivery thereof to the Secretary or the transfer agent for said shares of stock, or to such other person as the board of directors may designate, by whom such old certificates shall be cancelled, and new certificates shall thereupon be issued. A record shall be made of each transfer.

SECTION 2. Lost or Destroyed Certificates. The board of directors may determine the conditions upon which a new certificate of stock may be issued in place of a certificate which is alleged to have been lost, stolen or destroyed; and may, in the board's discretion, require the owner of such certificate or his legal representative to give bond, with such surety, if any, as the board shall deem appropriate, sufficient to indemnify the Corporation and each transfer agent and registrar, against any claim which may arise by reason of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 3. Unclaimed Property Laws. The officers of the Corporation who are authorized to issue or cause the issuance of duplicate stock certificates pursuant to Section 2 of this Article VI are hereby authorized to issue or cause the issuance of duplicate stock certificates, without cancellation of the original certificates, as may be required in respect of compliance with the un- claimed property laws of any state.

ARTICLE VII

CORPORATE SEAL

The board of directors shall authorize and establish a corporate seal containing the name of the Corporation, the words "Corporate Seal" and "Delaware", and otherwise in such form as shall be approved by the board of directors.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

SECTION 2. Notice. Any notice required, (i) if given by mail, shall be deemed to have been given upon the deposit thereof in a post office box, postage prepaid, or (ii) if given by telegraph or cable, shall be deemed to have been given upon delivery thereof to the telegraph or cable company for transmission, or (iii) if the person entitled to notice has facilities for the receipt of telecopies or telex, shall be deemed to have been given upon transmission of the notice by such means; and in any instance the notice shall be addressed to the person entitled thereto at such person's last known address according to the records of the Corporation.

SECTION 3. Voting Upon Stocks. Unless otherwise ordered by the board of directors, the Chairman of the Board, any Vice Chairman, or the President shall have full power and authority in behalf of the Corporation to attend and to act and to vote at any meeting of stockholders of any corporation in which the Corporation may hold stock, and also to execute and deliver for and on behalf of the Corporation proxies in respect of such meetings, and at any such meeting the Chairman of the Board, any Vice Chairman, or the President or the individual or individuals named in the proxy executed by the Chairman of the Board, any Vice Chairman, or the President in respect of such meeting shall possess and may exercise any and all the rights and powers incident to the ownership of such stock and which, as the owner thereof, the Corporation might have possessed and exercised if present. The board of directors, by resolution, from time to time may confer like powers upon any other person or persons, which powers may be general or confined to specific instances.

SECTION 4. Action Without Meeting. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceeding of the board or committee.

ARTICLE IX

AMENDMENTS

The board of directors shall have full power to alter, amend or repeal these by-laws or any provision thereof, or to adopt new by-laws, at any regular meeting as part of the general business of such meeting, or at a special meeting called for the purpose. By-laws adopted, altered or amended by the board of directors may be altered, amended or repealed by the stockholders. Notwithstanding the preceding sentence, and subject to the rights of holders of Preferred Stock, any action of the stockholders to adopt, amend, alter or repeal the by-laws shall require the affirmative vote of at least eighty percent (80%) of the holders of common stock of the Corporation.

* * * * *

Executive Officer Bonus Plan

Whirlpool Corporation

Effective as of January 1, 1994

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Article 1. General

1.1 ESTABLISHMENT OF THE PLAN. Whirlpool Corporation, a Delaware corporation (the "Company"), hereby adopts this Plan, which shall be known as the "Whirlpool Corporation Executive Officer Bonus Plan" (the "Plan").

1.2 PURPOSE. The purpose of the Plan is to motivate senior executive officers to focus attention on shareholder value, drive performance in support of this goal and other business goals, and reward individual performance.

1.3 ADMINISTRATION.

(a) The Plan shall be administered by the Committee.

(b) Subject to the limitations of the Plan, the Committee shall: (i) select from the Executive Officers of the Company, those who shall participate in the Plan (a "Participant" or "Participants"), (ii) make Awards in such amounts as it shall determine, (iii) impose such limitations, restrictions, and conditions upon such Awards as it shall deem appropriate, (iv) interpret the Plan, (v) correct any defect or omission or reconcile any inconsistency in this Plan or in any Award granted hereunder, and (vi) make all other necessary determinations and take all other actions necessary or advisable for the implementation and administration of the Plan. The Committee's determinations on matters within its authority shall be conclusive and binding upon the Company and all other Persons.

(c) All expenses associated with the Plan shall be borne by the Company, subject to such allocation to its subsidiaries and operating units as it deems appropriate.

Article 2. Definitions

2.1 DEFINITIONS. Whenever used herein, the following terms shall have the meaning set forth below, unless otherwise expressly provided.

(a) "Award" shall mean the amount earned by a Participant as determined by the Committee.

(b) "Board" shall mean the Board of Directors of Whirlpool Corporation.

(c) "Committee" shall mean the Human Resources Committee of the Board or such other Committee as is designated by the Board. The members shall be appointed by the Board of Directors, and any vacancy on the Committee shall be filled by the Board of Directors.

(d) "Company" shall mean Whirlpool Corporation and its Subsidiaries.

(e) "Executive Officer" shall mean the Chief Executive Officer, the President, and any Executive Vice President designated by the Committee.

(f) "Participant" shall mean an Executive Officer who is approved by the Committee for participation in the Plan for a specified Plan Year.

(g) "Plan Year" shall mean the Company's fiscal year.

2.2 GENDER AND NUMBER. Except when otherwise indicated by the context, words in the masculine gender, when used in the Plan, shall include the feminine gender, the singular shall include the plural, and the plural shall include the singular.

Article 3. Eligibility and Participation

3.1 ELIGIBILITY. Eligibility for participation in the Plan shall be limited to Executive Officers subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended from time to time, or any successor Act thereto.

3.2 PARTICIPATION. Participation in the Plan shall be based on the approval of the Committee, from the Executive Officers eligible for participation in the Plan.

Article 4. Award Determination and Payment

4.1 AWARD DETERMINATION. At the end of each Plan Year, the Committee shall determine the Award for each Participant under the Plan based on such criteria as the Committee deems appropriate.

4.2 FORM AND TIMING OF PAYMENT. Payment of Awards determined pursuant to Section 4.1 herein shall be made as the Committee, in its discretion, shall determine.

Article 5. Termination of Employment

In the event a Participant's employment is terminated for any reason including death, disability, retirement, reduction-in-force, transfer to an affiliate not included in the Plan, change in control, and voluntary and involuntary terminations, the Participant shall receive an Award for the Plan Year in which the termination occurs only if the Committee approves, based on criteria it deems appropriate.

Article 6. Miscellaneous Provisions

6.1 TAX WITHHOLDING. The Company shall have the right to deduct from all payments under this Plan any foreign, Federal, state, or local taxes required by law to be withheld with respect to such payments.

6.2 AMENDMENTS. The Company, in its absolute discretion, without notice, at any time and from time to time, may modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely.

6.3 INDEMNIFICATION. Each person who is or shall have been a member of the Committee or the Board of the Company shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense, including, without limitation, fees and expenses of legal counsel, that may have been imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit, or proceeding to which he may be a party or in which he may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit, or proceeding against him, provided he shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such person may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify him or hold him harmless.

6.4 RIGHTS OF PARTICIPANTS. Nothing in this Plan shall interfere with or limit in any way the right of the Company to terminate or change a Participant's employment at any time, nor confer upon any Participant, any right to continue in the employ of the Company for any period of time or to continue his present or any other rate of compensation. No Participant in a previous Plan Year, shall have a right to be selected for participation in a current or future Plan Year.

6.5 GOVERNING LAW. The Plan shall be construed in accordance with and governed by the laws of the State of Michigan.

6.6 EFFECTIVE DATE. The Plan shall be deemed effective as of January 1, 1994.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officers effective as of January 1, 1994.

WHIRLPOOL CORPORATION

By: _____

Its: _____

ATTEST:

By: _____

Its: __

WHIRLPOOL CORPORATION
CHARITABLE AWARD CONTRIBUTION
AND ADDITIONAL LIFE INSURANCE PLAN
FOR DIRECTORS

ARTICLE I - DEFINITIONS

1.1 "Additional Life Insurance" means term life insurance provided by an insurance company chosen by the Company insuring the life of an Outside Director covering the period of the term for which such Outside Director is elected, payable to such beneficiaries as the Outside Director elects and in the amount of \$500,000, \$750,000 or \$1,000,000 as specified in a Notification given by such Outside Director under Article V.

1.2 "Charitable Award" shall mean such contribution or contributions as the Company may make in the name of an Outside Director to up to three charitable organizations following the death of such Outside Director as suggested in a Notification given under Article IV. It is contemplated that the total amount of the Charitable Award shall be \$250,000, \$500,000, \$750,000 or \$1,000,000 divided among such charitable organizations as suggested in the Notification and the amount suggested for each such organization shall be \$250,000 or an integral multiple thereof.

1.3 "Company" shall mean Whirlpool Corporation, a Delaware corporation with offices at its Administrative Center, Benton Harbor, Michigan 49022.

1.4 "Compensation" shall mean the annual retainer earned by an Outside Director for serving on the Company's Board of Directors.

1.5 "Insurance Term" has the meaning specified in Section 5.1.

1.6 "Notification" shall have the meaning specified in Section 3.2.

1.7 "Outside Director" shall mean a member of the Company's Board of Directors who is not an employee of the Company or of any subsidiary of the Company.

1.8 "Plan Participant" shall mean an Outside Director who has elected (i) to relinquish Compensation and request that the Company at its sole discretion make a

Charitable Award or (ii) to allocate Compensation to Additional Life Insurance pursuant to this Plan.

1.9 "Plan" shall mean the Whirlpool Corporation Charitable Award and Additional Life Insurance Plan for Directors, effective April 20, 1993.

1.10 "Relinquishment Period" shall mean a number of Term Years specified in a Notification given under Article IV relinquishing Compensation and suggesting that the Company consider making a Charitable Award, which period shall not be greater than nine Term Years commencing with the Term Year in which such Notification is given or, if less, the number of Term Years from (and including) the Term Year in which such Notification to (and including) the term year in which the Outside Director giving such Notification will become 70 years of age. In any event, the end of the Relinquishment Period must coincide with the end of the Outside Director's normal three-year term of office. If an Outside Director is appointed or elected to the Board of Directors during a Term Year, the Relinquishment Period shall commence with the succeeding Term Year.

1.11 "Term Year" shall mean the annual period beginning on the date of the annual meeting of the Company's stockholders.

ARTICLE II - PLAN PURPOSE, ELIGIBILITY AND EFFECTIVE DATE

2.1 The Plan has been established for the mutual benefit of the Company and Plan Participants with the primary purpose of making the form of Compensation of Outside Directors more flexible by permitting such Directors to allocate Compensation to Additional Life Insurance or to relinquish Compensation and request that the Company at its sole discretion make a Charitable Award.

2.2 The Plan shall be effective with respect to Compensation payable to Outside Directors with respect to Term Years beginning in 1993 and thereafter.

ARTICLE III - PLAN ADMINISTRATION

3.1 The Company shall have full power and authority to administer the Plan, subject to the express provisions of the Plan.

3.2 Each election to allocate or relinquish Compensation pursuant to the Plan and any amendment to such election shall be made on a notification form (a "Notification") provided by the Company and signed by the Plan Participant. Each Notification shall be effective when it is received by the Secretary of the Company.

ARTICLE IV - CHARITABLE AWARDS

4.1 At any time prior to the election or appointment of an Outside Director to the Board of Directors, such Outside Director may submit a Notification relinquishing Compensation and suggesting that the Company consider making a Charitable Award; provided, however, that such a Notification may be submitted within 30 days after the adoption of the Plan. Such Notification shall indicate:

- (a) the charitable organization or organizations to whom such Charitable Award might be made,
- (b) the amount of the suggested Charitable Award,
- (c) the Relinquishment Period, and
- (d) the amount of Compensation which is to be relinquished in each Term Year in the Relinquishment Period.

The Outside Director shall cooperate with any requests by the Company to provide information that will facilitate the Company's obtaining insurance on the life of the Outside Director.

4.2 A Notification relinquishing Compensation shall become effective immediately and may not be revoked or modified by the Outside Director who gave it and the Company shall reduce the Compensation of such Outside Director during the Relinquishment Period by the amount of Compensation relinquished in the Notification.

4.3 Following the end of the Relinquishment Period specified in an Outside Director's Notification relinquishing Compensation, the Company shall determine whether to make a Charitable Award as suggested by such Director in the Notification. Such determination, including any modification of such suggested Charitable Award, shall be made by the Company in its sole discretion, by vote of a majority of the Board of Directors (excluding the Outside Director whose Notification is being considered).

ARTICLE V - ADDITIONAL LIFE INSURANCE

5.1 At any time prior to the election or appointment of an Outside Director to the Board of Directors, such Outside Director may submit a Notification requesting the Compensation be allocated to Additional Life Insurance; provided, however, that such a Notification may be submitted within 30 days after the adoption of the Plan. Such Notification shall specify the amount of Additional Life Insurance and the amount of Compensation which is to be

allocated to the Additional Life Insurance during each Term Year of the Outside Director's next term as such (the "Insurance Term"). The office of the Secretary of the Company will advise an Outside Director wishing to allocate Compensation to Additional Life Insurance of the amount which must be allocated in each Term Year with respect to such Additional Life Insurance promptly after such office is advised of the amount of Additional Life Insurance to be requested and of any other information requested by such office, including information required to determine the cost to the Company of such Additional Life Insurance.

5.2 The Company may reject any Notification requesting Additional Life Insurance within 30 days after its receipt for any reason including, without limitation:

- (a) inability of the Company to deduct the premiums for the Additional Life Insurance from income in computing the Company's federal income taxes;
- (b) the amount of Compensation required to be allocated by the Company with respect to such Additional Life Insurance exceeding the amount of Compensation available therefore (after deduction of amounts deferred by the Outside Director under any deferred compensation plan of the Company and any relinquishment made under the Plan);
- (c) inability of the Company to obtain the Additional Life Insurance at a reasonable cost; and
- (d) failure of the Notification to comply with the terms of the Plan.

5.3 If not rejected by the Company as provided in Section 5.2, a Notification requesting Additional Life Insurance shall become effective and may not be revoked or modified by the Outside Director who gave it and the Company shall reduce the Compensation of such Outside Director during the Insurance Term by the amount of Compensation allocated in the Notification.

5.4 If an Outside Director who has allocated Compensation to Additional Life Insurance ceases to be an Outside Director during the Insurance Term, the Company may in its sole discretion allow Outside Director to take over responsibility with respect to the remaining payments due on the insurance.

ARTICLE VI - PLAN AMENDMENT OR TERMINATION

6.1 The Board of Directors shall have the right to amend the Plan from time to time or to terminate the privilege under the Plan of allocating to Additional Life Insurance or relinquishing Compensation to be earned, but any such amendment or termination shall not affect adversely the rights of any Plan Participant. The Board of Directors, by action of a majority of non-Plan Participant Directors, may elect to terminate the Plan, in which event, the Company shall allow Outside Director to take over responsibility with respect to the remaining payments due on the insurance.

ARTICLE VII-NON-ASSIGNABILITY; NO THIRD PARTY BENEFICIARIES

7.1 No Plan Participant may assign his or her rights hereunder. This Plan shall not be deemed to create any right in any person other than Outside Directors.

EXHIBIT 11--STATEMENT RE: COMPUTATION OF EARNINGS PER SHARE

WHIRLPOOL CORPORATION AND SUBSIDIARIES

(MILLIONS OF DOLLARS EXCEPT EARNINGS PER SHARE)

	1994	1993	1992
	-----	-----	-----
Primary			
Average Shares Outstanding.....	74.2	71.1	69.8
Treasury Method (Average Market Price)			
Stock Options.....	1.0	1.2	0.7
Restricted Stock (RSVP).....	0.3	--	--
	-----	-----	-----
Primary Average Shares Outstanding.....	75.5	72.3	70.5
	=====	=====	=====
Net Earnings Before Cumulative Effect of Accounting Change.....	\$158.3	\$230.7	\$204.7
RSVP Amortization, net of tax.....	--	--	--
	-----	-----	-----
Primary Net Earnings Before Cumulative Effect of Accounting Change.....	\$158.3	\$230.7	\$204.7
	=====	=====	=====
Earnings Per Share Before Cumulative Effect of Accounting Change.....	\$ 2.10	\$ 3.19	\$ 2.90
	=====	=====	=====
Less Cumulative Effect of Accounting Change.....	\$ --	\$(2.52)	\$ --
	=====	=====	=====
Earnings Per Share.....	\$ 2.10	\$ 0.67	\$ 2.90
	=====	=====	=====
Fully Diluted			
Average Shares Outstanding.....	74.2	71.1	69.8
Treasury Method (Average Market Price or End of Period, whichever is greater):			
Stock Options.....	1.2	2.0	1.3
Restricted Stock.....	0.3	--	--
Assumed Conversion of Debt (4,885 shares issued May 1991).....	2.2	3.3	4.9
	-----	-----	-----
Fully Diluted Average Shares Outstanding.....	77.9	76.4	76.0
	=====	=====	=====
Net Earnings Before Cumulative Effect of Accounting Change.....	\$158.3	\$230.7	\$204.7
Interest Expense, net of tax.....	4.3	7.3	7.6
RSVP Amortization, net of tax.....	--	--	--
	-----	-----	-----
Fully Diluted Net Earnings Before Cumulative Effect of Accounting Change.....	\$162.6	\$238.0	\$212.3
	=====	=====	=====
Earnings Per Share Before Cumulative Effect of Accounting Change.....	\$ 2.09	\$ 3.11	\$ 2.79
	=====	=====	=====
Net Earnings.....	\$158.3	\$ 50.7	\$204.7
Interest Expense, net of tax.....	4.3	7.3	7.6
RSVP Amortization, net of tax.....	--	--	--
	-----	-----	-----
Fully Diluted Net Earnings.....	\$162.6	\$ 58.0	\$212.3
	=====	=====	=====
Earnings Per Share.....	\$ 2.09	\$ 0.67*	\$ 2.79
	=====	=====	=====

*Since the fully diluted net earnings per share is anti-dilutive, the primary net earnings per share is presented.

**EXHIBIT 12--STATEMENT RE: COMPUTATION OF THE
RATIOS OF EARNINGS TO FIXED CHARGES**

WHIRLPOOL CORPORATION AND SUBSIDIARIES

	YEAR ENDED DECEMBER 31, 1994		
	APPLIANCE BUSINESS	FINANCIAL SERVICES	WHIRLPOOL CORPORATION
	(MILLIONS OF DOLLARS)		
Pretax earnings.....	\$268.9	\$23.4	\$292.3
Portion of rents representative of the interest factor.....	19.6	0.8	20.4
Interest on indebtedness.....	102.4	61.0	163.4
Amortization of debt expense and premium.....	1.9	0.1	2.0
WFC preferred stock dividend.....	--	4.5	4.5
	-----	-----	-----
Adjusted income.....	\$392.8	\$89.8	\$482.6
	=====	=====	=====
FIXED CHARGES			
- - - - -			
Portion of rents representative of the interest factor.....	\$ 19.6	\$ 0.8	\$ 20.4
Interest on indebtedness.....	102.4	61.0	163.4
Amortization of debt expense and premium.....	1.9	0.1	2.0
WFC preferred stock dividend.....	--	4.5	4.5
	-----	-----	-----
	\$123.9	\$66.4	\$190.3
	=====	=====	=====
Ratio of earnings to fixed charges.....	3.17	1.35	2.54
	=====	=====	=====

**EXHIBIT 12--STATEMENT RE: COMPUTATION OF THE
RATIOS OF EARNINGS TO FIXED CHARGES**

WHIRLPOOL CORPORATION AND SUBSIDIARIES

	YEAR ENDED DECEMBER 31, 1993		
	APPLIANCE BUSINESS	FINANCIAL SERVICES	WHIRLPOOL CORPORATION
	(MILLIONS OF DOLLARS)		
Pretax earnings.....	\$417.5	\$(43.0)	\$374.5
Portion of rents representative of the interest factor.....	16.3	1.1	17.4
Interest on indebtedness.....	102.8	67.2	170.0
Amortization of debt expense and premium.....	2.0	0.4	2.4
WFC preferred stock dividend.....	--	1.5	1.5
	-----	-----	-----
Adjusted income.....	\$538.6	\$ 27.2	\$565.8
	=====	=====	=====
FIXED CHARGES			
- - - - -			
Portion of rents representative of the interest factor.....	\$ 16.3	\$ 1.1	\$ 17.4
Interest on indebtedness.....	102.8	67.2	170.0
Amortization of debt expense and premium.....	2.0	0.4	2.4
WFC preferred stock dividend.....	--	1.5	1.5
	-----	-----	-----
	\$121.1	\$ 70.2	\$191.3
	=====	=====	=====
Ratio of earnings to fixed charges.....	4.45	0.39	2.96
	=====	=====	=====

. [Management's Discussion and Analysis] .

. Results of Operations

The consolidated statements of earnings summarize operating results for the last three years. This section of Management's Discussion highlights the main factors affecting the changes in operating results during the three-year period.

The accompanying consolidated financial statements include supplemental consolidating data reflecting the Company's investment in Whirlpool Financial Corporation ("WFC") on an equity basis rather than as a consolidated subsidiary. Management believes this presentation provides more meaningful information about the major home appliance and financial services businesses.

Revenues

Revenues were \$8.1 billion in 1994, an increase of 8% over 1993 due primarily to unit volume increases and North America price increases. The overall impact of currency fluctuations was not significant. North American revenues increased 11% due primarily to increased volumes and pricing partially offset by product mix. North American unit volumes increased 9% for the year which was slightly below the overall increase for the industry. Shipments of appliances bearing the KitchenAid, Whirlpool and Roper brand names were up strongly for the year. Shipments to Sears under its Kenmore brand were down slightly as Sears closed its catalog business and a number of retail stores in 1993. North American industry-wide shipments are currently expected to be up about 3% in 1995. European revenues were up 7% due primarily to increased volumes which grew at more than twice the rate of the industry average of 3%. European industry-wide shipments are currently expected to be up about 2% in 1995. Additional price increases of about 2 to 3% were implemented in North America and Europe effective January 1, 1995, in response to rising raw material and component prices. Financial services revenues were down 5% in 1994 due primarily to the continued liquidation of WFC's commercial lending portfolio.

Revenues were \$7.5 billion in 1993, an increase of 3% over 1992. Excluding the effects of currency fluctuations, revenues increased 8% in 1993 due primarily to unit volume increases. North American unit volumes and revenue were significantly ahead of the prior year periods and exceeded industry-wide shipment growth of about 5%. North America's Whirlpool, KitchenAid and Roper product brands all had strong unit volume and revenue gains for the year as did product manufactured for Sears under its Kenmore brand. European unit volumes were ahead of 1992 even as industry-wide shipments were down 1 to 2%. Revenues were down due to currency fluctuations. Financial services revenues were down 18% in 1993 due to lower volumes and interest rates. The declines were also related to WFC's implementation of a new strategy to better complement Whirlpool's global home-appliance business and phase out of aerospace and highly leveraged commercial lending activities.

Expenses

The relationship of cost of products sold to net sales deteriorated slightly in 1994 compared to 1993. North American margins were up slightly in 1994 due to improved productivity, increased volumes and pricing partially offset by chlorofluorocarbon (CFC) taxes, compliance costs associated with energy regulatory requirements and product mix. European margins were down in 1994 due to the competitive pressures of a consolidating industry and to brand and product mix as consumer demand shifted somewhat to lower-margin, value- brand appliances.

The relationship of cost of products sold to net sales improved about 1% in 1993 compared to 1992. North American margins in 1993 were up slightly with operating leverage offset by higher benefit costs associated with new accounting rules (refer to Net Earnings) and the effect of a weakening Canadian dollar. European margins were up significantly in 1993 due to the favorable impact of currency movements on the European cost structure and ongoing productivity improvements.

The ratio of consolidated selling and administrative expenses as a percent of revenues, excluding the effect of the 1993 WFC first quarter charge (refer to Net Earnings), was flat in 1994 compared to 1993. The appliance business expense ratio was up slightly. North American expenses as a percent of net sales were up slightly due primarily to costs associated with the new distribution arrangement (refer to Note 10 to the accompanying consolidated financial statements) and due to costs related to a refrigerator conversion project. European expenses as a percent of net sales were down due to ongoing cost reduction initiatives. The year was also affected by a planned increase in costs related to the Company's strategy to expand its presence in Asia. Financial services expenses excluding nonrecurring charges, as a percent of the related revenue, were up slightly due to accelerated depreciation of aircraft on lease and increased operating expenses to support the inventory and consumer finance businesses.

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. [Management's Discussion and Analysis (continued)] .

The ratio of consolidated selling and administrative expenses as a percent of revenues, excluding the effect of the 1993 WFC first quarter charge (refer to Net Earnings), was up slightly in 1993 compared to 1992. Appliance business expenses were slightly higher due to planned costs related to the Company's strategy to expand its presence in Asia, higher technology spending and higher expenses under incentive plans. Financial services expenses, excluding the 1993 charge mentioned earlier, increased due to higher loan loss provisions and accelerated depreciation of aircraft on lease.

Financial services interest expense was down in 1994 compared to 1993 and in 1993 compared to 1992 due to reductions in investment levels and lower interest rates.

In the third quarter of 1994, the Company sold its minority interest position in Matsushita Floor Care Company (MFCC), a vacuum cleaner manufacturer, resulting in a \$26 million pre-tax gain. The Company also sold its European compressor operation in the second quarter of 1994 resulting in a \$34 million pre-tax gain. Refer to Cash Flow - Investing Activities.

Restructuring costs of \$250 million for 1994 consist of charges to consolidate and reorganize the Company's European sales, marketing and support functions to better serve dealers by trade channel rather than by country, the closure of two North American manufacturing facilities and the further consolidation and rationalization of North American operations. The restructuring is expected to result in annual cost savings of \$150 million by 1997. Refer to Note 10 to the accompanying consolidated financial statements.

Restructuring costs for 1993 consist of charges to end independent distributor agreements in North America in order to streamline the distribution process, facility consolidation and employee related charges in Canada, the pre-tax loss on the sale of a refrigerator plant in Barcelona, Spain, and employee related costs associated with efforts to increase cost effectiveness in Europe.

Restructuring costs for 1992 consist primarily of employee related costs to strategically redirect the Company's financial services business, increase cost effectiveness in the European appliance business and complete the compressor facility consolidation announced in 1991.

Interest Expense

Appliance business interest expense was flat in 1994 due to lower borrowing levels offset by higher interest rates. Appliance business interest expense was down significantly in 1993 over 1992 due to lower borrowing levels and lower interest rates.

Income Taxes

The provision for income taxes as a percent of earnings before income taxes and other items was 60% in 1994 (40% excluding the effect of restructuring and business dispositions) compared to 40% in 1993 and 41% in 1992. The higher effective rate in 1994 is due primarily to the impact of the 1994 restructuring charge and a 1994 tax charge associated with the sale of the European compressor operation partially offset by a 1994 tax benefit associated with the sale of MFCC. Excluding the effects of restructuring and business dispositions, the 1994 effective tax rate is essentially flat with the prior year. The lower effective tax rate for 1993 compared to 1992 is due primarily to utilization of European tax benefits and lower non-deductible expenses partially offset by the higher U.S. Federal tax rate.

Earnings before Equity Earnings and Other Items

Earnings before equity earnings and other items were \$116 million in 1994, \$227 million in 1993 and \$218 million in 1992. Excluding the impact of restructuring, business dispositions and the 1993 WFC charge, earnings before equity earnings and other items were \$290 million in 1994, \$281 million in 1993 and \$243 million in 1992.

Equity in Affiliated Companies and Other

Equity earnings were \$59 million in 1994 compared to \$16 million in 1993 and equity losses of \$13 million in 1992.

The Company's Brazilian affiliates generated equity earnings of \$39 million in 1994 compared to \$21 million in 1993 and equity losses of \$10 million in 1992. The Brazilian government implemented a new economic plan in 1994 which increased consumer demand. Results were also favorably affected by financial income and utilization of net operating loss carryforwards partially offset by non-operating reserves. Effective May 1, 1994, two of the Brazilian affiliates, Brastemp S.A. and Consul S.A., were merged into a new entity, Multibras S.A. The merger resulted in operating efficiencies as an outcome of consolidating selling and administrative functions, improved utilization of prior year tax losses, and more flexibility in management of brands and products. The

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improved 1993 performance resulted primarily from higher sales volumes and productivity improvements. The 1992 performance reflected higher operating losses partially offset by the reversal of non-operating reserves established in 1991. The Company records the equity results of its Brazilian affiliates on a one month lag.

The Company's Mexican affiliate reported equity earnings of \$16 million in 1994 compared to equity losses of \$6 million and \$5 million in 1993 and 1992. The increase in 1994 is due to increased shipments, improved cost control and an \$8 million gain resulting from the devaluation of the Mexican peso. Results in 1993 include a \$3 million charge for taxes related to prior years.

Economic volatility and exchange rate changes continue to affect consumer purchasing power and the appliance industry as a whole in Brazil and Mexico.

Net Earnings

In 1994, the Company recorded an after-tax restructuring charge of \$192 million or \$2.54 per share. Business dispositions in 1994 resulted in an after-tax gain of \$18 million or \$.24 per share.

The Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," in the first quarter of 1993 resulting in a one time after-tax charge to earnings of \$180 million or \$2.52 per share. The Company also recorded a first quarter after-tax charge of \$40 million or \$.56 per share primarily to adjust the value of specific aerospace and commercial accounts in WFC's financing portfolio.

Absent all restructuring, business dispositions, SFAS No. 106 and WFC charges mentioned above, net earnings were \$332 million in 1994, \$285 million in 1993 and \$230 million in 1992. Corresponding earnings per share were \$4.40 in 1994, \$3.94 in 1993 and \$3.26 in 1992.

Cash Flows

The statements of cash flows reflect the changes in cash and equivalents for the last three years by classifying transactions into three major categories; operating, investing and financing activities.

Operating Activities

The Company's main source of liquidity is cash from operating activities consisting of net earnings from operations adjusted for non-cash operating items such as depreciation and changes in operating assets and liabilities such as receivables, inventories and payables.

Cash provided by operating activities was \$449 million in 1994, \$629 million in 1993 and \$578 million in 1992. The decrease in 1994 is due primarily to changes in receivables, inventories, other operating accounts and restructuring spending. The improvement in 1993 was due primarily to higher earnings and changes in inventories, payables and other operating accounts. Other operating accounts primarily include accrued expenses related to employee compensation, income taxes, product warranty and advertising.

Investing Activities

The principal recurring investing activities are property additions and investments in and collection of financing receivables and leases. Net property additions were \$418 million in 1994, \$309 million in 1993 and \$288 million in 1992. These expenditures are primarily for equipment and tooling related to product improvements, more efficient production methods, replacement for normal wear and tear and more stringent governmental energy and environmental regulations. Lower investment in the financial services business resulted in \$17 million, \$285 million and \$168 million of net cash receipts from WFC financing receivables in 1994, 1993 and 1992.

Other investing activities during the past three years included business dispositions and acquisitions.

In December 1994, the Company announced plans to begin manufacturing and distributing major home appliances in China. The Company has entered into two agreements to acquire for about \$90 million a majority interest in SMC Microwave Products Co., Inc., a microwave oven manufacturer with current annual revenues of about \$100 million and to invest about \$17 million for the majority interest in Beijing Whirlpool Snowflake Electric Appliance Company, Limited, a new joint venture to produce refrigerators. The Snowflake joint venture received government approval in December. The SMC joint venture is expected to close in the first quarter of 1995. The Company is currently negotiating another joint venture arrangement with Shanghai Narcissus Electric

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. [Management's Discussion and Analysis (continued)] .

Appliance Corp., Ltd. to produce washing machines as well as a fourth joint venture to produce air conditioners. The Company is also considering additional investment opportunities in China and worldwide.

In September 1994, the Company sold its minority interest in Matsushita Floor Care Company (MFCC), a joint venture which manufactures and markets vacuum cleaners in the North American market. The sale resulted in cash proceeds of \$44 million and a pre-tax gain of \$26 million. The after-tax gain was \$18 million or \$.24 per share.

In July 1994, the Company announced plans to expand its presence in India by acquiring a controlling interest in Kelvinator of India, Ltd. (KOI), a manufacturer and marketer of refrigerators, for about \$120 million in cash. The acquisition is expected to close in 1995 pending approval from the Indian government. As the transaction involves an issue of new KOI shares, most of the purchase price will be invested as equity in KOI in support of planned plant and product line expansion. KOI annual sales were about \$120 million for its fiscal year ended June 30, 1994.

In April 1994, the Company sold its European compressor operation to one of the Company's Brazilian affiliates for \$106 million. The Company received 75% of the selling price in cash at the closing date with the remainder due in 1996. The sale resulted in a pre-tax gain of \$34 million but no significant gain or loss after taxes. The European compressor operation contributed gross sales of \$213 million, including third party sales of \$127 million, and pre-tax earnings of \$10 million in 1993.

In April 1994, the Company made an additional \$3 million investment in TVS Whirlpool Limited to become the majority partner in this Indian joint venture. In February 1994, the Company made an additional \$3 million investment in Whirlpool Tatramat to become the majority partner in this Slovakian joint venture and contributed \$3 million for a minority interest in a joint venture with Teco Electric and Machinery Co., Ltd., to market and distribute appliances in Taiwan.

In the third quarter of 1994, the Company began construction of a new \$100 million cooking products facility in Tulsa, Oklahoma, to manufacture freestanding gas and electric ranges beginning in mid-1996.

In October 1993, the Company made an additional \$26 million investment in Brastemp (now Multibras S.A.). In April 1993, as part of the Company's Latin America strategy, the Company's Argentine subsidiary sold additional voting stock, representing a 40% interest, to one of the Company's Brazilian affiliates for \$7 million. In July 1993, the Company sold its refrigerator plant in Barcelona, Spain, for \$4 million, resulting in an \$8 million pre-tax loss but no significant gain or loss after taxes.

Financing Activities

Dividends to shareholders totaled \$90 million in 1994, \$85 million in 1993 and \$77 million in 1992.

The Company reduced borrowings by \$33 million in 1994 primarily due to the continued liquidation of WFC's commercial lending portfolio.

In December 1994, the Company announced plans to repurchase up to 5% of the outstanding shares of common stock. The treasury shares will be used in employee stock-option, retirement and other compensation programs and for general corporate purposes. Through the end of January 1995, the Company had repurchased approximately 875,000 shares for \$45 million.

The Company reduced borrowings by \$583 million in 1993 due to strong operating cash flow and the liquidation of WFC's commercial lending portfolio.

In 1993, WFC completed a \$75 million sale of preferred stock in a move consistent with plans to broaden the subsidiary's equity base and position it as a more financially independent business entity. The proceeds were used to repay intercompany debt to the Company. Refer to Note 6 to the accompanying consolidated financial statements.

In 1993, the Company called \$125 million of 9 1/8% Sinking Fund Debentures and terminated \$100 million of related interest rate swap agreements resulting in an immaterial gain on extinguishment. The Company also terminated \$400 million of interest rate swap agreements designated as hedges of long-term debt resulting in a deferred gain of \$51 million which is being amortized as a reduction in interest expense over the life of the related debt.

In 1993, WFC initiated a commercial paper program which authorizes the issuance of up to \$1.2 billion. The 1993 net proceeds of \$790 million were used to repay intercompany debt to the Company.

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. Financial Condition and Other Matters

The financial position of the Company remains strong as evidenced by the December 31, 1994, balance sheet. The Company's total assets are \$6.7 billion and stockholders' equity is \$1.7 billion.

The overall debt to invested capital ratio at December 31, 1994, was essentially flat compared to December 31, 1993. The appliance business debt to invested capital ratio net of cash ("debt ratio") increased slightly from 32% to 34% due primarily to the effect on equity of the restructuring charge and stock repurchase offset somewhat by the conversion of subordinated zero coupon convertible notes. As of December 31, 1994, convertible notes with principal amounts of \$369 million have been converted into 2.7 million shares of the Company's common stock. The debt ratio is also affected by European currency movements due to a combination of foreign borrowings and the Company's hedging strategy related to Whirlpool Europe. The financial services debt to invested capital ratio decreased due to lower investment levels compared to December 31, 1993. The Company's debt continues to be rated investment grade by Moody's Investors Service Inc., Standard and Poors and Duff & Phelps.

Various European currency swaps and forward contracts serve to hedge net foreign currency cash flows and a portion of the Company's investment in Whirlpool Europe. Changes in the values of the swaps and forward contracts due to movements in exchange rates are included in the currency translation component of stockholders' equity or other income (expense) depending on whether or not they relate to the investment hedge.

WFC's financing portfolio by business segment at December 31, 1994 and 1993, is as follows:

	1994		1993	
(millions of dollars)				
Inventory	\$ 652	41%	\$ 558	35%
Aerospace	465	29	484	30
Consumer	386	24	300	19
Commercial	25	2	180	11
Other	55	4	85	5
	\$1,583	100%	\$1,607	100%

The aerospace portfolio is generally secured by newer (Stage III) aircraft on lease to various international airlines. Although the commercial airline industry seems to be stabilizing, the near-term outlook remains uncertain. Management believes the aerospace portfolio carrying value is appropriate. The Company previously announced it was phasing out of aerospace and highly leveraged commercial lending activities.

The financial services industry is very competitive and various leasing companies, financial institutions and finance companies operate in the same markets as WFC. Refer to Notes 3 and 15 to the accompanying consolidated financial statements for a further description of WFC's business.

In May 1993, the Financial Accounting Standards Board issued Statement No. 114, "Accounting by Creditors for Impairment of a Loan." The new rules will require WFC to measure impaired loans based on the present value of expected future cash flows discounted at the loan's effective interest rate. WFC must adopt the new rules on a prospective basis no later than 1995. Adoption of the new rules will not have a material effect on the Company's net earnings or financial position.

The Company has external sources of capital available and believes it has adequate financial resources and liquidity to meet anticipated business needs and to fund future growth opportunities such as new products, acquisitions and joint ventures.

. Business Unit Net Sales and Operating Profit

The following appliance business (WFC on an equity basis) data is presented as supplemental information:

Net Sales by Business Unit Were as Follows:

	1994		1993		Increase/(Decrease)	
(millions of dollars)						
North America	\$5,048	\$4,559	\$ 489	11%		
Europe	2,373	2,225	148	7		
Latin America	329	303	26	9		
Asia	205	151	54	36		
Other	(6)	130	(136)	--		
Total Appliance Business	\$7,949	\$7,368	\$ 581	8%		

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. [Management's Discussion and Analysis (continued)] .

Operating Profit by Business Unit Was as Follows:

	1994	1993	Increase/(Decrease)	
(millions of dollars)				
North America	\$ 522	\$ 474	\$ 48	10%
Europe	163	139	24	17
Latin America	49	43	6	16
Asia	(22)	(5)	(17)	--
Restructuring	(248)	(23)	(225)	--
Business Dispositions	60	(8)	68	--
Other	(154)	(116)	(38)	(33)
Total Appliance Business	\$ 370	\$ 504	\$ (134)	(27)%

The restructuring relates to North America and Europe (refer to Note 10 to the accompanying consolidated financial statements). Other primarily includes the European Compressor Operation (1993 only), corporate costs and intercompany eliminations.

For commentary regarding performance in North America and Europe, refer to Results of Operations. Latin America includes Whirlpool Argentina and the South American Sales Company (SASCO). Whirlpool Argentina improved both its product shipments and operating performance during 1994 and 1993 while SASCO's results were affected by pockets of economic instability, particularly in Venezuela. Asia had significant shipment and revenue growth during 1994 and 1993 but the increased operating loss was due primarily to planned costs related to the Company's strategy to expand its presence in Asia.

. Revenue Information

Year ended December 31	Percent	1994	1993	1992
(millions of dollars)				
Major Home Appliances				
Home Laundry Appliances	32.2%	\$2,610	\$2,481	\$2,489
Home Refrigeration and Room Air Conditioning Equipment	35.8	2,900	2,588	2,525
Other Home Appliances	30.1	2,439	2,299	2,083
	98.1	7,949	7,368	7,097
Financial Services	1.9	155	165	204
	100.0%	\$8,104	\$7,533	\$7,301

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[Consolidated Statements of Earnings] .

Year ended December 31	Whirlpool Corporation (Consolidated)			Supplemental Whirlpool with WFC on an Equity Basis			Consolidating Data Whirlpool Financial Corporation (WFC)		
	1994	1993	1992	1994	1993	1992	1994	1993	1992
(millions of dollars, except share data)									
Revenues									
Net sales	\$7,949	\$7,368	\$7,097	\$7,949	\$7,368	\$7,097	\$ --	\$ --	\$ --
Financial services	155	165	204	--	--	--	184	193	235
	8,104	7,533	7,301	7,949	7,368	7,097	184	193	235
Expenses									
Cost of products sold	5,952	5,503	5,365	5,952	5,503	5,365	--	--	--
Selling and administrative	1,490	1,433	1,323	1,415	1,305	1,242	104	155	113
Financial services interest	51	59	82	--	--	--	63	72	95
Intangible amortization	24	25	27	24	25	27	--	--	--
Gain on dispositions	(60)	--	--	(60)	--	--	--	--	--
Restructuring costs	250	31	25	248	31	16	2	--	9
	7,707	7,051	6,822	7,579	6,864	6,650	169	227	217
Operating Profit (Loss)	397	482	479	370	504	447	15	(34)	18
Other Income (Expense)									
Interest and sundry	9	6	38	3	19	21	8	(9)	20
Interest expense	(114)	(113)	(145)	(104)	(105)	(134)	--	--	--
Earnings (Loss) Before Income Taxes, Other Items and Accounting Change	292	375	372	269	418	334	23	(43)	38
Income taxes	176	148	154	169	167	142	7	(19)	12
Earnings (Loss) Before Equity Earnings, Minority Interests and Accounting Change	116	227	218	100	251	192	16	(24)	26
Equity in WFC	--	--	--	11	(28)	26	--	--	--
Equity in affiliated companies	59	16	(13)	59	16	(13)	--	--	--
Minority interests	(17)	(12)	--	(12)	(10)	--	(5)	(2)	--
Net Earnings (Loss) Before Cumulative Effect of Accounting Change	158	231	205	158	229	205	11	(26)	26
Cumulative effect of accounting change for postretirement benefits	--	(180)	--	--	(178)	--	--	(2)	--
Net Earnings (Loss)	\$ 158	\$ 51	\$ 205	\$ 158	\$ 51	\$ 205	\$ 11	\$ (28)	\$ 26
Per share of common stock:									
Primary earnings before accounting change	\$ 2.10	\$ 3.19	\$ 2.90						
Primary earnings	\$ 2.10	\$ 0.67	\$ 2.90						
Fully diluted earnings before accounting change	\$ 2.09	\$ 3.11	\$ 2.79						
Fully diluted earnings	\$ 2.09	\$ 0.67	\$ 2.79						
Cash dividends	\$ 1.22	\$ 1.19	\$ 1.10						
Average number of common shares outstanding (millions)	75.5	72.3	70.6						

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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. [Consolidated Balance Sheets] .

December 31	Whirlpool Corporation (Consolidated)		Supplemental Consolidating Data			
	1994	1993	Whirlpool with WFC on an Equity Basis		Whirlpool Financial Corporation (WFC)	
	1994	1993	1994	1993	1994	1993

(millions of dollars)						
Assets						
Current Assets						
Cash and equivalents	\$ 72	\$ 88	\$ 51	\$ 81	\$ 21	\$ 7
Trade receivables, less allowances of \$38 in 1994 and \$36 in 1993	1,001	866	1,001	866	--	--
Financing receivables and leases, less allowances	866	814	--	--	866	814
Inventories	838	760	838	760	--	--
Prepaid expenses and other	197	102	183	95	14	7
Deferred income taxes	104	78	104	78	--	--

Total Current Assets	3,078	2,708	2,177	1,880	901	828
Other Assets						
Investment in affiliated companies	370	320	370	320	--	--
Investment in WFC	--	--	253	239	--	--
Financing receivables and leases, less allowances	717	793	--	--	717	793
Intangibles, net	730	725	730	725	--	--
Deferred income taxes	171	127	171	127	--	--
Other	149	55	149	55	--	--

	2,137	2,020	1,673	1,466	717	793
Property, Plant and Equipment						
Land	73	69	73	69	--	--
Buildings	610	586	610	586	--	--
Machinery and equipment	2,418	2,181	2,392	2,157	26	24
Accumulated depreciation	(1,661)	(1,517)	(1,645)	(1,504)	(16)	(13)

	1,440	1,319	1,430	1,308	10	11

Total Assets	\$ 6,655	\$ 6,047	\$ 5,280	\$ 4,654	\$1,628	\$1,632
	=====					

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December 31	Supplemental Consolidating Data					
	Whirlpool Corporation (Consolidated)		Whirlpool with WFC on an Equity Basis		Whirlpool Financial Corporation (WFC)	
	1994	1993	1994	1993	1994	1993
(millions of dollars)						
Liabilities and Stockholders' Equity						
Current Liabilities						
Notes payable	\$1,162	\$ 992	\$ 226	\$ 160	\$ 936	\$ 832
Accounts payable	843	742	795	689	48	53
Employee compensation	201	177	192	172	9	5
Accrued expenses	629	651	620	641	9	10
Restructuring costs	114	33	112	33	2	--
Current maturities of long-term debt	39	168	36	83	3	85
	-----		-----		-----	
Total Current Liabilities	2,988	2,763	1,981	1,778	1,007	985
Other Liabilities						
Deferred income taxes	221	167	110	67	111	100
Postemployment benefits	481	472	481	472	--	--
Other liabilities	262	65	262	65	--	--
Long-term debt	885	840	703	607	182	233
	-----		-----		-----	
	1,849	1,544	1,556	1,211	293	333
Minority Interests						
	95	92	20	17	75	75
Stockholders' Equity						
Common stock, \$1 par value: 250 million shares authorized, 80 million and 79 million shares outstanding (including treasury stock) in 1994 and 1993	80	79	80	79	8	8
Paid-in capital	214	152	214	152	26	26
Retained earnings	1,754	1,686	1,754	1,686	220	208
Unearned restricted stock	(8)	(9)	(8)	(9)	--	--
Cumulative translation adjustments	(93)	(77)	(93)	(77)	(1)	(3)
Treasury stock -- 6 million and 5 million shares at cost in 1994 and 1993	(224)	(183)	(224)	(183)	--	--
	-----		-----		-----	
	1,723	1,648	1,723	1,648	253	239
	-----		-----		-----	
Total Liabilities and Stockholders' Equity	\$6,655	\$6,047	\$5,280	\$4,654	\$1,628	\$1,632
	=====					

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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[Consolidated Statements of Cash Flows] .

Year ended December 31	Whirlpool Corporation (Consolidated)			Supplemental Consolidating Data Whirlpool with WFC on an Equity Basis			Whirlpool Financial Corporation (WFC)		
	1994	1993	1992	1994	1993	1992	1994	1993	1992
(millions of dollars)									
Operating Activities									
Net earnings (loss) before cumulative effect of accounting change	\$ 158	\$ 231	\$205	\$ 158	\$ 229	\$205	\$11	\$(26)	\$ 26
Depreciation	246	241	275	243	239	271	3	2	3
Deferred income taxes	(28)	(31)	9	(39)	(27)	2	11	(4)	7
Equity in net losses (earnings) of affiliated companies, including dividends received	(57)	(14)	16	(57)	(14)	16	--	--	--
Equity in net loss (earnings) of WFC	--	--	--	(11)	28	(26)	--	--	--
(Gain) loss on business dispositions	(60)	8	--	(60)	8	--	--	--	--
Provision for doubtful accounts	28	75	55	6	8	15	22	67	40
Amortization of goodwill	20	28	27	20	28	27	--	--	--
Restructuring charges, net of cash paid	197	10	14	195	19	5	2	(9)	9
Minority interests	12	10	--	12	10	--	--	--	--
Other	25	43	15	7	23	(4)	18	20	2
Changes in assets and liabilities, net of effects of business acquisitions and dispositions:									
Trade receivables	(125)	(76)	(83)	(125)	(75)	(83)	--	--	--
Inventories	(72)	(145)	(7)	(72)	(145)	(7)	--	--	--
Accounts payable	107	101	5	105	89	29	2	12	(25)
Other -- net	(2)	148	47	(2)	146	32	--	9	7
Cash Provided by Operating Activities	\$ 449	\$ 629	\$578	\$ 380	\$ 566	\$482	\$69	\$ 71	\$ 69

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Year ended December 31	Whirlpool Corporation (Consolidated)			Whirlpool with WFC on an Equity Basis			Supplemental Consolidating Data Whirlpool Financial Corporation (WFC)		
	1994	1993	1992	1994	1993	1992	1994	1993	1992
(millions of dollars)									
Investing Activities									
Net additions to properties	\$ (418)	\$ (309)	\$ (288)	\$ (416)	\$ (307)	\$ (284)	\$ (2)	\$ (2)	\$ (4)
Financing receivables originated and leasing assets purchased	(3,051)	(2,603)	(2,497)	--	--	--	(3,051)	(2,603)	(2,497)
Principal payments received on financing receivables and leases	3,068	2,888	2,665	--	--	--	3,068	2,888	2,665
Acquisitions of businesses, less cash acquired	(28)	--	--	(28)	--	--	--	--	--
Net increase in investment in affiliated companies	--	(19)	(12)	--	(19)	(12)	--	--	--
Business dispositions	124	4	--	124	4	--	--	--	--
Other	(34)	(57)	(80)	(9)	--	(67)	(25)	(63)	14
Cash Provided by (Used for) Investing Activities	(339)	(96)	(212)	(329)	(322)	(363)	(10)	220	178
Financing Activities									
Proceeds of short-term borrowings	12,727	12,049	12,066	4,344	9,586	10,583	8,383	3,424	1,483
Repayments of short-term borrowings	(12,585)	(12,465)	(12,299)	(4,255)	(9,785)	(10,617)	(8,330)	(3,641)	(1,701)
Proceeds of long-term debt	42	32	50	129	145	50	--	--	39
Repayments of long-term debt	(206)	(173)	(73)	(206)	(159)	(47)	(87)	(127)	(32)
Repayments of non-recourse debt	(11)	(26)	(17)	--	--	--	(11)	(26)	(17)
Dividends paid	(90)	(85)	(77)	(90)	(85)	(77)	--	--	--
Purchase of treasury stock	(16)	--	--	(16)	--	--	--	--	--
Proceeds from the sale of preferred stock	--	75	--	--	--	--	--	75	--
Swap terminations	--	56	--	--	56	--	--	--	--
Other	13	26	8	13	27	10	--	(3)	(16)
Cash Used for Financing Activities	(126)	(511)	(342)	(81)	(215)	(98)	(45)	(298)	(244)
Increase (Decrease) in Cash and Equivalents	(16)	22	24	(30)	29	21	14	(7)	3
Cash and equivalents at beginning of year	88	66	42	81	52	31	7	14	11
Cash and Equivalents at End of Year	\$ 72	\$ 88	\$ 66	\$ 51	\$ 81	\$ 52	\$ 21	\$ 7	\$ 14

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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. [Notes to Consolidated Financial Statements] .

. Note 1: Summary of Principal Accounting Policies

Principles of Consolidation: The consolidated financial statements include all majority-owned subsidiaries. Investments in affiliated companies are accounted for by the equity method. Intercompany transactions and amounts between Whirlpool Corporation and Whirlpool Financial Corporation (WFC) included in the supplemental consolidating data have been eliminated in the consolidated financial statements. The eliminations relate primarily to intercompany financing, interest and leasing transactions.

Revenue Recognition: Sales are recorded when product is shipped to wholesale distributors or directly to retailers. Refer also to Financing Receivables and Leases.

Cash and Equivalents: All highly liquid debt instruments purchased with a maturity of three months or less are considered cash equivalents.

Inventories: Inventories are stated at first-in, first-out (FIFO) cost, except U.S. production inventories which are stated at last-in, first-out (LIFO) cost. Costs do not exceed realizable values.

Property, Plant and Equipment: Property, plant and equipment are stated at cost. Depreciation of plant and equipment is computed using the straight-line method based on the estimated useful lives of the assets.

Intangibles: The cost of business acquisitions in excess of net tangible assets acquired is amortized on a straight-line basis principally over 40 years. Accumulated amortization aggregated \$124 million at December 31, 1994, and \$109 million at December 31, 1993. On an annual basis, the Company evaluates recorded goodwill for potential impairment against the current and estimated undiscounted future operating income before goodwill amortization of the businesses to which the goodwill relates.

Research and Development Costs: Research and development costs are charged to expense as incurred. Such costs were approximately \$152 million in 1994, \$128 million in 1993 and \$113 million in 1992.

Advertising Costs: Advertising costs are charged to expense as incurred. Such costs were approximately \$140 million in 1994, \$128 million in 1993 and \$130 million in 1992.

Financing Receivables and Leases: Interest and discount charges are recognized in revenues using the effective yield method. Lease income is recorded in decreasing amounts over the term of the lease contract, resulting in a level rate of return on the net investment in the lease. Origination fees and related costs are deferred and amortized as yield adjustments over the life of the related receivable or lease.

The allowance for losses is maintained at estimated amounts necessary to cover losses on all finance and leasing receivables based on management's assessment of various factors including loss experience and review of problem accounts.

The Company adopted Financial Accounting Standards Board Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities," effective January 1, 1994. The new rules require that certain investments in marketable equity securities and many debt securities be presented at fair value. Adoption of the new rules had no material effect on the Company's net earnings or financial position.

In May 1993, the Financial Accounting Standards Board issued Statement No. 114, "Accounting by Creditors for Impairment of a Loan," which requires that impaired loans be measured based on the present value of expected future cash flows discounted at the loans' effective interest rate. The new rules must be adopted on a prospective basis no later than 1995. Adoption of the new rules will not have a material effect on the Company's net earnings or financial position.

Derivative Financial Instruments: The Company's policy is to diminish the economic impact of fluctuations in various financial markets on operations in dollar terms. To achieve this, the Company enters into interest rate and cross currency interest rate swaps to hedge its exposure to fluctuations in interest rates; cross currency interest rate swaps and foreign currency forward contracts to hedge its exposure to fluctuations in foreign currency exchange rates; and commodity swaps to reduce its exposure to raw material price fluctuations.

The Company's hedging strategy for the foreign currency exchange risk associated with its investment in Europe is based on projected foreign currency cash flows over periods up to ten years. The Company uses foreign currency forward contracts and interest rate and cross currency interest rate swaps to effectively convert a portion of the Company's U.S. dollar denominated debt into various European currencies. The Company's investment in Europe and the foreign currency portion of these contracts and swaps are adjusted each period to reflect current foreign currency exchange rates with gains and losses recorded in the equity section of the balance sheet. To the extent that the notional amounts of these contracts exceed the Company's investment in Europe, the respective mark-to-market gains and losses are reflected currently in earnings. The net translation gain (loss) recognized in other income, including the gains

. Note 1: Summary of Principal Accounting Policies
(continued)

and losses from these contracts not qualifying as hedges, was \$(3) million, \$5 million and \$18 million in 1994, 1993 and 1992. The differential paid or received on interest rate swaps and the interest component of cross currency interest rate swaps is recognized as an adjustment to interest expense.

Foreign currency forward contracts are also used to hedge payments due on cross currency interest rate swaps, intercompany loans and intercompany shipments. In addition, the Company hedges a portion of its contractual requirements of certain commodities with commodity swaps. Gains and losses on these contracts are recognized in the same period as the underlying transactions.

WFC enters into interest rate swaps to match certain assets and liabilities in terms of duration and pricing frequency and to hedge margins on financing transactions. The differential paid or received on these contracts is recognized as an adjustment to interest expense.

The Company deals only with investment grade counterparties to these contracts and monitors overall credit risk and exposure to individual counterparties. The Company does not anticipate nonperformance by any counterparties. The amount of the exposure is generally the unrealized gains in such contracts. The Company does not require, nor does it post, collateral or security on such contracts.

Net Earnings Per Common Share: Net earnings per common share are based on the average number of shares of common stock and common stock equivalents outstanding during each year. Primary per share amounts assume, if dilutive, the exercise of stock options and vesting of restricted stock using the treasury stock method. Fully dilutive per share amounts also assume the conversion of the 7% subordinated convertible notes.

. Note 2: Business Acquisitions and Dispositions

In December 1994, the Company announced plans to begin manufacturing and distributing major home appliances in China. The Company has entered into two agreements to acquire for about \$90 million a majority interest in SMC Microwave Products Co., Inc., a microwave oven manufacturer with current annual revenues of about \$100 million and to invest about \$17 million for the majority interest in Beijing Whirlpool Snowflake Electric Appliance Company, Limited, a new joint venture to produce refrigerators. The Snowflake joint venture received government approval in December. The SMC joint venture is expected to close in the first quarter of 1995. The Company is currently negotiating another joint venture arrangement with Shanghai Narcissus Electric Appliance Corp., Ltd. to produce washing machines, as well as a fourth joint venture to produce air conditioners.

In September 1994, the Company sold its minority interest in Matsushita Floor Care Company (MFCC), a joint venture which manufactures and markets vacuum cleaners in the North American market. The sale resulted in cash proceeds of \$44 million and a pre-tax gain of \$26 million. The after-tax gain was \$18 million or \$.24 per share.

In July 1994, the Company announced plans to expand its presence in India by acquiring a controlling interest in Kelvinator of India, Ltd. (KOI), a manufacturer and marketer of refrigerators, for about \$120 million in cash. The acquisition is expected to close in 1995 pending approval from the Indian government. As the transaction involves an issue of new KOI shares, most of the purchase price will be invested as equity in KOI in support of planned plant and product line expansion. KOI annual sales were about \$120 million for its fiscal year ended June 30, 1994.

In April 1994, the Company sold its European compressor operation to one of the Company's Brazilian affiliates for \$106 million. The Company received 75% of the selling price in cash at the closing date with the remainder due in 1996. The sale resulted in a pre-tax gain of \$34 million but no significant gain or loss after taxes. The European compressor operation contributed gross sales of \$213 million, including third party sales of \$127 million, and pre-tax earnings of \$10 million in 1993.

In April 1994, the Company made an additional \$3 million investment in TVS Whirlpool Limited to become the majority partner in this Indian joint venture. In February 1994, the Company made an additional \$3 million investment in Whirlpool Tatramat to become the majority partner in this Slovakian joint venture and contributed \$3 million for a minority interest in a joint venture with Teco Electric and Machinery Co., Ltd., to market and distribute appliances in Taiwan.

In October 1993, the Company made an additional \$26 million investment in Brastemp (now Multibras S.A.). In April 1993, as part of the Company's Latin America strategy, the Company's Argentine subsidiary sold additional voting stock, representing a 40% interest, to one of the Company's Brazilian

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. [Notes to Consolidated Financial Statements (continued)] .

. Note 2: Business Acquisitions and Dispositions (continued)

affiliates for \$7 million. In July 1993, the Company sold its refrigerator plant in Barcelona, Spain for \$4 million, resulting in an \$8 million pre-tax loss but no significant gain or loss after taxes.

Pro forma consolidated operating results reflecting these acquisitions and dispositions would not have been materially different from reported amounts. The acquisitions have been or will be accounted for as purchases.

. Note 3: Financing Receivables and Leases

December 31	1994	1993

(millions of dollars)		
Financing receivables	\$ 1,251	\$ 1,250
Leveraged leases	107	108
Direct financing leases	11	28
Other operating leases and investments	227	250
	-----	-----
	1,596	1,636
Unearned income	(53)	(69)
Estimated residual value	86	89
Allowances for doubtful accounts	(46)	(49)
	-----	-----
Total financing receivables and leases	1,583	1,607
Less current portion	866	814
	-----	-----
Long-term portion	\$ 717	\$ 793
	=====	=====

Deferred income tax liabilities relating to leveraged and direct financing leases were \$113 million at December 31, 1994 and \$105 million at December 31, 1993.

Financing receivables and leases at December 31, 1994 include \$455 million due from household appliance and electronics dealers and \$465 million resulting from aerospace financing transactions. These amounts are generally secured by the assets financed. Non-earning finance receivables and operating leases totaled \$50 million at December 31, 1994 and \$131 million at December 31, 1993.

Financing receivables and minimum lease payments receivable at December 31, 1994 mature contractually as follows:

	Financing Receivables	Leveraged and Direct Financing Leases

(millions of dollars)		
1995	\$ 882	\$ 9
1996	136	6
1997	182	3
1998	26	3
1999	1	2
Thereafter	24	95
	-----	-----
	\$ 1,251	\$ 118
	=====	=====

. Note 4: Inventories

December 31	1994	1993

(millions of dollars)		
Finished products	\$ 832	\$ 761
Work in process	66	61
Raw materials	156	150
	-----	-----

Total FIFO cost	1,054	972
Less excess of FIFO cost over LIFO cost	216	212
	-----	-----
	\$ 838	\$ 760
	=====	=====

LIFO inventories represent approximately 52% and 49% of total inventories at December 31, 1994 and 1993.

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. Note 5: Affiliated Companies

The Company has direct voting interests, ranging from 30% to 49%, in two Brazilian companies (Multibras S.A., and Embraco S.A.), a Mexican company (Vitromatic, S.A. de C.V.) and several other international companies principally engaged in the manufacture and sale of major home appliances or related component parts.

Equity in the net earnings (losses) of affiliated companies, net of related taxes, is as follows:

	1994	1993	1992
(millions of dollars)			
Brazilian affiliates	\$ 39	\$ 21	\$ (10)
Mexican affiliate	16	(6)	(5)
Other	4	1	2
Total equity earnings (losses)	\$ 59	\$ 16	\$ (13)

Combined condensed financial information for all affiliated operating companies follows:

	1994	1993
(millions of dollars)		
Current assets	\$ 672	\$ 700
Other assets	954	815
	\$ 1,626	\$ 1,515
Current liabilities	\$ 524	\$ 442
Other liabilities	213	235
Stockholders' equity	889	838
	\$ 1,626	\$ 1,515

	1994	1993	1992
(millions of dollars)			
Net sales	\$ 2,051	\$ 2,062	\$ 1,829
Cost of products sold	\$ 1,441	\$ 1,446	\$ 1,583
Net earnings	\$ 173	\$ 90	\$ 3
Dividends and fees paid to Whirlpool by affiliates	\$ 11	\$ 4	\$ 3

. Note 6: Financing Arrangements

At December 31, 1994, the Company has unused credit lines of approximately \$3.0 billion, including \$2.1 billion renewable annually and a \$900 million multiple-option facility expiring in 1995. There are no formal compensating balance arrangements required with the credit line banks. Generally, the banks are compensated for their credit lines by the Company's cash operating balances to the extent available, and/or a fee.

Notes payable consist of the following:

December 31	1994	1993
(millions of dollars)		
Payable to banks	\$ 64	\$ 61
Commercial paper	1,094	921
Other	4	10

\$1,162 \$992
=====

The weighted average interest rate on notes payable was 5.98% and 3.72% at December 31, 1994 and 1993.

During 1993, the Company called \$125 million of 9-1/8% Sinking Fund Debentures and terminated \$100 million of related interest rate swap agreements resulting in an immaterial gain on extinguishment.

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. [Notes to Consolidated Financial Statements (continued)] .

. Note 6: Financing Arrangements (continued)

During 1993, WFC issued 750,000 shares (400,000 shares Series A and 350,000 shares Series B) of preferred stock at a face value of \$100 per share. Dividends on the Series A and Series B Redeemable Cumulative Preferred Stock are payable quarterly in an amount equal to \$5.55 and \$6.55, respectively, per share per year. The Series A Preferred Stock is subject to mandatory redemption on September 1, 1998. The Series B Preferred Stock is not redeemable prior to September 1, 2003 at which time it is redeemable at the option of WFC with all remaining outstanding shares redeemed on September 1, 2008. The redemption price for each series is \$100 per share plus any accrued and unpaid dividends. Commencing September 1, 2003, WFC will be obligated to pay \$1,750,000 per year to a sinking fund for the benefit of holders of the Series B Preferred Stock, with a final payment of \$26,250,000 due on or before September 1, 2008.

The Company and WFC are parties to a support agreement. Pursuant to the agreement, if at the close of any fiscal quarter WFC's net earnings available for fixed charges (as defined) for the preceding twelve months is less than a stipulated amount, the Company will make a cash payment to WFC equal to the insufficiency within 60 days of the end of the quarter. The support agreement may be terminated by either WFC or the Company upon 30 days notice provided that certain conditions are met. The Company has also agreed to maintain ownership of at least 70% of WFC's voting stock.

During 1991, the Company sold \$675 million in face amount of subordinated zero coupon convertible notes and received \$170 million in gross proceeds. The notes were priced to yield 7% interest to maturity. Holders may convert each \$1,000 face amount of the notes into 7.237 shares of common stock. Holders may also redeem the notes for the issuance price plus accrued original issue discount at the end of five, ten and fifteen years or upon a change in control of the Company as defined. The Company may, at its option, elect to pay the redemption price in any combination of cash and common stock, except upon a change in control, in which case the redemption price is payable in cash. The Company also has the right to call the notes at a price equal to their issuance price plus accrued original issue discount. At December 31, 1994, principal amounts of \$369 million have been converted into 2.7 million shares of the Company's common stock.

Long-term debt consists of the following:

December 31	Maturity	Interest Rate	1994	1993
(millions of dollars)				
Debentures	2008	9.1%	\$125	\$ 125
Senior notes	1995 to 2003	7.5 to 9.5	428	431
Medium term notes	1995 to 2004	7.5 to 9.1	100	263
Subordinated convertible notes	2011	7.0	99	137
Other			172	52
			924	1,008
Less current maturities			39	168
			\$885	\$ 840

Annual maturities of long-term debt are \$39 million in 1995, \$81 million in 1996, \$9 million in 1997, \$23 million in 1998 and \$12 million in 1999.

The Company paid interest on short-term and long-term debt totaling \$168 million in 1994, \$176 million in 1993 and \$227 million in 1992.

. Note 7: Fair Value of Financial Instruments

The following methods and assumptions were used in estimating fair values of financial instruments:

Cash and Equivalents and Notes Payable: The carrying amounts approximate fair values.

Financing Receivables: The fair value is estimated using discounted cash flow analyses based on current interest rates being offered to borrowers of similar credit quality. In 1994 and 1993, the carrying amounts approximate fair values.

Long-Term Debt and WFC Preferred Stock: The fair values are estimated using discounted cash flow analyses based on incremental borrowing or dividend yield rates for similar types of borrowing or equity arrangements. The WFC preferred stock carrying amount approximates fair value.

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Note 7: Fair Value of Financial Instruments (continued)

Derivative Financial Instruments: The fair values of interest rate swaps, cross currency interest rate swaps, foreign currency forward contracts and commodity swaps are based on quoted market prices.

The carrying and fair values of financial instruments for which the fair value does not approximate the liability carrying value are as follow:

	1994		1993	
	Carrying Value	Fair Value	Carrying Value	Fair Value
(millions of dollars)				
Long-term debt (including current portion)	\$846	\$ 874	\$1,010	\$1,205
Derivative financial instruments:				
Hedges of net investment in Europe:				
Interest rate and cross currency interest rate swaps (notional amounts of \$1,118 million and \$1,074 million in 1994 and 1993)	75	171	(2)	112
Foreign currency forward contracts (notional amounts of \$377 million and \$333 million in 1994 and 1993)	3	3	--	(1)
Transaction hedges with foreign currency forward contracts (notional amounts of \$447 million and \$405 million in 1994 and 1993)	--	6	--	9
Hedges with commodity swaps (notional amounts of \$5 million and \$6 million in 1994 and 1993)	--	(1)	--	--
WFC interest rate and cross currency interest rate swaps (notional amounts of \$465 million and \$72 million in 1994 and 1993)	--	1	--	7
Total long-term debt	\$924	\$1,054	\$1,008	\$1,332

Interest rate and cross currency interest rate swaps generally have maturities ranging from 1 to 12 years. For 1994 and 1993, fixed and variable interest rates paid on the notional amounts by the Company ranged from 7.00% to 10.39% or were at LIBOR and fixed and variable interest rates received by the Company ranged from 5.93% to 9.06% or from LIBOR less .009 to LIBOR, each in a variety of currencies. Foreign currency forward contracts generally have maturities ranging from one month to two years. Commodity swaps generally mature within one year. WFC interest rate swaps have maturities ranging from one to six years. During 1994 and 1993, WFC paid fixed interest rates on notional amounts generally ranging from 8.46% to 10.12% and received floating interest rates based on LIBOR and commercial paper.

Note 8: Stockholders' Equity

In addition to its common stock, the Company has 10 million authorized shares of preferred stock (par value \$1 per share), none of which is outstanding.

Consolidated retained earnings at December 31, 1994, included \$165 million of equity in undistributed net earnings of affiliated companies.

The cumulative translation component of stockholders' equity represents the effect of translating net assets of the Company's international subsidiaries offset by related hedging activity net of tax. Conversion of notes, stock option transactions and restricted stock grants account for the changes in paid-in capital.

One Preferred Stock Purchase Right ("Rights") is outstanding for each share of common stock. The Rights, which expire May 23, 1998, will become exercisable ten days after a person or group either becomes the beneficial owner of 20% or more of the common stock or commences a tender or exchange offer that would result in such person or group beneficially owning 25% or more of the outstanding common stock. Each Right entitles the holder to purchase from the Company one newly-issued unit consisting of one one-hundredth of a share of Series A Participating Cumulative Preferred Stock at an exercise price of \$100, subject to adjustment.

If (i) any person or group becomes the beneficial owner of 25% or more of Whirlpool common stock, or (ii) the Company is the surviving corporation in a merger with a 20% or more stockholder and its common stock is not changed or converted, or (iii) a 20% or more stockholder engages in certain self-dealing transactions with the Company, then each Right not owned by such person will entitle the holder to purchase, at the Rights' then current exercise price, shares of

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. [Notes to Consolidated Financial Statements (continued)] .

. Note 8: Stockholders' Equity (continued)

the Company's common stock having a value of twice the Rights' then current exercise price. In addition, if the Company is involved in a merger in which its common stock is converted or sells 50% or more of its assets, each Right will entitle its holder to purchase for the exercise price shares of common stock of the acquiring successor company having a value of twice the Rights' then current exercise price.

The Company will be entitled to redeem the Rights in whole, but not in part, at \$.05 per Right at any time prior to the expiration of a ten-day period (subject to extension) following public announcement of the existence of a 20% holder or of a 25% or more tender offer. Until such time as the Rights become exercisable, the Rights have no voting or dividend privileges and are attached to, and do not trade separately from, the common stock.

At December 31, 1994, one million preferred shares were reserved for future exercise of Stock Purchase Rights.

. Note 9: Stock Option and Incentive Plans

The Company's stock option and incentive plan permits the grant of stock options and other stock awards covering up to 5 million shares to key employees of the Company and its subsidiaries. The plan authorizes the grant of both incentive and non-qualified stock options and, further, authorizes the grant of stock appreciation rights and related supplemental cash payments independently of or with respect to options granted or outstanding. An Executive Stock Appreciation and Performance Program ("ESAP") and a Restricted Stock Value Program ("RSVP") have been established under the plan. Performance awards under the ESAP and RSVP programs are earned over multi-year time periods upon the achievement of certain performance objectives or upon a change in control of the Company. ESAP awards are payable in cash, common stock, or a combination thereof when earned. RSVP grants restricted shares which may not be sold, transferred or encumbered until the restrictions lapse. There were 453,000 and 479,000 restricted shares outstanding at December 31, 1994 and 1993. Expenses under the plan were \$5 million in 1994, \$17 million in 1993 and \$13 million in 1992.

Under the Nonemployee Director Stock Ownership Plan, each nonemployee director is automatically granted 400 shares of common stock annually and is eligible for a stock option grant of 600 shares if the Company's earnings meet a prescribed earnings formula. This plan provides for the grant of up to 200,000 shares as either stock or stock options. There were no significant expenses under this plan for 1994, 1993 or 1992.

The Company maintains an employee stock option plan ("Partner Share") that grants substantially all full-time U.S. employees a fixed number of stock options that vest over a three year period and may be exercised over a ten year period. Partner Share authorizes the grant of up to 2.5 million shares. The initial grant of 2,304,000 shares during 1991 was at an exercise price of \$37.50. There have been no additional grants.

A summary of stock option information follows:

	1994		1993	
	Number of Shares	Average Option Price	Number of Shares	Average Option Price
(thousands of shares)				
Outstanding at January 1	3,196	\$ 36.61	3,917	\$ 33.37
Granted	553	55.32	565	50.89
Exercised	(432)	33.28	(1,197)	32.70
Canceled or expired	(103)	46.34	(89)	37.41
	-----		-----	
Outstanding at December 31	3,214	\$ 39.96	3,196	\$ 36.61
	=====		=====	
Exercisable at December 31	2,323	\$ 35.18	2,023	\$ 32.81
	=====		=====	
Available for future grant at December 31	1,647		1,958	
	=====		=====	

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. Note 10: Restructuring Costs

Restructuring costs consist of the following:

	1994	1993	1992

(millions of dollars)			
Cash costs:			
Employee severance and related payments	\$176	\$10	\$21
Payments to terminated independent distributors	-	13	-
Lease termination, facility disposition and other costs	34	-	-

Total cash costs	210	23	21
Non-cash costs:			
Loss on disposal of facilities and equipment	20	8	-
Other asset write-downs	20	-	4

Total non-cash costs	40	8	4

	\$250	\$31	\$25
	=====		

In 1994, restructuring costs relate to the consolidation and reorganization of the Company's European sales, marketing and support functions to better serve dealers by trade channel rather than by country, the closure of two North American manufacturing facilities and the further consolidation and rationalization of North American operations. The Company made payments of \$18 million in 1994 related to severance of 600 employees. The remaining cash costs of the restructuring will be paid primarily in 1995 and include the elimination of an additional 2,600 employee positions. Pre-tax charges of \$173 million, \$72 million and \$5 million relate to the Company's European, North American and WFC/Corporate operations. Total 1994 after-tax charges were \$192 million or \$2.54 per share.

In 1993, restructuring costs relate to the consolidation of operations in Europe and Canada and the termination of independent distributor agreements in North America. Total 1993 after-tax charges were \$14 million or \$.19 per share.

In 1992, restructuring costs relate to the strategic redirection of the Company's financial services business, improved cost effectiveness in the European appliance business and completion of the compressor facility consolidation announced in 1991. Total 1992 after-tax charges were \$18 million or \$.25 per share.

. Note 11: Income Taxes

The provision for income taxes are as follows:

	1994	1993	1992

(millions of dollars)			
Current:			
Federal	\$143	\$118	\$ 86
State and local	29	26	12
Foreign	44	27	23

	216	171	121
Deferred (credit):			
Federal	2	(36)	19
State and local	(10)	(8)	9
Foreign	(32)	21	5

	(40)	(23)	33

	\$176	\$148	\$154
	=====		

Domestic and foreign earnings before income taxes, other items and accounting change are as follows:

	1994	1993	1992
--	------	------	------

(millions of dollars)

Domestic	\$315	\$236	\$292
Foreign	(23)	139	80
	-----	-----	-----
	\$292	\$375	\$372
	=====	=====	=====

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[Notes to Consolidated Financial Statements (continued)].

Note 11: Income Taxes (continued)

Reconciliations between the U.S. federal statutory income tax rate and the consolidated effective income tax rate for earnings before income taxes and other items are as follows:

	1994	1993	1992
U.S. federal statutory rate	35.0%	35.0%	34.0%
Impact of restructuring	13.2	--	--
Impact of business dispositions	7.2	(1.2)	--
State and local taxes, net of federal tax benefit	4.3	3.1	3.7
Nondeductible goodwill amortization	2.8	1.9	2.0
Excess foreign taxes	--	1.3	1.3
Foreign tax loss carryforwards	(1.7)	(1.5)	(1.5)
Taxes related to prior years	--	--	.7
Other items	(.4)	.9	1.2
Effective income tax rate	60.4%	39.5%	41.4%

A full tax benefit was not recognized on the 1994 restructuring charge in Europe and North America due to net operating loss positions in certain tax jurisdictions.

In 1993, the Company changed its method of accounting for income taxes as required by Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes." Adoption of the new rules did not have a material effect on the Company's financial statements.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax liabilities and assets are as follows:

December 31	1994	1993
(millions of dollars)		
Deferred tax liabilities:		
Property, plant and equipment	\$174	\$161
Financial services leveraged leases	110	99
Other	30	24
Total deferred tax liabilities	314	284
Deferred tax assets:		
Postretirement obligation	134	127
Accrued expenses	65	56
Restructuring costs	73	13
Loss carryforwards	25	20
Employee compensation	28	27
Receivable and inventory allowances	21	24
Other	56	80
Total deferred tax assets	402	347
Valuation allowance for deferred tax assets	(34)	(25)
Deferred tax assets, net of valuation allowance	368	322
Net deferred tax assets	\$ 54	\$ 38

The Company has recorded a valuation allowance to reflect the estimated amount of net operating loss carryforwards and other deferred tax assets which may not be realized.

The Company provides deferred taxes on the undistributed earnings of foreign subsidiaries and affiliates to the extent such earnings are expected to be remitted. Generally, earnings have been remitted only when no significant net tax liability would have been incurred. No provision has been made for U.S. or foreign taxes that may result from future remittances of the undistributed earnings (\$198 million at December 31, 1994) of foreign subsidiaries and affiliates expected to be reinvested indefinitely. Determination of the deferred income tax

liability on these unremitted earnings is not practicable as such liability, if any, is dependent on circumstances existing when remittance occurs.

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Note 11: Income Taxes (continued)

At December 31, 1994, the Company has foreign net operating loss carryforwards of \$80 million which are primarily non-expiring.

The Company paid income taxes of \$177 million in 1994, \$140 million in 1993 and \$75 million in 1992.

Note 12: Pension Plans

The Company maintains both contributory and noncontributory defined benefit pension plans covering substantially all North American employees and certain European employees. The plans provide pension benefits that are based primarily on compensation during a specified period before retirement or specified amounts for each year of service. The Company's present funding policy for these plans is to generally make the minimum annual contribution required by applicable regulations. Assets held by the plans consist primarily of listed common stocks and bonds, government securities, investments in trust funds, bank deposits and other investments.

Pension expense includes the following components:

	1994	1993	1992
(millions of dollars)			
Service cost - benefits earned during the year	\$ 36	\$ 31	\$ 28
Interest cost on projected benefit obligation	75	71	65
Actual return on plan assets	(3)	(128)	(82)
Net amortization	(97)	33	(6)
	\$ 11	\$ 7	\$ 5
	=====		

Assumptions used in accounting for defined benefit pension plans are as follows:

	1994	1993	1992
Discount rate	7.0-10.0%	7.0-8.5%	7.5-10.0%
Rate of compensation level increase	4.0-6.5%	4.0-6.5%	4.0-7.5%
Expected long-term rate of return on plan assets	6.5-9.5%	6.5-9.5%	6.5-10.0%

The funded status of the pension plans is as follows:

	Plans Whose Assets Exceed Accumulated Benefits		Plans Whose Accumulated Benefits Exceed Plan Assets	
	1994	1993	1994	1993
(millions of dollars)				
Projected benefit obligation	\$(751)	\$ (857)	\$(158)	\$(79)
Plan assets at fair value	965	1,127	90	17
Plan assets in excess of (less than) projected benefit obligation	214	270	(68)	(62)
Unrecognized prior service cost	28	43	18	3
Unrecognized net experience (gain) loss	(190)	(256)	(4)	13
Unrecognized net obligation (asset), net of amortization	(26)	(37)	(5)	2
Additional minimum liability	--	--	(5)	(5)
Pension asset (liability) included in other assets (postemployment benefits)	\$ 26	\$ 20	\$ (64)	\$(49)
	=====			

The accumulated benefit obligation, which is included in the projected benefit obligation, represents the actuarial present value of benefits attributed to employee service and compensation levels to date. At December 31, 1994 and 1993, the accumulated benefit obligation was \$785 million and \$800 million. The vested portion was \$690 million in 1994 and \$713 million in 1993.

The U.S. pension plans provide that in the event of a plan termination within five years following a change in control of the Company, any assets held by the plans in excess of the amounts needed to fund accrued benefits would be used to provide additional benefits to plan participants. A change in control generally means one not approved by the incumbent Board of Directors, including an acquisition of 25% or

more of the voting power of the Company's outstanding stock or a change in a majority of the incumbent Board.

Certain European subsidiaries maintain termination indemnity and special severance plans. The cost of these plans, determined in accordance with local government specifications, was \$16 million in 1994, \$16 million in 1993 and \$28 million in 1992.

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. [Notes to Consolidated Financial Statements (continued)] .

. Note 12: Pension Plans (continued)

The Company maintains a 401(k) defined contribution plan covering substantially all U.S. employees. Company matching contributions for domestic hourly and certain other employees under the plan, based on the Company's annual operating results and the level of individual participant's contributions, amounted to \$5 million in 1994, \$8 million in 1993 and \$7 million in 1992.

. Note 13: Postretirement Benefit Plans

The Company currently sponsors a defined benefit health care plan that provides postretirement medical benefits to full time U.S. employees who have worked 5 years and attained age 55 while in service with the Company. The plan is currently noncontributory and contains cost-sharing features such as deductibles, coinsurance and a lifetime maximum. The Company does not fund the plan. No significant postretirement benefits are provided by the Company to non-U.S. employees.

Effective January 1, 1993, the Company adopted Financial Accounting Standards Board Statement No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions." The Company recorded the \$300 million pre-tax transition obligation as a cumulative effect accounting change, resulting in an after-tax charge of \$180 million. The new rules increased the 1993 accounting charge for postretirement benefit costs by \$20 million, decreasing net income by \$12 million. Postretirement benefit expenses of \$12 million for 1992 were recorded on a cash basis.

The components of the annual postretirement benefit costs are as follows:

	1994	1993	1992
(millions of dollars)			
Service cost	\$ 9	\$ 8	\$ 12
Interest cost	26	24	-
Recognition of transition obligation	-	300	-
	\$ 35	\$ 332	\$ 12

The components of the postretirement obligation are as follows:

December 31	1994	1993
(millions of dollars)		
Accumulated postretirement benefit obligation:		
Retirees	\$ 148	\$ 146
Fully eligible active participants	75	75
Other active plan participants	99	108
Total	322	329
Unrecognized gain (loss)	12	(11)
Postretirement obligation	\$ 334	\$ 318

The assumed health care trend rate decreases gradually from 10% in 1994 and 1995 to 6% in 2000 and remains at that level. Increasing the health care trend rate by one percentage point would increase the accumulated postretirement benefit obligation as of December 31, 1994, by \$22 million and increase the annual postretirement benefit cost for 1994 by \$2 million. A discount rate of 8.5% and 8.0% was used to determine the accumulated postretirement benefit obligation at December 31, 1994 and 1993.

Effective January 1, 1993, the Company adopted Financial Accounting Standards Board Statement No. 112, "Employers' Accounting for Postemployment Benefits." The rules require recognition of specified postemployment benefits provided to former or inactive employees, such as severance pay, workers compensation, supplemental employment benefits, disability benefits, and continuation of health care and life insurance coverage. Adoption of the rules did not have a material effect on the Company's 1993 financial statements.

. Note 14: Contingencies

The Company is involved in various legal actions arising in the normal course of business. Management, after taking into consideration legal counsel's evaluation of such actions, is of the opinion that the outcome of these matters will not have a material adverse effect on the financial position or operations of the Company.

The Company is a party to certain financial instruments with off-balance-sheet risk primarily to meet the financing needs of its financial services

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. Note 14: Contingencies (continued)

customers. These financial instruments are entered into in the normal course of business and consist of lending commitments, standby letters of credit and financial guarantees. The Company's exposure to credit loss in the event of nonperformance by the debtors is the contractual amount of the financial instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments. Collateral or other security is generally required to support financial instruments with off-balance-sheet credit risk.

At December 31, 1994, standby letters of credit, repurchase agreements and financial guarantees totaled \$116 million.

. Note 15: Business Segment Information

Geographic Segments - Major Home Appliances

	North America	Europe	Other and (Eliminations)	Major Home Appliances
(millions of dollars)				
Net sales				
1994	\$5,048	\$2,451	\$ 450	\$7,949
1993	\$4,547	\$2,410	\$ 411	\$7,368
1992	\$4,266	\$2,645	\$ 186	\$7,097
Operating profit				
1994	\$ 311	\$ 43	\$ 16	\$ 370
1993	\$ 341	\$ 129	\$ 34	\$ 504
1992	\$ 327	\$ 101	\$ 19	\$ 447
Identifiable assets				
1994	\$2,046	\$1,824	\$1,410	\$5,280
1993	\$1,742	\$1,758	\$1,154	\$4,654
1992	\$1,570	\$1,917	\$ 982	\$4,469
Depreciation expense				
1994	\$ 141	\$ 98	\$ 4	\$ 243
1993	\$ 137	\$ 101	\$ 1	\$ 239
1992	\$ 138	\$ 132	\$ 1	\$ 271
Net capital expenditures				
1994	\$ 269	\$ 135	\$ 12	\$ 416
1993	\$ 188	\$ 116	\$ 3	\$ 307
1992	\$ 170	\$ 111	\$ 3	\$ 284

Identifiable assets are those assets directly associated with the respective operating activities. Substantially all of the Company's trade receivables are from wholesale distributors and retailers. Corporate assets which consist principally of cash, investments, prepaid expenses, deferred income taxes and property and equipment related to corporate activities are included as other.

Sales activity with Sears, Roebuck and Co., a North American major home appliance retailer, represented 19% of consolidated net sales in 1994, 1993 and 1992 and 16% and 14% of consolidated trade receivables at December 31, 1994 and 1993.

Whirlpool Financial Corporation

WFC, reported as a consolidated subsidiary, provides diversified financial services to businesses and consumers in North America, and also provides inventory financing activities in Europe. Financial products include inventory financing services for dealers and distributors which market products manufactured by the Company and various other manufacturers and consumer financing services for retail sales by dealers. WFC financial information is included in the supplemental consolidating data column of the consolidated financial statements.

During 1993, the Company announced a strategic restructuring of WFC. The subsidiary is phasing out of aerospace and has substantially liquidated its highly leveraged commercial lending portfolio in favor of a strategy to better complement the Company's home appliance business. Financial services 1993 operating profit includes a \$48 million charge to adjust the value of specific aerospace and commercial accounts in its financing portfolio. The total charge was \$65 million or \$40 million after-tax.

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[Notes to Consolidated Financial Statements (continued)] .

. Note 16: Quarterly Results of Operations (Unaudited)

	Dec. 31	Three Months Ended		
		Sept. 30	June 30	March 31
(millions of dollars, except share data)				
1994:				
Net sales	\$ 2,058	\$ 2,046	\$ 2,013	\$ 1,832
Cost of products sold	\$ 1,534	\$ 1,538	\$ 1,515	\$ 1,365
Financial services revenue, less related interest expense	\$ 27	\$ 27	\$ 25	\$ 25
Net earnings (loss)	\$ (91)	\$ 98	\$ 84	\$ 67
Per share of common stock:				
Primary earnings (loss)	\$ (1.20)	\$ 1.30	\$ 1.10	\$ 0.90
Fully diluted earnings (loss)	\$ (1.15)	\$ 1.27	\$ 1.09	\$ 0.88
Dividends paid	\$.305	\$.305	\$.305	\$.305
Stock price:				
High	\$55 1/2	\$55 3/8	\$ 62	\$73 1/2
Low	\$44 5/8	\$48 1/2	\$52 3/8	\$59 3/8
Close	\$50 1/4	\$51 3/8	\$52 1/2	\$60 7/8

Restructuring initiatives described in Note 10 and business dispositions described in Note 2 reduced fourth quarter net earnings by \$187 million or \$2.47 per share, increased third quarter net earnings by \$15 million or \$.20 per share and reduced second quarter net earnings by \$2 million or \$.03 per share.

	Dec. 31	Three Months Ended		
		Sept. 30	June 30	March 31
(millions of dollars, except share data)				
1993:				
Net sales	\$ 1,864	\$ 1,871	\$ 1,873	\$ 1,760
Cost of products sold	\$ 1,355	\$ 1,398	\$ 1,420	\$ 1,330
Financial services revenue, less related interest expense	\$ 27	\$ 24	\$ 24	\$ 31
Net earnings before accounting change	\$ 69	\$ 70	\$ 74	\$ 18
Net earnings (loss)	\$ 69	\$ 70	\$ 74	\$ (162)
Per share of common stock:				
Primary earnings before accounting change	\$.94	\$.96	\$ 1.04	\$ 0.25
Primary earnings (loss)	\$.94	\$.96	\$ 1.04	\$ (2.27)
Fully diluted earnings before accounting change	\$.90	\$.95	\$ 1.01	\$ 0.25
Fully diluted earnings (loss)	\$.90	\$.95	\$ 1.01	\$ (2.27)
Dividends paid	\$.305	\$.305	\$.305	\$.275
Stock price:				
High	\$ 67	\$ 68	\$57 3/4	\$54 1/8
Low	\$ 58	\$55 5/8	\$51 7/8	\$43 1/4
Close	\$66 1/2	\$58 7/8	\$56 7/8	\$53 5/8

First quarter earnings were reduced by \$40 million or \$.56 per share to adjust the value of specific accounts held by WFC. Restructuring initiatives described in Note 10 reduced fourth quarter net earnings by \$14 million or \$.19 per share.

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. [Report of Ernst & Young LLP, Independent Auditors] .

The Stockholders and Board of Directors
Whirlpool Corporation
Benton Harbor, Michigan

We have audited the accompanying consolidated balance sheets of Whirlpool Corporation and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of earnings and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the Brazilian affiliates used as the basis for recording the Company's equity in their net earnings (losses), as presented in Note 5 to the consolidated financial statements. The financial statements of those affiliates were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Brazilian affiliates, is based solely on the reports of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Whirlpool Corporation and subsidiaries at December 31, 1994 and 1993, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

As discussed in the notes to the consolidated financial statements, in 1993 the Company changed its method of accounting for postretirement benefits other than pensions, postemployment benefits and income taxes.

*/s/ Ernst & Young LLP
Chicago, Illinois
January 26, 1995*

. [Report by Management on the Consolidated Financial Statements] .

The management of Whirlpool Corporation has prepared the accompanying financial statements. The financial statements have been audited by Ernst & Young, independent auditors, whose report, based upon their audits and the reports of other independent auditors, expresses the opinion that these financial statements present fairly the consolidated financial position, results of operations and cash flows of Whirlpool Corporation and subsidiaries ("the Company") in accordance with generally accepted accounting principles. Their audits are conducted in conformity with generally accepted auditing standards.

The financial statements were prepared from the Company's accounting records, books and accounts which, in reasonable detail, accurately and fairly reflect all material transactions. The Company maintains a system of internal controls designed to provide reasonable assurance that the Company's accounting records, books and accounts are accurate and that transactions are properly recorded in the Company's books and records, and the Company's assets are maintained and accounted for, in accordance with management's authorizations. The Company's accounting records, policies and internal controls are regularly reviewed by the Company's internal audit staff.

The Audit Committee of the Board of Directors of the Company, which is composed of three directors who are not employed by the Company, considers and makes recommendations to the Board of Directors as to accounting and auditing matters concerning the Company, including recommending for appointment by the Board of Directors the firm of independent auditors engaged on an annual basis to audit the financial statements of Whirlpool Corporation and its majority owned subsidiaries. The Audit Committee meets with the independent auditors at least three times each year to review the scope of the audit, the results of the audit and such recommendations as may be made by said auditors with respect to the Company's accounting methods and system of internal controls.

*/s/ Robert G. Thompson
Robert G. Thompson
Vice President and Controller
January 26, 1995*

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[Eleven-Year Consolidated Statistical Review] .

	1994	1993	1992	1991	1990	1989	1988	1987
(millions of dollars, except share data)								
Consolidated Operations								
Net sales	\$ 7,949	\$ 7,368	\$ 7,097	\$ 6,550	\$ 6,424	\$ 6,138	\$ 4,306	\$ 4,104
Financial services	155	165	204	207	181	136	107	94
Total revenues	\$ 8,104	\$ 7,533	\$ 7,301	\$ 6,757	\$ 6,605	\$ 6,274	\$ 4,413	\$ 4,198

Operating profit	\$ 397	\$ 482	\$ 479	\$ 393	\$ 349	\$ 411	\$ 261	\$ 296
Earnings from continuing operations before income taxes and other items	\$ 292	\$ 375	\$ 372	\$ 304	\$ 220	\$ 308	\$ 233	\$ 280
Earnings from continuing operations before accounting change (1)	\$ 158	\$ 231	\$ 205	\$ 170	\$ 72	\$ 187	\$ 161	\$ 187
Net earnings (2)	\$ 158	\$ 51	\$ 205	\$ 170	\$ 72	\$ 187	\$ 94	\$ 192
Net capital expenditures	\$ 418	\$ 309	\$ 288	\$ 287	\$ 265	\$ 208	\$ 166	\$ 223
Depreciation	\$ 246	\$ 241	\$ 275	\$ 233	\$ 247	\$ 222	\$ 143	\$ 133
Dividends paid	\$ 90	\$ 85	\$ 77	\$ 76	\$ 76	\$ 76	\$ 76	\$ 79
=====								
Consolidated Financial Position								
Current assets	\$ 3,078	\$ 2,708	\$ 2,740	\$ 2,920	\$ 2,900	\$ 2,889	\$ 1,827	\$ 1,690
Current liabilities	\$ 2,988	\$ 2,763	\$ 2,887	\$ 2,931	\$ 2,651	\$ 2,251	\$ 1,374	\$ 1,246
Working capital	\$ 90	\$ (55)	\$ (147)	\$ (11)	\$ 249	\$ 638	\$ 453	\$ 444
Property, plant and equipment-net	\$ 1,440	\$ 1,319	\$ 1,325	\$ 1,400	\$ 1,349	\$ 1,288	\$ 820	\$ 779
Total assets	\$ 6,655	\$ 6,047	\$ 6,118	\$ 6,445	\$ 5,614	\$ 5,354	\$ 3,410	\$ 3,137
Long-term debt	\$ 885	\$ 840	\$ 1,215	\$ 1,528	\$ 874	\$ 982	\$ 474	\$ 367
Total debt-appliance business	\$ 965	\$ 850	\$ 1,198	\$ 1,330	\$ 1,026	\$ 1,125	\$ 441	\$ 383
Stockholders' equity	\$ 1,723	\$ 1,648	\$ 1,600	\$ 1,515	\$ 1,424	\$ 1,421	\$ 1,321	\$ 1,304
=====								
Per Share Data								
Earnings from continuing operations before accounting change	\$ 2.10	\$ 3.19	\$ 2.90	\$ 2.45	\$ 1.04	\$ 2.70	\$ 2.33	\$ 2.61
Net earnings	\$ 2.10	\$ 0.67	\$ 2.90	\$ 2.45	\$ 1.04	\$ 2.70	\$ 1.36	\$ 2.68
Dividends	\$ 1.22	\$ 1.19	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10
Book value	\$ 22.83	\$ 22.80	\$ 22.67	\$ 21.78	\$ 20.51	\$ 20.49	\$ 19.06	\$ 18.83
Closing Stock Price - NYSE	\$50-1/4	\$66-1/2	\$44-5/8	\$38-7/8	\$23-1/2	\$ 33	\$24-3/4	\$24-3/8

	1986	1985	1984
(millions of dollars, except share data)			
Consolidated Operations			
Net sales	\$ 3,928	\$ 3,465	\$ 3,128
Financial services	76	67	63
Total revenues	\$ 4,004	\$ 3,532	\$ 3,191

Operating profit	\$ 326	\$ 295	\$ 288
Earnings from continuing operations before income taxes and other items	\$ 329	\$ 321	\$ 326
Earnings from continuing operations before accounting change (1)	\$ 202	\$ 182	\$ 190
Net earnings (2)	\$ 200	\$ 182	\$ 190
Net capital expenditures	\$ 217	\$ 178	\$ 135
Depreciation	\$ 120	\$ 89	\$ 72
Dividends paid	\$ 76	\$ 73	\$ 73
=====			
Consolidated Financial Position			
Current assets	\$ 1,654	\$ 1,410	\$ 1,302
Current liabilities	\$ 1,006	\$ 781	\$ 671
Working capital	\$ 648	\$ 629	\$ 632
Property, plant and equipment-net	\$ 677	\$ 514	\$ 398
Total assets	\$ 2,856	\$ 2,207	\$ 1,901
Long-term debt	\$ 298	\$ 125	\$ 91
Total debt-appliance business	\$ 194	\$ 64	\$ 53
Stockholders' equity	\$ 1,350	\$ 1,207	\$ 1,096
=====			
Per Share Data			
Earnings from continuing operations before accounting change	\$ 2.72	\$ 2.49	\$ 2.59
Net earnings	\$ 2.70	\$ 2.49	\$ 2.59
Dividends	\$ 1.03	\$ 1.00	\$ 1.00

Book value
Closing Stock Price - NYSE

\$ 18.21	\$ 16.46	\$ 14.97
\$33-7/8	\$24-11/16	\$23-1/4

Financial Review 49

	1994	1993	1992	1991	1990	1989	1988	1987
(millions of dollars, except share data)								
Key Ratios								
Operating profit margin	4.9%	6.4%	6.6%	5.8%	5.3%	6.6%	5.9%	7.1%
Pre-tax margin (3)	3.6%	5.0%	5.1%	4.5%	3.3%	4.9%	5.3%	6.6%
Net margin (4)	2.0%	3.1%	2.8%	2.5%	1.1%	3.0%	3.6%	4.4%
Return on average stockholders' equity (5)	9.4%	14.2%	13.1%	11.6%	5.1%	13.7%	12.3%	14.1%
Return on average total assets (6)	2.8%	4.0%	3.3%	2.9%	1.4%	4.9%	4.9%	6.2%
Current assets to current liabilities	1.0	1.0	0.9	1.0	1.1	1.3	1.3	1.4
Total debt-appliance business as a percent of invested capital (7)	34.4%	31.6%	41.7%	46.1%	37.6%	39.2%	20.5%	19.3%
Price earnings ratio	23.9	20.8	15.4	15.9	22.6	12.2	18.2	9.1
Fixed charge coverage (8)	3.0	3.2	2.6	2.3	1.8	2.7	3.5	5.4
=====								
Other Data								
Number of common shares								
outstanding (in thousands):								
Average	75,490	72,272	70,558	69,528	69,443	69,338	69,262	71,732
Year-end	73,845	73,068	70,027	69,640	69,465	69,382	69,289	69,232
Number of shareholders (year-end)	11,821	11,438	11,724	12,032	12,542	12,454	12,521	12,128
Number of employees (year-end)	39,016	39,590	38,520	37,886	36,157	39,411	29,110	30,301
Total return to shareholders (five year annualized) (9)	12.0%	25.8%	17.0%	6.7%	2.8%	11.3%	4.4%	6.2%
=====								
. 1986 . 1985 . 1984								
(millions of dollars, except share data)								
Key Ratios								
Operating profit margin	8.1%	8.4%	9.0%					
Pre-tax margin (3)	8.2%	9.1%	10.2%					
Net margin (4)	5.0%	5.1%	5.9%					
Return on average stockholders' equity (5)	15.8%	15.8%	18.3%					
Return on average total assets (6)	8.0%	9.1%	10.6%					
Current assets to current liabilities	1.6	1.8	1.9					
Total debt-appliance business as a percent of invested capital (7)	--	2.8%	2.7%					
Price earnings ratio	12.5	9.9	9.0					
Fixed charge coverage (8)	7.7	10.7	11.9					
=====								
Other Data								
Number of common shares								
outstanding (in thousands):								
Average	73,831	73,285	73,171					
Year-end	74,128	73,325	73,234					
Number of shareholders (year-end)	11,297	11,668	8,912					
Number of employees (year-end)	30,520	25,573	22,757					
Total return to shareholders (five year annualized) (9)	26.8%	26.6%	26.6%					

(1) Accounting changes: 1993 -- Accounting for postretirement benefits other than pensions, 1987 -- Accounting for income taxes and 1986 -- Accounting for pensions.

(2) The Company's kitchen cabinet business was discontinued in 1988.

(3) Earnings from continuing operations before income taxes and other items, as a percent of revenue.

(4) Earnings from continuing operations before accounting change, as a percent of revenue.

(5) Earnings from continuing operations before accounting change divided by average stockholders' equity.

(6) Earnings from continuing operations before accounting change, plus minority interest, divided by average total assets.

(7) Cash, debt, minority interests and stockholders' equity.

(8) Ratio of earnings from continuing operations (before income taxes, accounting change and interest expense) to interest expense.

(9) Stock appreciation plus reinvested dividends.

Subsidiaries

Subsidiary and Name Under Which It Does Business -----	Jurisdiction In Which Organized -----
Whirlpool Europe B.V./1/	The Netherlands
Whirlpool Properties, Inc./1/	Michigan
Inglis Limited/1/	Ontario, Canada
Whirlpool Financial Corporation	Delaware
Whirlpool Financial National Bank/2/	A National Banking Association

The names of the Company's other subsidiaries are omitted because, considered in the aggregate as a single subsidiary, such subsidiaries would not constitute a significant subsidiary as of December 31, 1994.

/1/Wholly-owned by Registrant

/2/Wholly-owned by Whirlpool Financial Corporation

CONSENT OF ERNST & YOUNG LLP

The Board of Directors
Whirlpool Corporation
Benton Harbor, Michigan

We consent to the incorporation by reference in Registration Statement Nos. 33-34490, 33-34037, 33-21360, 33-00201, 2-64261, 33-05904, 33-40249, 33-40010 and 33-43823 of Whirlpool Corporation and Registration Statement Nos. 33-26680 and 33-53196 of Whirlpool Corporation and Whirlpool Savings Plan of our report dated January 26, 1995, with respect to the consolidated financial statements and schedules of Whirlpool Corporation and subsidiaries, included in this Annual Report (Form 10-K) for the year ended December 31, 1994.

/s/ Ernst & Young LLP

Chicago, Illinois

March 17, 1995

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in Registration Statement nos. 33-34490, 33-34037, 33-21360, 33-00201, 2-64261, 33-05904, 33-40249, 33-40010 and 33-43823 of Whirlpool Corporation and Registration Statement nos. 33-26680 and 33-53196 of Whirlpool Corporation and Whirlpool Savings Plan of our reports with respect to the financial statements of Empresa Brasileira de Compressores S.A. - EMBRACO and its subsidiaries, Multibras S.A. Eletrodomesticos and its subsidiaries and Brasmotor S.A. and its subsidiaries dated January 23, 1995 included in this Annual Report (Form 10-K) for the year ended December 31, 1994.

[SIGNATURE OF PRICE WATERHOUSE]

PRICE WATERHOUSE

Sao Paulo, Brazil
March 17, 1995

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned, being a director or officer, or both, of WHIRLPOOL CORPORATION, a Delaware corporation (hereinafter called the "Corporation"), does hereby constitute and appoint DAVID R. WHITWAM, WILLIAM D. MAROHN, BRADLEY J. BELL and DANIEL F. HOPP, with full power to each of them to act alone, as the true and lawful attorneys and agents of the undersigned, with full power of substitution and resubstitution to each of said attorneys, to execute, file or deliver any and all instruments and to do all acts and things which said attorneys and agents, or any of them, deem advisable to enable the Corporation to comply with the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and any requirements of the Securities and Exchange Commission in respect thereof, in connection with (i) the filing under said Securities Exchange Act of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994, and (ii) the filing under said Securities Exchange Act of the Annual Report on Form 11-K for the year ended December 31, 1994 for the Whirlpool 401(k) Plan, including specifically, but without limitation of the general authority hereby granted, the power and authority to sign his or her name as a director or officer, or both, of the Corporation, as indicated below opposite his or her signature, to the Annual Report on Form 10-K and the Annual Report on Form 11-K, or any amendment, post-effective amendment, or papers supplemental thereto to be filed in respect of said Annual Reports; and each of the undersigned does hereby fully ratify and confirm all that said attorneys and agents, or any of them, or the substitute of any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has subscribed these presents, as of the 21st day of February, 1995.

<i>Name</i>	<i>Title</i>
<i>/s/ David R. Whitwam</i> ----- <i>David R. Whitwam</i>	<i>Director, Chairman of the Board and Chief Executive Officer (Principal Executive Officer)</i>
<i>/s/ William D. Marohn</i> ----- <i>William D. Marohn</i>	<i>Director, President and Chief Operating Officer</i>
<i>/s/ Bradley J. Bell</i> ----- <i>Bradley J. Bell</i>	<i>Vice President and Treasurer (Principal Financial Officer)</i>
<i>/s/ Robert G. Thompson</i> ----- <i>Robert G. Thompson</i>	<i>Vice President and Controller (Principal Financial Officer)</i>

<i>/s/ Victor A. Bonomo</i> ----- <i>Victor A. Bonomo</i>	<i>Director</i>
<i>/s/ Robert A. Burnett</i> ----- <i>Robert A. Burnett</i>	<i>Director</i>
<i>/s/ Herman Cain</i> ----- <i>Herman Cain</i>	<i>Director</i>
<i>/s/ Allan D. Gilmour</i> ----- <i>Allan D. Gilmour</i>	<i>Director</i>
<i>/s/ Arnold G. Langbo</i> ----- <i>Arnold G. Langbo</i>	<i>Director</i>
<i>/s/ Miles L. Marsh</i> ----- <i>Miles L. Marsh</i>	<i>Director</i>
<i>/s/ Philip L. Smith</i> ----- <i>Philip L. Smith</i>	<i>Director</i>
<i>/s/ Paul G. Stern</i> ----- <i>Paul G. Stern</i>	<i>Director</i>
<i>/s/ Janice D. Stoney</i> ----- <i>Janice D. Stoney</i>	<i>Director</i>

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned, being a director or officer, or both, of WHIRLPOOL CORPORATION, a Delaware corporation (hereinafter called the "Corporation"), does hereby constitute and appoint DAVID R. WHITWAM, WILLIAM D. MAROHN, BRADLEY J. BELL, and DANIEL F. HOPP, with full power to each of them to act alone, as the true and lawful attorneys and agents of the undersigned, with full power of substitution and resubstitution to each of said attorneys, to execute, file or deliver any and all instruments and to do all acts and things which said attorneys and agents, or any of them, deem advisable to enable the Corporation to comply with the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and any requirements of the Securities Exchange Commission in respect thereof, in connection with (i) the filing under said Securities Exchange Act of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994, and (ii) the filing under said Securities Exchange Act of the Annual Report on Form 11-K for the year ended December 31, 1994 for the Whirlpool 401(k) Plan, including specifically, but without limitation of the general authority hereby granted, the power and authority to sign his or her name as a director or officer, or both, of the Corporation, as indicated below opposite his or her signature, to the Annual Report on Form 10-K and the Annual Report on Form 11-K, or any amendment, post-effective amendment, or papers supplemental thereto to be filed in respect of said Annual Reports; and each of the undersigned does hereby fully ratify and confirm all that said attorneys and agents, or any of them, or the substitute of any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has subscribed these presents, as of the 21st day of February, 1995.

Name

Title

/s/ Kathleen J. Hempel

Director

Kathleen J. Hempel

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM 1994 10-K FOR WHIRLPOOL CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000,000

PERIOD TYPE	YEAR
FISCAL YEAR END	DEC 31 1994
PERIOD START	JAN 01 1994
PERIOD END	DEC 31 1994
CASH	72
SECURITIES	0
RECEIVABLES	1,867
ALLOWANCES	84
INVENTORY	838
CURRENT ASSETS	3,078
PP&E	3,101
DEPRECIATION	1,661
TOTAL ASSETS	6,655
CURRENT LIABILITIES	2,988
BONDS	885
COMMON	80
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	1,643
TOTAL LIABILITY AND EQUITY	6,655
SALES	7,949
TOTAL REVENUES	8,104
CGS	5,952
TOTAL COSTS	6,003
OTHER EXPENSES	214
LOSS PROVISION	0
INTEREST EXPENSE	114
INCOME PRETAX	292
INCOME TAX	176
INCOME CONTINUING	158
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	158
EPS PRIMARY	2.10
EPS DILUTED	2.09

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