

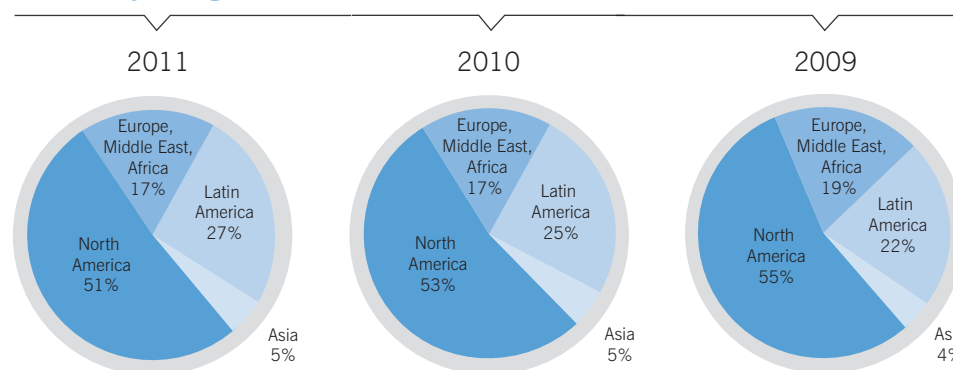
## FINANCIAL SUMMARY

The following is a summary of Whirlpool Corporation's financial condition and results of operations for 2011, 2010 and 2009. For a more complete understanding of our financial condition and results, this summary should be read together with Whirlpool Corporation's Consolidated Financial Statements and related notes, and "Management's Discussion and Analysis." This information appears in the Financial Supplement to the Company's Proxy Statement and in the Financial Supplement to the 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission, both of which are also available on the company's website at [www.whirlpoolcorp.com](http://www.whirlpoolcorp.com).

## ABOUT WHIRLPOOL

Whirlpool Corporation ("Whirlpool") is the world's leading manufacturer of major home appliances with revenues of approximately \$19 billion and net earnings available to Whirlpool of \$390 million in 2011. We are a leading producer of major home appliances in North America and Latin America and have a significant presence in markets throughout Europe and India. We have received worldwide recognition for accomplishments in a variety of business and social efforts, including leadership, diversity, innovative product design, business ethics, social responsibility and community involvement. We conduct our business through four reportable segments, which we define based on geography. Our reportable segments consist of North America, Latin America, EMEA (Europe, Middle East and Africa) and Asia. Our customer base includes large, sophisticated trade customers who have many choices and demand competitive products, services and prices. The charts below summarize the balance of net sales by reportable segment for 2011, 2010 and 2009, respectively:

## Sales by Region



We monitor country-specific economic factors such as gross domestic product, unemployment, consumer confidence, retail trends, housing starts and completions, sales of existing homes and mortgage interest rates as key indicators of industry demand. In addition to profitability, we also focus on country, brand, product and channel sales when assessing and forecasting financial results.

Our leading portfolio of brands includes: *Whirlpool*, *Maytag*, *KitchenAid*, *Brastemp* and *Consul*, each of which has annual revenues in excess of \$1 billion. Our global branded consumer products strategy is to introduce innovative new products, increase brand customer loyalty, expand our presence in foreign markets, enhance our trade management platform, improve total cost and quality by expanding and leveraging our global operating platform and, where appropriate, make strategic acquisitions and investments.

As we grow revenues in our core products, our strategy is to extend our business by offering products and services that are dependent on and related to our core business and expand into adjacent products, such as *Gladiator* GarageWorks, through stand-alone businesses that leverage our core competencies and business infrastructure.

## 2011 OVERVIEW

Whirlpool and the home appliance industry as a whole continued to face significant macroeconomic challenges across much of the world in 2011, including recessionary demand levels in developed countries, a slowdown in emerging markets, high levels of inflation in material costs and volatility in foreign currencies. To be successful in this period of uncertain economic growth and consumer demand, we have taken aggressive actions to expand our operating margins and improve our earnings. These actions include implementation of our previously announced cost-based price increases, continued investment in new product innovation, execution of announced cost and capacity reductions, continued productivity improvements and legal actions taken to promote fair trade within the industry.

During 2011, we settled a long-standing collection dispute with Banco Safra S.A. and an antitrust investigation by the

European Commission into the refrigeration compressor industry. While these settlements negatively impacted our 2011 results, they have removed significant uncertainty and financial risk by bringing closure to these items.

Whirlpool's ongoing focus on cost reductions, productivity improvements and investment in innovative new products continue to enable Whirlpool to adapt to changes in the macroeconomic environment and maintain our position as the global number one home appliance maker.

#### Consolidated Net Sales

Consolidated net sales increased 1.6% compared to 2010 primarily due to the favorable impact of foreign currency and higher BEFIEEX credits recognized, partially offset by lower unit shipments. Excluding the impact of foreign currency, consolidated net sales decreased 0.4% compared to 2010. Consolidated net sales for 2010 increased 7.4% compared to 2009 primarily due to higher unit shipments, higher BEFIEEX credits recognized and the favorable impact of foreign currency, partially offset by unfavorable product price/mix. Excluding the impact of foreign currency, consolidated net sales for 2010 increased 5.3% compared to 2009.

Significant regional trends were as follows:

- North America net sales decreased 2.1% compared to 2010 primarily due to a 2.0% decrease in units sold. Improvements in product price/mix were experienced during the second half of 2011 as we began to realize the effects of pricing actions taken earlier in the year. However, for the full year, net sales were slightly unfavorable to 2010 as a result of product price/mix. Foreign currency did not have a significant impact on North America net sales in 2011. North America net sales for 2010 increased 2.0% compared to 2009 primarily due to a 5.9% increase in units sold. The increase in units sold was driven by strong industry growth in the first half which slowed significantly in the second half primarily in the United States. In addition, net sales were negatively impacted by unfavorable product price/mix, including pricing actions during the second half of 2010 taken to match aggressive competitive pricing pressure, partially offset by the favorable impact of foreign currency. Excluding the impact of foreign currency, North America net sales increased 0.7% in 2010.
- Latin America net sales increased 7.8% compared to 2010 primarily due to the favorable impact of foreign currency, improved product price/mix, higher BEFIEEX credits recognized and a 1.4% increase in units sold. Excluding the impact of foreign currency and higher BEFIEEX credits, Latin America net sales increased 3.0% in 2011. Latin America net sales for 2010 increased 26.7% compared to 2009 primarily due to a 16.1% increase in units sold. The increase in units sold was driven by strong industry growth in the first half which moderated somewhat in the second half of the year. In addition, net sales increased due to the favorable impact of foreign currency and higher BEFIEEX credits recognized, partially offset by unfavorable product price/mix. Excluding the impact of foreign currency and higher BEFIEEX credits, Latin America net sales increased 13.7% in 2010.

In previous years, our Brazilian operations earned tax credits under the Brazilian government's export incentive program (BEFIEEX). These credits reduce Brazilian federal excise taxes on domestic sales, resulting in an increase in the operations' recorded net sales. After a favorable court decision in 2005, upheld by a December 2011 appellate court decision, we were able to recognize approximately \$266 million, \$225 million, and \$69 million of export credits during 2011, 2010 and 2009, respectively. Export credits recognized are not subject to income taxes. We recognize exports credits as they are monetized; however, future actions by the Brazilian government could limit our ability to monetize these export credits. The Brazilian government announced an Impostos sobre Produtos ("IPI") sales tax holiday on appliances in December 2011, which expires on March 31, 2012. During this holiday, we expect to monetize reduced amounts of export credits because the export credits are monetized through the offset of IPI taxes due. As of December 31, 2011, approximately \$238 million of future cash monetization remained, including \$60 million of related court awarded fees, which will be payable in subsequent years. A Brazilian law change to the inflation index tables reduced available cash monetization by \$62 million in 2011.

- EMEA net sales increased 2.4% compared to 2010, primarily due to the favorable impact of foreign currency, partially offset by unfavorable product price/mix. Excluding the impact of foreign currency, net sales decreased 3.1%. EMEA net sales for 2010 decreased 3.3% compared to 2009, primarily due to the unfavorable impact of foreign currency and unfavorable product price/mix driven by an increasingly competitive pricing environment, partially offset by a 4.7% increase in units sold due to higher industry demand which accelerated during the second half of 2010. Excluding the impact of foreign currency, net sales increased 0.7% in 2010.
- Asia net sales increased 3.1% compared to 2010 primarily due to improved product price/mix, the favorable impact of foreign currency and a 0.5% increase in units sold. Excluding the impact of foreign currency, Asia net sales increased 2.3%. Asia net sales for 2010 increased 30.6%, led by results in India and China, compared to 2009 primarily due to a 22.4% increase in units sold. Excluding the impact of foreign currency, Asia net sales increased 23.8% in 2010.

#### Gross Margin

The consolidated gross margin percentage decreased 1.0 points to 13.8% compared to 2010, primarily due to material cost increases, partially offset by productivity improvements and higher BEFIEEX credits recognized. In addition, gross margin benefited from the net impacts of a supplier recovery payment received in 2011, charges related to a product recall in 2010 that did not recur in 2011, partially offset by lower curtailment gains in a postretirement healthcare plan during 2011.

Significant regional trends were as follows:

- North America gross margin decreased compared to 2010 primarily due to significant increases in material costs, partially offset by continued productivity improvements and the favorable impact from product price/mix. Gross margin also reflects the favorable impact from \$78 million in lower product recall charges and a \$61 million supplier recovery payment received in 2011, partially offset by \$50 million in higher LIFO adjustments and \$27 million in lower postretirement curtailment gains. North America gross margin for 2010 decreased compared to 2009 primarily due to unfavorable product price/mix, higher material costs, \$43 million in higher product recall charges, a \$45 million variance in LIFO adjustments compared to 2009 and \$18 million in lower postretirement curtailment gains. These items were partially offset by continued cost reductions, improved productivity and higher volumes.
- Latin America gross margin decreased compared to 2010 primarily due to higher material costs and the unfavorable impact of foreign currency, partially offset by cost reductions and \$41 million in higher BEFLEX credits recognized. During 2010, Latin America gross margin increased compared to 2009 primarily due to \$156 million higher BEFLEX credits recognized, cost reductions and improved productivity, partially offset by unfavorable product price/mix.
- EMEA gross margin decreased compared to 2010 primarily due to higher material costs and the unfavorable impact of product price/mix, partially offset by cost reductions and improved productivity. During 2010, EMEA gross margin increased compared to 2009 primarily due to cost reductions and improved productivity, partially offset by unfavorable product price/mix.
- Asia gross margin decreased compared to 2010 primarily due to higher material costs, partially offset by productivity improvements and cost reductions, improved product price/mix and the favorable impact of foreign currency. Asia gross margin during 2010 decreased compared to 2009 primarily due to higher material and oil-related costs and unfavorable product price/mix, partially offset by the favorable impact of foreign currency.

#### **Selling, General and Administrative**

Selling, general and administrative expenses remained flat compared to 2010, with unfavorable foreign currency and increased brand investments offset by lower employee incentive compensation. Selling, general and administrative expenses as a percent of consolidated net sales in 2010 decreased compared to 2009, primarily due to favorable leverage on increased net sales. Selling, general and administrative expenses in 2010 increased approximately \$54 million compared to 2009 in Latin America, primarily due to the unfavorable impact of foreign currency and higher infrastructure spending to support higher sales volumes.

#### **Research and Development Costs**

Research and development costs increased \$46 million or 8.6% compared to 2010 to \$578 million or 3.1% of consolidated net sales. In 2010, research and development costs increased \$32 million or 6.4% compared to 2009 to \$532 million or 2.9% of consolidated net sales. The increases in 2011 and 2010 were primarily due to increased product innovation spending.

#### **Restructuring**

During the fourth quarter 2011, the Company committed to restructuring plans (the "2011 Plan") that will result in substantial cost and capacity reductions. Including previously announced restructuring initiatives, we expect to incur approximately \$500 million of total costs beginning in the fourth quarter 2011 with completion expected by the end of 2013.

We expect to incur approximately \$405 million of future cash expenditures related to the 2011 Plan. We incurred total restructuring charges of \$136 million, \$74 million and \$126 million during the years ended December 31, 2011, 2010 and 2009, respectively.

#### **Interest and Sundry Income (Expense)**

Interest and sundry expense increased \$410 million compared to 2010 to \$607 million, primarily driven by charges related to the settlement of the Brazilian collection dispute and Embraco antitrust matters of \$528 million in 2011 compared to \$146 million in 2010. In addition, 2011 reflects the unfavorable impact of foreign currency. During 2010, interest and sundry expense increased \$22 million compared to 2009 to \$197 million, primarily due to higher charges relating to the Embraco antitrust matters of approximately \$40 million, partially offset by the favorable impacts of foreign currency and higher interest income.

#### **Interest Expense**

Interest expense decreased \$12 million compared to 2010 to \$213 million, primarily due to lower interest rates, partially offset by higher average monthly debt levels. During 2010, interest expense increased compared to 2009, as 2009 benefited from an \$8 million reduction in accrued interest as a result of an operating tax settlement. In addition, 2010 included higher amortization of debt issuance costs, partially offset by a reduction in interest expense due to lower average debt levels and interest rates.

#### **Income Taxes**

The income tax benefit was \$436 million, \$64 million, and \$61 million in 2011, 2010 and 2009, respectively. The increase in tax benefit in 2011 compared to 2010 and 2009 is primarily due to a reduction in pre-tax earnings, higher energy tax credits generated in the United States from the production of certain eligible energy efficient appliances and higher non-taxable BEFLEX credits recognized in Brazil.

## FORWARD-LOOKING PERSPECTIVE

We currently estimate earnings per diluted share, free cash flow and industry demand for 2012 to be within the following ranges:

<i>(Millions of dollars, except per share data)</i>		Current Outlook
<b>Estimated earnings per diluted share, for the year ending December 31, 2012</b>		
<b>\$5.00–\$5.50</b>		
Including:		
BEFIEX (\$60 to \$80 million)		0.80–1.00
Restructuring expense (\$250–\$270 million)		(2.30)–(2.50)
<b>Free cash flow</b>		
<b>\$100–\$150</b>		
Including:		
Pension plan contributions		(250)–(250)
Brazilian Collection Dispute & Embraco Antitrust Matters		(385)–(385)
Restructuring cash outlays		(279)–(279)
BEFIEX		60–80
<b>Industry demand</b>		
North America		—%–3%
Latin America		2%–5%
EMEA		(5)%–(2)%
Asia		2%–4%

The table below reconciles projected 2012 cash provided by operations determined in accordance with generally accepted accounting principles in the United States (GAAP) to free cash flow, a non-GAAP measure. Management believes that free cash flow provides stockholders with a relevant measure of liquidity and a useful basis for assessing Whirlpool'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 our calculations. We define free cash flow as cash provided by continuing operations after capital expenditures and proceeds from the sale of assets/businesses.

These projections are based on many estimates and are inherently subject to change based on future decisions made by management and the Board of Directors of Whirlpool, and significant economic, competitive and other uncertainties and contingencies.

<i>(Millions of dollars)</i>		Current Outlook
Cash provided by operating activities		\$600–\$700
Capital expenditures		(500)–(550)
Proceeds from sale of assets/businesses		—
Free cash flow		\$100–\$150

## FINANCIAL CONDITION AND LIQUIDITY

Our objective is to finance our business through operating cash flow and the appropriate mix of long-term and short-term debt. By diversifying the maturity structure, we avoid concentrations of debt, reducing liquidity risk. We have varying needs for short-term working capital financing as a result of the nature of our business. We regularly review our capital structure and liquidity priorities, which include funding the business through capital and engineering spending to support innovation and productivity initiatives, funding our pension plan and term debt liabilities, payment

of legacy legal liabilities, return to shareholders and potential acquisitions in our core business and/or strategic adjacent business opportunities. These priorities are aligned with our goal to return our credit ratings to pre-recession levels.

We have continued to operate under uncertain and volatile global economic conditions for most of 2011, experiencing higher material costs, recessionary demand levels in developed markets and slowing growth in emerging markets. To succeed in this environment, we have announced aggressive actions to improve our overall operating performance and financial condition, including cost-based price increases across all markets and plans to reduce our cost structure and production capacity, primarily in North America and EMEA. Based on the actions taken and announced in 2011, we believe that operating cash flow, together with access to sufficient sources of liquidity, will be adequate to meet our ongoing requirements to fund our operations.

Our short-term potential uses of liquidity include funding \$350 million of term debt maturing in May 2012, \$385 million related to the Brazilian collection dispute and Embraco antitrust matters, \$279 million of restructuring activities and approximately \$250 million in our United States and foreign pension plans. At December 31, 2011 and 2010, we had no borrowings outstanding under credit facilities. We were in compliance with financial covenant requirements at December 31, 2011 and 2010.

We monitor the credit ratings and market indicators of credit risk of our lending, depository, and derivative counterparty banks regularly. We diversify our deposits and investments in short-term cash equivalents to limit the concentration of exposure by counterparty. The general financial instability in the stressed European countries could have a contagion effect on the region and contribute to the general instability and uncertainty in the European Union. At December 31, 2011, Belgium is the only European country that has cash and cash equivalents and third-party receivables exceeding 1% of our consolidated assets.

## Sources and Uses of Cash

We met our cash needs for 2011 through cash flows from operations, cash and cash equivalents and financing arrangements. Our cash and equivalents were \$1,109 million at December 31, 2011 compared to \$1,368 million at December 31, 2010. The decrease in cash during 2011 is primarily due to a third quarter payment related to the settlement of the Brazilian collection dispute and contributions to our U.S. funded pension plans, offset by cash generated from operations.

## Cash Flows from Operating Activities

The decrease in cash provided by operations during 2011 includes a \$301 million payment related to the settlement of the Brazilian collection dispute, funding of our United States pension plans of \$298 million and lower net earnings, partially offset by significant reductions in inventory. Cash provided by operating activities in 2010 decreased \$472 million compared to 2009, primarily from required increases in inventory to support product availability and

product transition, partially offset by higher net earnings and more favorable terms of collection of accounts receivable and of payment to suppliers. In addition, the significant slowing of sales growth in the second half of 2010 resulted in higher than normal inventory levels of approximately three days.

The timing of cash flows from operations varies significantly within a quarter primarily due to changes in production levels, sales patterns, promotional programs, funding requirements as well as receivable and payment terms. Dependent on timing of cash flows, the location of cash balances, as well as the liquidity requirements of each country, external sources of funding are used to support working capital requirements. Due to the variables discussed above, cash flow used in operations during the year was significantly in excess of our quarter-end balances.

During the first quarter of 2011, the European Parliament approved a directive that changes existing laws regarding supplier payment terms. The approved directive generally requires payment terms to be 30 days from the invoice date unless otherwise stated in the contract. An extension of up to 60 days is allowed if both parties agree to the terms. Countries within the European Union are required to adopt this directive within 2 years. We continue to monitor this situation as these changes, once adopted, could affect our cash flows to suppliers and from customers, since our payment terms to affected suppliers are generally longer than from affected customers.

We offer our suppliers access to third-party payables processors. Independent of Whirlpool, the processors allow suppliers to sell their receivables to financial institutions at the discretion of only the supplier and the financial institution. We have no economic interest in the sale of these receivables and no direct financial relationship with the financial institutions concerning these services. All of our obligations, including amounts due, remain to our suppliers as stated in our supplier agreements. As of December 31, 2011 and 2010, approximately \$952 million and \$916 million, respectively, have been sold by suppliers to participating financial institutions.

#### **Cash Flows from Investing Activities**

Cash used in investing activities of \$596 million during 2011 was consistent with cash used in 2010 of \$606 million. We continue to increase our capital spending to support new products and innovation. Cash used in investing activities in 2010 was \$606 million, an increased outflow of \$107 million compared to 2009. The increase in cash used in investing activities was primarily due to increased capital spending and lower proceeds from the sale of assets.

#### **Cash Flows from Financing Activities**

Cash used in financing activities during 2011 totaled \$166 million compared to \$495 million in 2010. The decrease in cash used during 2011 is primarily due to proceeds received from the \$300 million bond offering in June 2011, which was used to repay \$300 million of maturing debt. In 2010, \$379 million of maturing debt was repaid from available cash. At

December 31, 2011 and 2010, we had no commercial paper or credit facility borrowings outstanding.

#### **Financing Arrangements**

We have a \$1.725 billion committed credit facility maturing on June 28, 2016 which includes a \$200 million letter of credit sub-facility. Borrowings under the credit facility are available to us and designated subsidiaries for general corporate purposes, including commercial paper support. Subsidiary borrowings under this facility, if any, are guaranteed by Whirlpool Corporation. Interest under the credit facility accrues at a variable annual rate based on LIBOR plus a margin or the prime rate plus a margin. The margin is dependent on our credit rating at that time. The credit facility requires us to meet certain leverage and interest coverage requirements. We will incur a commitment fee based on Whirlpool's credit rating for any unused portion of the credit facility. At December 31, 2011 and 2010, we had no borrowings outstanding under this credit agreement and are in compliance with financial covenant requirements.

In December 2011, we obtained a committed credit facility in Brazil. The credit facility provides borrowings up to 700 million Brazilian reais (approximately \$373 million as of December 31, 2011), with certain restrictions on the amount available for each draw. The credit facility contains no financial covenants. As of December 31, 2011, we had no borrowings outstanding under this credit agreement.

In 2011, we completed a debt offering comprised of \$300 million aggregate principal amount of 4.85% notes due June 15, 2021. Proceeds from the issuance were used to repay \$300 million in term debt that matured in June 2011. The notes contain customary covenants that limit our ability to incur certain liens or enter into certain sale and lease-back transactions. In addition, if we experience a specific kind of change of control, we are required to make an offer to purchase all of the notes at a purchase price of 101% of the principal amount thereof, plus accrued and unpaid interest.

#### **MARKET RISK**

We have in place an enterprise risk management process that involves systematic risk identification and mitigation covering the categories of enterprise, strategic, financial, operation and compliance and reporting risk. The enterprise risk management process receives Board of Directors and Management oversight, drives risk mitigation decision-making and is fully integrated into our internal audit planning and execution cycle.

We are exposed to market risk from changes in foreign currency exchange rates, domestic and foreign interest rates, and commodity prices, which can affect our operating results and overall financial condition. We manage exposure to these risks through our operating and financing activities and, when deemed appropriate, through the use of derivatives. Derivatives are viewed as risk management tools and are not used for speculation or for trading purposes. Derivatives are generally contracted with a diversified group of investment grade counterparties to reduce exposure to nonperformance on such instruments.

We use foreign currency forward contracts, currency options and currency swaps to hedge the price risk associated with firmly committed and forecasted cross-border payments and receipts related to ongoing business and operational financing activities. Foreign currency contracts are sensitive to changes in foreign currency exchange rates. At December 31, 2011, a 10% favorable or unfavorable exchange rate movement in each currency in our portfolio of foreign currency contracts would have resulted in an incremental unrealized gain or loss of approximately \$185 million. Consistent with the use of these contracts to neutralize the effect of exchange rate fluctuations, such unrealized losses or gains would be offset by corresponding gains or losses, respectively, in the re-measurement of the underlying exposures.

We enter into commodity swap contracts to hedge the price risk associated with firmly committed and forecasted commodities purchases, the prices of which are not fixed directly through supply contracts. As of December 31, 2011, a 10% favorable or unfavorable shift in commodity prices would have resulted in an incremental gain or loss of approximately \$32 million, respectively, related to these contracts.

We occasionally enter into interest rate swaps to hedge interest rate risk associated with debt. As of December 31, 2011, a 10% favorable or unfavorable shift in treasury bond yields would have resulted in an incremental gain or loss of approximately \$4 million, respectively, related to these contracts.

#### **FORWARD-LOOKING STATEMENTS**

This document contains forward-looking statements about Whirlpool Corporation and its consolidated subsidiaries ("Whirlpool") 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's forward-looking statements. Among these factors are: (1) intense competition in the home appliance industry reflecting the impact of both new and established global

competitors, including Asian and European manufacturers; (2) Whirlpool's ability to continue its relationship with significant trade customers and the ability of these trade customers to maintain or increase market share; (3) changes in economic conditions which affect demand for our products, including the strength of the building industry and the level of interest rates; (4) inventory and other asset risk; (5) 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; (6) impact of the European debt crisis; (7) the ability of Whirlpool to achieve its business plans, productivity improvements, cost control, price increases, 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) litigation and legal compliance risk and costs, especially costs which may be materially different from the amount we expect to incur or have accrued for; (10) product liability and product recall costs; (11) the effects and costs of governmental investigations or related actions by third parties; (12) Whirlpool's ability to obtain and protect intellectual property rights; (13) the ability of suppliers of critical parts, components and manufacturing equipment to deliver sufficient quantities to Whirlpool in a timely and cost-effective manner; (14) health care cost trends, regulatory changes and variations between results and estimates that could increase future funding obligations for pension and postretirement benefit plans; (15) information technology system failures and data security breaches; (16) the impact of labor relations; (17) our ability to attract, develop and retain executives and other qualified employees; (18) changes in the legal and regulatory environment including environmental and health and safety regulations; and (19) the ability of Whirlpool to manage foreign currency fluctuations. 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.

## PERFORMANCE GRAPH

The graph below depicts the yearly dollar change in the cumulative total stockholder return on our common stock with the cumulative total return of Standard & Poor's (S&P) Composite 500 Stock Index and the cumulative total return of the S&P 500 Household Durables Index for the years 2007 through 2011.\* The graph assumes \$100 was invested on December 31, 2006, in Whirlpool Corporation common stock, the S&P 500 and the S&P Household Durables Index.

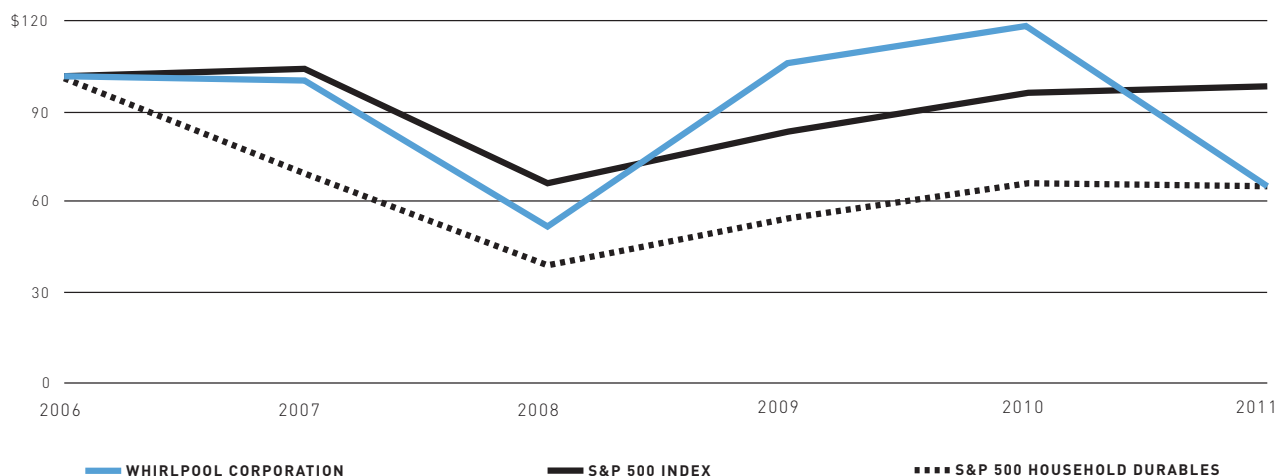
\*Cumulative total return is measured by dividing (1) the sum of (a) the cumulative amount of the dividends for the measurement period, assuming dividend reinvestment, and (b) the difference between share price at the end and at the beginning of the measurement period by (2) the share price at the beginning of the measurement period.

## TOTAL RETURN TO SHAREHOLDERS

(Includes reinvestment of dividends)

Company/Index	Annual Return Percentage Years Ending				
	Dec. '07	Dec. '08	Dec. '09	Dec. '10	Dec. '11
Whirlpool Corporation	0.16%	(47.96)%	103.39%	12.45%	(45.00)%
S&P 500 Index	5.49	(37.00)	26.46	15.06	2.11
S&P 500 Household Durables	(29.80)	(42.57)	36.06	22.87	(2.88)

Company/Index	Base Period Dec. '06	Indexed Returns Years Ending				
		Dec. '07	Dec. '08	Dec. '09	Dec. '10	Dec. '11
Whirlpool Corporation	\$100	\$100.16	\$52.13	\$106.02	\$119.21	\$65.57
S&P 500 Index	100	105.49	66.46	84.05	96.71	98.76
S&P 500 Household Durables	100	70.20	40.32	54.86	67.41	65.47



## Consolidated Statements of Income

(Millions of dollars, except per share data)

Year Ended December 31,	2011	2010	2009
<b>Net sales</b>	<b>\$18,666</b>	\$18,366	\$17,099
<b>Expenses</b>			
Cost of products sold	<b>16,089</b>	15,652	14,713
<b>Gross margin</b>	<b>2,577</b>	2,714	2,386
Selling, general and administrative	<b>1,621</b>	1,604	1,544
Intangible amortization	<b>28</b>	28	28
Restructuring costs	<b>136</b>	74	126
Operating profit	<b>792</b>	1,008	688
<b>Other income (expense)</b>			
Interest and sundry income (expense)	<b>(607)</b>	(197)	(176)
Interest expense	<b>(213)</b>	(225)	(219)
Earnings (loss) before income taxes	<b>(28)</b>	586	293
Income tax benefit	<b>(436)</b>	(64)	(61)
Net earnings	<b>408</b>	650	354
Less: Net earnings available to noncontrolling interests	<b>18</b>	31	26
Net earnings available to Whirlpool	<b>\$ 390</b>	\$ 619	\$ 328
<b>Per share of common stock</b>			
Basic net earnings available to Whirlpool	<b>\$ 5.07</b>	\$ 8.12	\$ 4.39
Diluted net earnings available to Whirlpool	<b>\$ 4.99</b>	\$ 7.97	\$ 4.34
Dividends	<b>\$ 1.93</b>	\$ 1.72	\$ 1.72
<b>Weighted-average shares outstanding (in millions)</b>			
Basic	<b>76.8</b>	76.2	74.6
Diluted	<b>78.1</b>	77.6	75.6

## Consolidated Balance Sheets

(Millions of dollars, except share data)

At December 31,	2011	2010
<b>Assets</b>		
Current assets		
Cash and equivalents	\$ 1,109	\$ 1,368
Accounts receivable, net of allowance of \$61 and \$66, respectively	2,105	2,278
Inventories	2,354	2,792
Deferred income taxes	248	204
Prepaid and other current assets	606	673
Total current assets	6,422	7,315
Property, net of accumulated depreciation of \$6,146 and \$6,660, respectively	3,102	3,134
Goodwill	1,727	1,731
Other intangibles, net of accumulated amortization of \$177 and \$146, respectively	1,757	1,789
Deferred income taxes	1,893	1,305
Other noncurrent assets	280	310
Total assets	\$15,181	\$15,584
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 3,512	\$ 3,660
Accrued expenses	951	671
Accrued advertising and promotions	429	426
Employee compensation	365	467
Notes payable	1	2
Current maturities of long-term debt	361	312
Other current liabilities	678	611
Total current liabilities	6,297	6,149
Noncurrent liabilities		
Long-term debt	2,129	2,195
Pension benefits	1,487	1,519
Postretirement benefits	430	610
Other noncurrent liabilities	558	791
Total noncurrent liabilities	4,604	5,115
Stockholders' equity		
Common stock, \$1 par value, 250 million shares authorized, 106 million shares issued and 76 million shares outstanding	106	106
Additional paid-in capital	2,201	2,156
Retained earnings	4,922	4,680
Accumulated other comprehensive loss	(1,226)	(893)
Treasury stock, 30 million shares	(1,822)	(1,823)
Total Whirlpool stockholders' equity	4,181	4,226
Noncontrolling interests	99	94
Total stockholders' equity	4,280	4,320
Total liabilities and stockholders' equity	\$15,181	\$15,584

## Consolidated Statements of Cash Flows

(Millions of dollars)

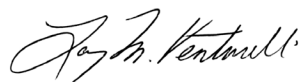
Year Ended December 31,	2011	2010	2009
<b>Operating activities</b>			
Net earnings	\$ 408	\$ 650	\$ 354
Adjustments to reconcile net earnings to cash provided by operating activities:			
Depreciation and amortization	558	555	525
Curtailment gain	(35)	(62)	(92)
Increase (decrease) in LIFO inventory reserve	54	4	(41)
Brazilian collection dispute	144	63	46
Changes in assets and liabilities:			
Accounts receivable	(15)	187	(286)
Inventories	283	(595)	578
Accounts payable	25	341	326
Accrued advertising and promotions	14	(47)	21
Product recall	(15)	13	(37)
Taxes deferred and payable, net	(573)	(94)	(112)
Accrued pension	(280)	(16)	(84)
Employee compensation	(59)	(6)	213
Other	21	85	139
Cash provided by operating activities	530	1,078	1,550
<b>Investing activities</b>			
Capital expenditures	(608)	(593)	(541)
Proceeds from sale of assets	23	17	77
Investment in related businesses	(7)	(18)	(35)
Proceeds from sale of brand	—	15	—
Acquisition of brand	—	(27)	—
Other	(4)	—	—
Cash used in investing activities	(596)	(606)	(499)
<b>Financing activities</b>			
Repayments of long-term debt	(313)	(379)	(210)
Common stock issued	14	72	21
Dividends paid	(148)	(132)	(128)
Purchase of noncontrolling interest shares	—	(12)	—
Net repayments from short-term borrowings	(2)	(20)	(362)
Proceeds from borrowings of long-term debt	300	2	872
Other	(17)	(26)	(49)
Cash (used in) provided by financing activities	(166)	(495)	144
Effect of exchange rate changes on cash and equivalents	(27)	11	39
(Decrease) increase in cash and equivalents	(259)	(12)	1,234
Cash and equivalents at beginning of year	1,368	1,380	146
Cash and equivalents at end of year	\$1,109	\$1,368	\$1,380
<b>Supplemental disclosure of cash flow information</b>			
Cash paid for interest	\$ 208	\$ 218	\$ 209
Cash paid for income taxes	\$ 136	\$ 31	\$ 51

## 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 LLP, an independent registered public accounting firm, whose report, based upon their audits, expresses the opinion that these financial statements present fairly the consolidated financial position, statements of income and cash flows of Whirlpool and its subsidiaries in accordance with accounting principles generally accepted in the United States. Their audits are conducted in conformity with the auditing standards of the Public Company Accounting Oversight Board (United States).

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 books and records, and the Company's assets are maintained and accounted for, in accordance with management's authorizations. The Company's accounting records, compliance with policies and internal controls are regularly reviewed by an internal audit staff.

The audit committee of the Board of Directors of the Company is composed of five independent directors who, in the opinion of the board, meet the relevant financial experience, literacy, and expertise requirements. The audit committee provides independent and objective oversight of the Company's accounting functions and internal controls and monitors (1) the objectivity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent registered public accounting firm's qualifications and independence, and (4) the performance of the Company's internal audit function and independent registered public accounting firm. In performing these functions, the committee has the responsibility to review and discuss the annual audited financial statements and quarterly financial statements and related reports with management and the independent registered public accounting firm, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," to monitor the adequacy of financial disclosure. The committee also has the responsibility to retain and terminate the Company's independent registered public accounting firm and exercise the committee's sole authority to review and approve all audit engagement fees and terms and pre-approve the nature, extent, and cost of all non-audit services provided by the independent registered public accounting firm.



**Larry M. Venturelli**

Executive Vice President and Chief Financial Officer  
February 22, 2012

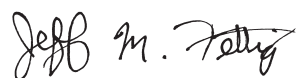
## Management's Report on Internal Control Over Financial Reporting

The management of Whirlpool Corporation is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Whirlpool's internal control system is designed to provide reasonable assurance to Whirlpool's management and board of directors regarding the reliability of financial reporting and the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The management of Whirlpool assessed the effectiveness of Whirlpool's internal control over financial reporting as of December 31, 2011. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework*. Based on our assessment and those criteria, management believes that Whirlpool maintained effective internal control over financial reporting as of December 31, 2011.

Whirlpool's independent registered public accounting firm has issued an audit report on its assessment of Whirlpool's internal control over financial reporting. This report appears on page 47.



**Jeff M. Fettig**

Chairman of the Board and  
Chief Executive Officer  
February 22, 2012



**Larry M. Venturelli**

Executive Vice President and  
Chief Financial Officer  
February 22, 2012

## Report of Independent Registered Public Accounting Firm

The Stockholders and Board of Directors

Whirlpool Corporation

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Whirlpool Corporation as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in stockholders' equity (not presented separately here) and cash flows for each of the three years in the period ended December 31, 2011, and in our report dated February 22, 2012, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying financial statements (presented on pages 42 through 44) is fairly stated, in all material respects from which it has been derived.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Whirlpool Corporation's internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 22, 2012 expressed an unqualified opinion thereon.

The logo for Ernst & Young LLP is written in a stylized, cursive script. The words "Ernst & Young" are in a larger, more prominent script, and "LLP" is in a smaller, simpler script to the right.

Chicago, Illinois  
February 22, 2012

## Report of Independent Registered Public Accounting Firm

The Stockholders and Board of Directors

Whirlpool Corporation

We have audited Whirlpool Corporation's internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Whirlpool Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Whirlpool Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Whirlpool Corporation as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2011, and our report dated February 22, 2012 expressed an unqualified opinion thereon.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style script.

Chicago, Illinois  
February 22, 2012

## Five-Year Selected Financial Data

(Millions of dollars, except share and employee data)

	2011	2010	2009	2008	2007
<b>Consolidated Operations</b>					
Net sales	\$18,666	\$18,366	\$17,099	\$18,907	\$19,408
Restructuring costs	136	74	126	149	61
Depreciation and amortization <sup>(1)</sup>	558	555	525	597	593
Operating profit	792	1,008	688	549	1,063
Earnings (loss) from continuing operations before income taxes and other items	(28)	586	293	246	804
Net earnings from continuing operations	408	650	354	447	669
Loss from discontinued operations <sup>(2)</sup>	—	—	—	—	(7)
Net earnings available to Whirlpool	390	619	328	418	640
Capital expenditures	608	593	541	547	536
Dividends	148	132	128	128	134
<b>Consolidated Financial Position</b>					
Current assets	\$ 6,422	\$ 7,315	\$ 7,025	\$ 6,044	\$ 6,555
Current liabilities	6,297	6,149	5,941	5,563	5,893
Accounts receivable, inventories and accounts payable, net	947	1,410	1,389	1,889	2,009
Property, net	3,102	3,134	3,117	2,985	3,212
Total assets	15,181	15,584	15,094	13,532	14,009
Long-term debt	2,129	2,195	2,502	2,002	1,668
Total debt	2,491	2,509	2,903	2,597	2,093
Whirlpool stockholders' equity	4,181	4,226	3,664	3,006	3,911
<b>Per Share Data</b>					
Basic net earnings from continuing operations	\$ 5.07	\$ 8.12	\$ 4.39	\$ 5.57	\$ 8.24
Diluted net earnings from continuing operations	4.99	7.97	4.34	5.50	8.10
Diluted net earnings	4.99	7.97	4.34	5.50	8.01
Dividends	1.93	1.72	1.72	1.72	1.72
Book value <sup>(3)</sup>	53.50	54.48	48.48	39.54	48.96
Closing Stock Price—NYSE	47.45	88.83	80.66	41.35	81.63
<b>Key Ratios</b>					
Operating profit margin	4.2%	5.5%	4.0%	2.9%	5.5%
Pre-tax margin <sup>(4)</sup>	(0.2)%	3.2%	1.7%	1.3%	4.1%
Net margin <sup>(5)</sup>	2.1%	3.4%	1.9%	2.2%	3.3%
Return on average Whirlpool stockholders' equity <sup>(6)</sup>	9.3%	15.7%	9.8%	10.7%	18.1%
Return on average total assets <sup>(7)</sup>	2.5%	4.0%	2.3%	3.0%	4.6%
Current assets to current liabilities	1.0	1.2	1.2	1.1	1.1
Total debt as a percent of invested capital <sup>(8)</sup>	36.8%	36.7%	43.6%	46.0%	34.5%
Price earnings ratio <sup>(9)</sup>	9.5	11.2	18.6	7.5	10.2
<b>Other Data</b>					
Common shares outstanding (in thousands):					
Average number—on a diluted basis	78,143	77,628	75,584	76,019	79,880
Year-end common shares outstanding	76,451	76,030	74,704	73,536	75,835
Year-end number of stockholders	13,527	14,080	14,930	14,515	15,011
Year-end number of employees	68,231	70,758	66,884	69,612	73,682
Five-year annualized total return to stockholders <sup>(10)</sup>	(8.1)%	3.8%	5.8%	(8.5)%	11.8%

<sup>(1)</sup> Depreciation method changed prospectively from a straight-line method to a modified units of production method in 2009.<sup>(2)</sup> Our earnings from continuing operations exclude certain dispositions adjacent to the Maytag acquisition.<sup>(3)</sup> Total Whirlpool stockholders' equity divided by average number of shares on a diluted basis.<sup>(4)</sup> Earnings (loss) from continuing operations before income taxes and other items, as a percent of net sales.<sup>(5)</sup> Net earnings available to Whirlpool, as a percent of net sales.<sup>(6)</sup> Net earnings available to Whirlpool, divided by average Whirlpool stockholders' equity.<sup>(7)</sup> Net earnings available to Whirlpool, divided by average total assets.<sup>(8)</sup> Total debt divided by total debt and total stockholders' equity.<sup>(9)</sup> Closing stock price divided by diluted net earnings available to Whirlpool.<sup>(10)</sup> Stock appreciation plus reinvested dividends, divided by share price at the beginning of the period.