



Whirlpool Corporation Q4 2008 Review

February 9, 2009



Agenda

- Overview

- Jeff Fettig – Chairman and Chief Executive Officer

- North American Operations

- Mike Todman – President, North America

- International Operations

- Jeff Fettig – Chairman and Chief Executive Officer

- Financial Review and 2009 Outlook

- Roy Templin – EVP and Chief Financial Officer

Overview

- Very challenging economic environment globally
- Volatility has created substantial challenges
 - Demand
 - Currencies
 - Costs
- 2008 results were negatively impacted by the external environment

***Aggressively addressing a highly volatile
and uncertain economic environment***

2008 Summary

- Implemented structural cost reduction actions to align capacity with industry demand
 - Announced closure of 5 facilities
 - Announced elimination of 5,000 positions globally
- Executed cost-based price increases globally
- Production rates below demand to reduce inventory levels
- Strong pipeline of innovation...focused investments
- Maintained our market position in all major global markets

Key Operational Drivers in 2009

Positive Effects

- Significant product cost reductions
- Reduced costs in all non-product areas
- Price/mix
- Lower working capital
- Reduced capital spending

Negative Effects

- Demand
- Material costs
- Currencies

Strong focus on every part of the business to reduce costs and generate cash to align to highly volatile environment

2009 Financial Guidance

2009 Guidance⁽¹⁾

Earnings per Share

\$3.00 - \$4.00

Free Cash Flow

\$300 - \$400 million

(1) Note: Based upon current economic projections and business plans.



North America



North America Q4 Results

<i>(USD in millions)</i>	Fourth Quarter		Better/(Worse)	
	2008	2007	2007	%
Net Sales	2,499	3,044	(545)	(18)%
Operating Profit/(Loss)	(20)	175	(195)	(112)%
Operating Margin %	(0.8)%	5.7%	(6.5) pts	

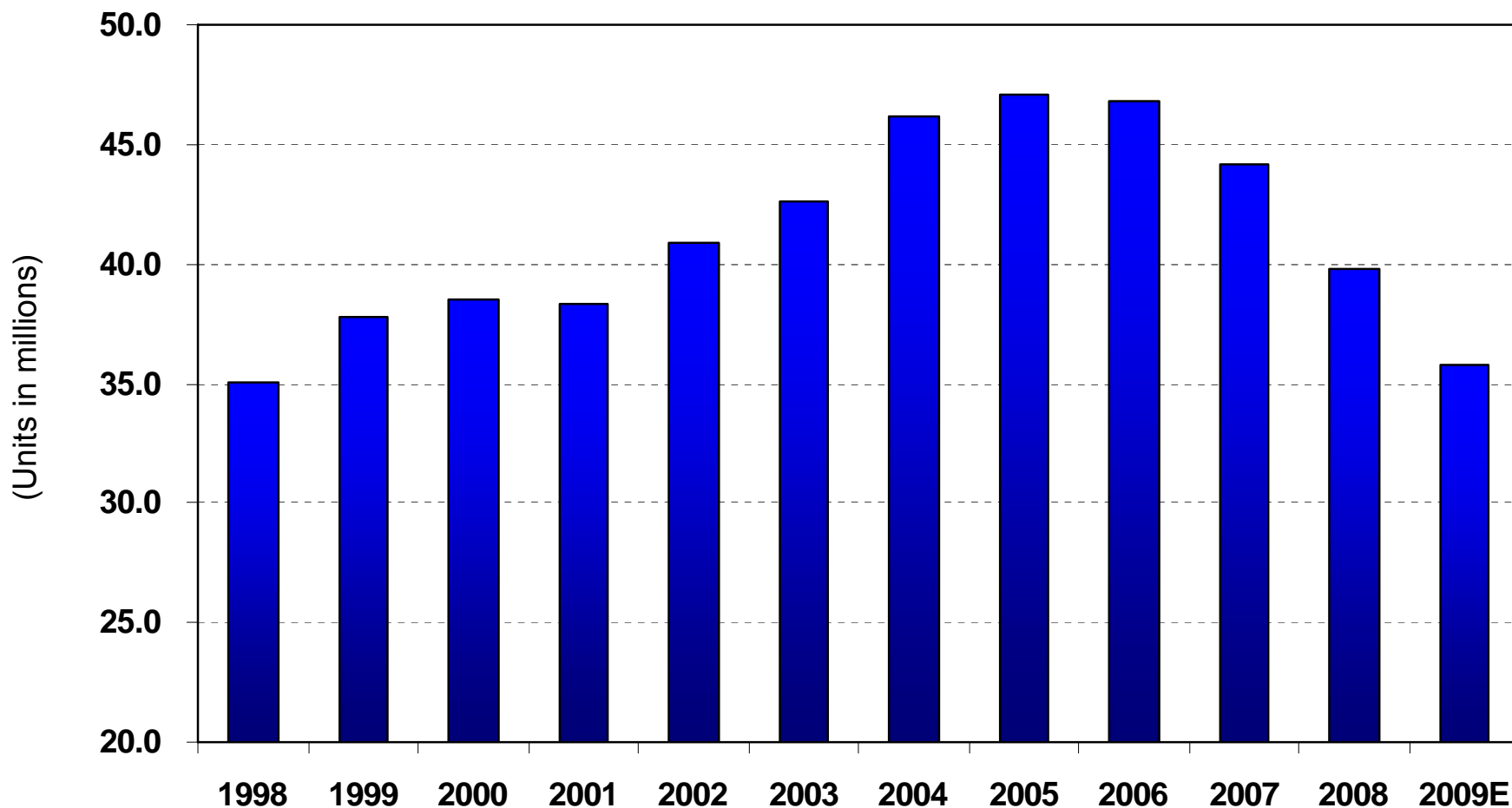
- **Sales down ~ 16% excluding currency**
- **Production volume and material costs unfavorable**
- **Favorable price/mix impact**

2009 Industry Demand Outlook

Demand Component	2008 % of Demand (est.)	2009 Outlook
New Home Completions	12%	~ (35)%
Existing Home Sales	15%	~ (9)%
Discretionary	25%	Low consumer confidence...high unemployment
Replacement	48%	Some delayed purchases

***Overall expect 2009 North American demand to decline ~ 10%
...continued high level of uncertainty***

U.S. Industry Demand Trends (T7*)



***U.S. Industry demand forecast at lowest level since 1998
 ...industry expected to decline ~11 million units since 2005***

2009 Priorities

- Adjust business to demand environment
 - Production
 - Cost
 - Optimize volume and price/mix

- Execution of structural cost and capacity reduction

- Provide consumers and trade partners with great value through innovative new products
 - Leading provider of energy efficient appliances
...great cost of ownership value to consumers



International



Summary

- Substantial deterioration of economic activity across most major markets during the fourth quarter
- Significant unfavorable impact from foreign exchange on revenues and operating profit
- Appliance unit volumes lower
- Latin America and Asia performance solid in Q4

Europe Q4 Results

	Fourth Quarter		Better/(Worse)	
	2008	2007	2007	%
<i>(USD in millions)</i>				
Net Sales	938	1,121	(183)	(16)%
Operating Profit	2	73	(71)	(97)%
Operating Margin %	0.2%	6.5%	(6.3) pts	

- **Sales decrease ~7% excluding foreign currency translation impact**
- **Industry demand down ~ 10%**
- **Significant unfavorable impact from sharply reduced production volumes, higher material costs and currency impacts**

Latin America Q4 Results

	Fourth Quarter		Better/(Worse)	
	2008	2007	2007	%
<i>(USD in millions)</i>				
Net Sales	777	1,048	(271)	(26)%
Operating Profit	110	156	(46)	(30)%
Operating Margin %	14.1%	14.9%	(0.8) pts	

- *Sales decrease ~14% excluding foreign currency translation impact*
- *Prior year results include \$15 million gain on asset sale*
- *Results significantly impacted by unfavorable foreign exchange fluctuations and higher material costs*

Asia Q4 Results

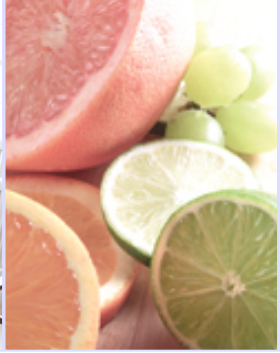
<i>(USD in millions)</i>	Fourth Quarter		Better/(Worse)	
	2008	2007	2007	%
Net Sales	140	155	(15)	(10)%
Operating Profit/(Loss)	3	(4)	7	NM
Operating Margin %	2.0%	(2.3)%	4.3 pts	

- *Net sales increase ~7% excluding foreign currency*
- *Profitability improvement resulting from product price/mix initiatives and ongoing productivity gains more than offsetting higher material costs and negative currency impacts*

2009 Outlook

	<u>Industry Unit Demand</u>
Europe	~ (8)%
Latin America (Appliance)	Flat to (5)%
Asia	Flat to (5)%

- Strong focus on cost reductions and optimizing volume and price/mix
- Currency volatility will remain a risk



Financial Overview



Fourth-Quarter Summary

Revenue performance

- + Global price/mix
- Foreign currency exchange
- Sharp global unit demand declines

Operating Margin performance

- + Price/mix improvements globally
- + SG&A cost/lower incentive compensation
- Sharp global unit volume declines
- Foreign exchange
- Material and oil-related costs

Other items

- + Monetized \$38 million of BEFIEX credits and asset sale gains of \$43 million
- Restructuring expenses of \$77 million and product recall costs of \$32 million

Financial Summary

	Fourth Quarter		Better/(Worse)	
	2008	2007	2007	%
<i>(millions of USD)</i>				
Net Sales	4,315	5,325	(1,010)	(19)%
Cost of Goods Sold	3,842	4,487	645	14%
Gross Margin %	11.0%	15.7%	(4.7) pts	
SG&A	379	484	105	22%
Restructuring	77	15	(62)	(415)%
Operating Profit	10	332	(322)	(97)%
Operating Margin %	0.2%	6.2%	(6.0) pts	

- **Net Sales:** Excluding foreign exchange sales decreased ~13%
- **Gross Margin:** Increased raw material/oil costs, sharply lower unit volumes, and unfavorable FX partially offset by favorable price/mix
- **SG&A:** Lower infrastructure costs, incentive compensation and FX translation

Financial Summary

<i>(millions of USD)</i>	Fourth Quarter		Better/(Worse)	
	2008	2007	2007	%
Operating Profit	10	332	(322)	(97)%
Interest Expense	(53)	(52)	(1)	(1)%
Interest & Sundry Income/(Expense)	(66)	(43)	(23)	(57)%
Earnings Before Income Taxes	(109)	237	(346)	(146)%
Income Taxes	(160)	39	199	NM
Effective Tax Rate	146.8%	16.1%		
Equity Earnings/(Loss)	-	(8)	8	NM
Minority Interest	(7)	(3)	(4)	(90)%
Earnings from Continuing Operations	44	187	(143)	(76)%
EPS - Diluted	\$ 0.60	\$ 2.38	\$ (1.78)	(75)%

- **Interest and sundry expenses:** Increase primarily related to foreign exchange losses
- **Income Taxes:** Income tax benefit compared to prior year expense primarily related to tax credits

Working Capital

	<u>12/31/08</u>	<u>12/31/07</u>	<u>9/30/08</u>
Accounts Receivable	2,103	2,604	2,603
Inventory	2,591	2,665	3,053
Accounts Payable	2,805	3,260	3,282
Working Capital	1,889	2,009	2,374
% of Sales	10.0%	10.4%	12.2%

Cash Flow




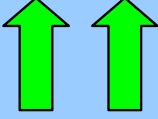

	Twelve Months Ended December 31	
	2008	2007
<i>(millions of USD)</i>		
Earnings from Continuing Operations	418	647
Depreciation & Amortization	597	593
Working Capital	(124)	92
Other	(564)	(405)
Cash Provided By Continuing Operating Activities	327	927
Capital Expenditures	(547)	(536)
Proceeds from Sale of Assets/Businesses (non-Maytag)	119	130
Free Cash Flow	(101)	521

Liquidity Update

- \$1.95 billion available under revolving credit facility at year-end
- Minimal near-term debt maturities...approximately \$200 million of long-term debt maturing in 2009

<i>(millions of USD)</i>	<u>12/31/2008</u>
Total Revolving Credit Facility	\$ 2,200
+ Cash and Equivalents	146
- Revolving Credit Facility Draw	(247)
Net Available Liquidity	\$ 2,099

2009 Outlook

Operational Driver	2009 Forecast
Global Unit Volume	
Currency	
Material Costs	
Productivity	
Price/mix	

Closing Remarks

Closing Remarks

- **Top priority** is to maintain and ensure financial flexibility through this economic downturn

- Focus on **strengthening** the foundation of our business
 - Radically reduce the cost structure and production capacity
 - Free cash flow generation
 - Optimize volume/share and price/mix in a challenging consumer environment

- Strongly positioned to create value when demand levels stabilize

Whirlpool is taking significant actions to address current economic trends and to ensure long-term success



Appendix

Cash Flow Reconciliation

The table below reconciles actual 2008 and 2007 and projected 2009 cash provided by continuing operations determined in accordance with generally accepted accounting principles (GAAP) in the United States to free cash flow, a non-GAAP measure. Management believes that free cash flow provides shareholders with a relevant measure of liquidity and a useful basis for assessing the company's ability to fund its activities and obligations. There are limitations to using non-GAAP financial measures, including the difficulty associated with comparing companies that use similarly named non-GAAP measures whose calculations may differ from the company's calculations. As defined by the company, free cash flow is cash provided by continuing operations after capital expenditures and proceeds from the sale of assets/businesses.

	Twelve Months Ended		2009 Outlook	
	December 31			
(millions of dollars)	2008	2007		
Cash provided by continuing operations	\$ 327	\$ 927	\$ 700	\$ 800
Capital expenditures	(547)	(536)	(450)	(500)
Proceeds from sale of assets/non-Maytag businesses	119	130	50	100
Free Cash Flow	\$ (101)	\$ 521	\$ 300	\$ 400

About Whirlpool Corporation

Whirlpool Corporation is the world's leading manufacturer and marketer of major home appliances, with annual sales of approximately \$19 billion, 70,000 employees, and 69 manufacturing and technology research centers around the world. The company markets *Whirlpool*, *Maytag*, *KitchenAid*, *Jenn-Air*, *Amana*, *Brastemp*, *Consul*, *Bauknecht* and other major brand names to consumers in nearly every country around the world. Additional information about the company can be found at <http://www.whirlpoolcorp.com>.

* T7 refers to the following household appliance categories: washers, dryers, refrigerators, freezers, dishwashers, ranges and compactors

Whirlpool Additional Information:

This document contains forward-looking statements that speak only as of this date. Whirlpool disclaims any obligation to update these statements. Forward-looking statements in this document may include, but are not limited to, statements regarding expected earnings per share, cash flow, productivity and material and oil-related prices. Many risks, contingencies and uncertainties could cause actual results to differ materially from Whirlpool Corporation's forward-looking statements. Among these factors are: (1) changes in economic conditions which affect demand for our products, including the strength of the building industry and the level of interest rates; (2) the effects of the global economic crisis on our customers, suppliers and the availability of credit; (3) Whirlpool's ability to continue its relationship with significant trade customers, including Sears Holding Corporation in North America (accounting for approximately 11% of Whirlpool's 2008 consolidated net sales of \$18.9 billion) and the ability of these trade customers to maintain or increase market share; (4) intense competition in the home appliance industry reflecting the impact of both new and established global competitors, including Asian and European manufacturers; (5) the ability of Whirlpool to manage foreign currency fluctuations; (6) litigation including product liability and product defect claims; (7) the ability of Whirlpool to achieve its business plans, productivity improvements, cost control, leveraging of its global operating platform, and acceleration of the rate of innovation; (8) fluctuations in the cost of key materials (including steel, oil, plastic, resins, copper and aluminum) and components and the ability of Whirlpool to offset cost increases; (9) the ability of suppliers of critical parts, components and manufacturing equipment to deliver sufficient quantities to Whirlpool in a timely and cost-effective manner; (10) health care cost trends and regulatory changes that could increase future funding obligations for pension and post retirement benefit plans; (11) Whirlpool's ability to obtain and protect intellectual property rights; (12) global, political and/or economic uncertainty and disruptions, especially in Whirlpool's significant geographic regions, including uncertainty and disruptions arising from natural disasters or terrorist attacks; (13) the impact of labor relations; (14) our ability to attract, develop and retain executives and other qualified employees; (15) the cost of compliance with environmental and health and safety regulations. Additional information concerning these and other factors can be found in Whirlpool Corporation's filings with the Securities and Exchange Commission, including the most recent annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K.