

# 2003 Regional Brands and Products

	Key Statistics	Brands	Locations
<b>North America</b> [United States, Canada and Mexico] 	<ul style="list-style-type: none"> <li>■ No. 1 position in the industry</li> <li>■ \$7.9 billion in 2003 sales</li> <li>■ \$810 million in 2003 operating profit</li> <li>■ Approximately 31,000 employees</li> </ul>	<b>United States</b> <i>KitchenAid, Whirlpool, Roper by Whirlpool Corporation, Estate, Gladiator</i> <b>Canada</b> <i>Inglis, Whirlpool, KitchenAid</i> <b>Mexico</b> <i>Whirlpool, Acros, Supermatic, Crolls</i>	<b>Headquarters:</b> Benton Harbor, MI  <b>Manufacturing Locations:</b> <b>United States</b> LaVergne, TN; Findlay, OH; Marion, OH; Greenville, OH; Clyde, OH; Benton Harbor, MI; Evansville, IN; Fort Smith, AR; Tulsa, OK; Oxford, MS <b>Canada</b> Montmagny, QC <b>Mexico</b> Monterrey, Reynosa, Celaya, Puebla
<b>Europe</b> [Europe, Middle East and Africa] 	<ul style="list-style-type: none"> <li>■ No. 3 position in Western and Central Europe</li> <li>■ \$2.7 billion in 2003 sales</li> <li>■ \$124 million in 2003 operating profit</li> <li>■ Approximately 14,000 employees</li> </ul>	<i>Whirlpool, Bauknecht, Ignis, Polar, Laden in France, KIC in South Africa</i>	<b>Operations Center:</b> Comerio, Italy  <b>Manufacturing Locations:</b> <b>France</b> Amiens <b>Germany</b> Neunkirchen, Schorndorf <b>Italy</b> Naples, Siena, Cassinetta, Trento <b>Poland</b> Wroclaw <b>Slovakia</b> Poprad <b>South Africa</b> Isithebe <b>Sweden</b> Norrköping
<b>Latin America</b> [Brazil, Argentina, Chile, other markets of the Southern Cone] 	<ul style="list-style-type: none"> <li>■ No. 1 market position in the industry</li> <li>■ \$1.4 billion in 2003 sales</li> <li>■ \$89 million in 2003 operating profit</li> <li>■ Approximately 18,000 employees</li> </ul>	<i>Whirlpool, Brastemp, Consul, Embraco. Eslabón de Lujo</i>	<b>Headquarters:</b> São Paulo, Brazil; Buenos Aires, Argentina; Santiago, Chile  <b>Manufacturing Locations:</b> <b>Brazil</b> Manaus, Rio Claro, Joinville, São Paulo <b>International (Embraco)</b> Riva di Chieri, Italy; Spisska Nova Ves, Slovakia; Beijing, China
<b>Asia</b> [India, China, Asia/Pacific] 	<ul style="list-style-type: none"> <li>■ Leader among Western companies, with No. 1 market position in India</li> <li>■ \$416 million in 2003 sales</li> <li>■ \$7 million in 2003 operating profit</li> <li>■ Approximately 5,000 employees</li> </ul>	<i>Whirlpool</i>	<b>Headquarters:</b> Hong Kong, PRC  <b>Manufacturing Locations:</b> <b>India</b> Faridabad, Pune, Pondicherry <b>China</b> Shanghai, Shunde

Principal Products	New Products introduced in 2003
<p>Air Purifiers, Automatic Dryers, Automatic Washers, Built-in Ovens, Countertop Appliances, Dehumidifiers, Dishwashers, Freezers, Hot Water Heaters, Ice Makers, Microwave Ovens, Ranges, Refrigerators, Room Air Conditioners, Trash Compactors</p>	<ul style="list-style-type: none"> <li>■ <b>Whirlpool</b>  <i>g2microven</i> speedcook appliance, <i>Conquest</i> side-by-side refrigerator with innovative features and styling, new colors for <i>Duet</i> fabric care system: pewter &amp; biscuit, new top-mount refrigerator with contoured door styling, compact refrigeration line with adjustable inner door storage</li> <li>■ <b>KitchenAid</b>  <i>briva</i> in-sink dishwasher, coffee mill, <i>Ultima Cook</i> oven, true convection wall oven, immersion blenders, outdoor ice maker, sinks, dishwasher pedestals, <i>In-Door-Ice</i> refrigerator, 48" dual fuel range; <i>Pro Line</i>: built-in refrigerator, compactor, dishwasher, espresso maker, coffee grinder, frozen dessert maker, toaster, waffle maker</li> <li>■ <b>Gladiator</b>  garage compactor, modular garage refrigerator, and <i>Freezerator</i> convertible refrigerator-freezer</li> </ul> 
<p>Automatic Dryers, Automatic Washers, Built-in Hobs, Built-in Ovens, Compressors, Dishwashers, Free-standing Cookers, Freezers, Microwave Ovens, Ranges, Refrigerators</p>	<ul style="list-style-type: none"> <li>■ <b>Whirlpool</b>  <i>Mini-BI</i> microwave oven (with new colors and matching finishings), double built-in dishwashers, newly styled <i>Conquest</i> side-by-side refrigerator</li> <li>■ <b>Bauknecht</b>  Double built-in dishwashers (side-by-side or top mounted), <i>Mini-BI</i> built-in microwave oven, new built-in oven with text-assisted cooking instructions and internal memory to store recipes</li> </ul> 
<p>Automatic Washers, Compressors, Countertop Appliances, Dishwashers, Freezers, Microwave Ovens, Ranges, Refrigerators, Room Air Conditioners</p>	<ul style="list-style-type: none"> <li>■ <b>Brastemp</b>  <i>Luminata</i> Line, <i>Inox</i> compact refrigerator, Unique VCC refrigerator, water purifier, glass door refrigerator</li> <li>■ <b>Consul</b>  Microwave oven 18 L, Sec Fácil Spin Dryer, <i>Cargo</i> (8kg) and <i>Ideale</i> (4kg) washers, compact refrigerator (50, 80 e 120 L), new air conditioners: Classe A 15000 and 18000 BTU's, 21000 BTU's, Eletronic 10000 BTU's</li> </ul> 
<p>Air Conditioners, Compressors, Microwave Ovens, Refrigerators, Washers</p>	<ul style="list-style-type: none"> <li>■ <b>Whirlpool</b>  <i>Magic Dry</i> 100% dryer, range of <i>Icemagic</i> Direct Cool refrigerators with <i>Fast Forward Ice</i> system, <i>Whitemagic Stainwash</i> fully automatic washer, range of <i>MagiCook</i> microwave ovens, including <i>MagiCook</i> 22Gsi with 6<sup>th</sup> Sense steam function</li> </ul> 

# North America Operating Review



David L. Swift  
Executive Vice President,  
North American Region

Whirlpool North America operations posted a solid performance in 2003, despite economic uncertainty early in the year and a significant rise in pension costs compared to 2002. Meeting these challenges with an array of new product introductions and productivity measures, the region set new records for sales and productivity, while further expanding consumer demand for the company's key North American brands, *Whirlpool* and *KitchenAid*.

The industry as a whole benefited last year from low interest rates in the United States, which continued to spur new-housing starts, sales of existing homes and consumer spending in general. Whirlpool North America revenue reached \$7.9 billion in 2003. Operating profit of \$810 million declined 2.4 percent from 2002, due primarily to significant year-over-year increases in pension costs and the effects of currency.

These results included the full-year contribution of Whirlpool Mexico, which was integrated into Whirlpool's regional operations following the 2002 acquisition of Vitromatic S.A. de C.V. Whirlpool Mexico is well on its way to becoming a strategically important component of the company's unique global operating platform, serving our product export, manufacturing and supply-chain operations in North America and beyond.

Whirlpool North America operations made considerable headway with several ongoing initiatives that put customers front and center of all our operations. Among the innovative products and home concepts of note in 2003 was *Whirlpool* Family Studio. Unveiled at the International Builders Show, Family Studio is a family work and gathering environment, incorporating the latest in *Whirlpool*'s innovative fabric-care products, housed in distinctive cabinetry, and other items for everyday chores and entertainment. Family Studio elevates the traditional laundry room to a distinctive living space for family activity.

The company's *Gladiator* GarageWorks does the same for another traditional home hideaway. With the garage long considered the space of last resort for household and outdoor items, *Gladiator* GarageWorks offers a complete and durable organizing and appliance system for this area, including modular storage and hanging units, and moveable appliances and work components. As the newest member of Whirlpool Corporation's family of global brands, *Gladiator* delivers multiple family solutions for a room too long ignored.

Other customer loyalty initiatives, driven by Whirlpool engineers, designers and marketers, helped produce a number of outstanding products that reached their first full year of sales in 2003. Among them were: the *Whirlpool Duet* clothes washer and dryer pair—*Whirlpool* brand's most energy- and water-efficient washer and dryer pair—and the *KitchenAid briva*, a unique in-sink dishwasher that supplements the cleaning needs of culinary enthusiasts and meets the space constraints of small households.

The *Whirlpool Polara* refrigerated range—which gives customers the freedom and convenience to time and cook pre-prepared meals using the range's innovative cooling and cooking technologies—also was available nationwide last year. The *Whirlpool Polara* refrigerated range is ideal for families with busy daily schedules who still seek the intimacy of sit-down meals. As a next step, pilot tests are underway to give customers remote control of the *Whirlpool Polara* refrigerated range using cell phones.

In 2003, KitchenAid introduced the *KitchenAid Pro Line* series of major and countertop appliances to consumers who are passionate about cooking. The *KitchenAid Pro Line* series products feature distinctive design and professional-level performance, plus personalized premium services that include dedicated customer service, online recipes and culinary tips.

## 2003 Awards and Achievements

- Whirlpool Canada was recognized with the 2003 ENERGY STAR® "Manufacturer of the Year Award" from Natural Resources Canada for setting new energy efficiency performance standards for appliances.

- *Home Magazine* selected the *KitchenAid briva* in-sink dishwasher as one of the publication's 2003 Kitchen and Bath Awards for ingenious performance innovation and artisan-inspired design.



The *Whirlpool Duet* clothes washer and dryer is the company's highest capacity, and most energy- and water-efficient fabric care pair.



Sales of the pink *KitchenAid* stand mixer support Cook for the Cure® and the Susan G. Komen Breast Cancer Foundation.



The *Whirlpool g2microwen* speed-cook appliance and the *Whirlpool Polara* refrigerated range deliver true cooking innovation.



*Gladiator GarageWorks* provides an organizing, workplace and appliance system for the home's long-neglected space.

The *Whirlpool g2microwen* speedcook Appliance is a microwave cooking innovation that combines light and microwave technologies to provide fast, energy-efficient cooking, while delivering all the tastes, textures and appearances consumers want from traditional cooking.

These and other innovative product solutions require even deeper sales and training collaboration with the company's trade partners, as well as with its fast-growing relationships with regional and national contract homebuilders. Open and attractive sales formats on retail floors, staffed by knowledgeable sales people, continued to catch on last year as the smart way to sell appliances and the best way to treat customers. From initial design process to final occupancy, leading homebuilders are partnering with Whirlpool for a full range of *Whirlpool* and *KitchenAid* branded products and services.

Another sign of Whirlpool's partnering efforts was its participation last year in the Internet Home Alliance's Mealtime project. The company's special Internet-enabled *Whirlpool Polara* refrigerated ranges and remote Web tablets are in 20 Boston-area homes as part of a consumer study of wired homes and appliances for the future.

Last year, the company was awarded a gold award in the 2003 Industrial Design Excellence Awards competition for the *Whirlpool Duet* fabric care system and for its European counterpart, *Whirlpool Dreamspace*. Presented by the Industrial Designers Society of America and sponsored by *BusinessWeek*, the IDEA is widely regarded as the premier award for industrial design in the United States.

Whirlpool also received recognition for the company's commitment to the environment. This year, the Environmental Protection Agency (EPA) and Department of Energy (DOE) named Whirlpool Corporation as an ENERGY STAR® "Partner of the Year" for its 2003 commitment to reducing greenhouse gas emissions and for making and promoting

energy-efficient products.

Whirlpool also stepped up its national partnership with Habitat for Humanity by co-sponsoring the 2003 Jimmy Carter Work Project. This annual project will be held in the company's headquarters community of Benton Harbor, Michigan, in 2005. Whirlpool donates an ENERGY-STAR® qualified refrigerator and freestanding range for every Habitat home built in North America.

Likewise, the *KitchenAid* brand fundraising partnership with the Susan G. Komen Breast Cancer Foundation raised about \$750,000 in 2003 for the fight against breast cancer. Each sale of a pink *KitchenAid* stand mixer and other selected *KitchenAid* products generates a donation to the foundation. Since 2001, KitchenAid has raised more than \$1.5 million for the cause.

## Outlook

The company expects industry unit shipments in the United States to grow moderately in 2004. Whirlpool North America expects to expand and grow customer loyalty for the company's industry-leading brands throughout the region, primarily through the continuous introduction of relevant branded innovations. The operation also plans to extend its industry leading position with all value-added distribution channels and trade partners, and to deliver another record year of productivity.

- Woolmark Company, the world's leading wool textile organization, certified the *Whirlpool Duet* washer for the safe cleaning of washable wool. The certification is the first for a North American appliance.

- The Cause Marketing Forum presented KitchenAid with a prestigious Halo Award honoring Cook for the Cure®, the brand's initiative benefiting the Susan G. Komen Breast Cancer Foundation.

# Europe Operating Review



Michael A. Todman  
Executive Vice President and President,  
Whirlpool Europe

Whirlpool Europe operations turned in strong performance improvement in 2003, despite challenging economic conditions and weak consumer demand that resulted in the most significant industry price declines in several years. Revenue of \$2.7 billion was up 22 percent.

Operating profit of \$124 million improved significantly from a year earlier. Strong growth in the company's built-in appliance business across the region contributed to the results. A record level of productivity in 2003 helped offset the price erosion.

The *Whirlpool* brand further established itself as the No. 1 appliance brand across the region. The company also improved its already strong market positions in France, Italy and the Nordics, as well as in Poland and other countries throughout Central Europe.

Customer-focused initiatives and products in key European markets have put Whirlpool Europe in a strong position to continue growing its business on the continent. For example, growing consumer demand for the company's regional portfolio of refrigeration products was reflected in the strong sales of the *Whirlpool Conquest* side-by-side refrigerator. The operation extended its line of popular refrigeration products with the introduction of the new *Whirlpool Symphony* frost-free refrigerator, manufactured at the company's facilities in Brazil and customized to fit the unique lifestyles and expectations of customers in Europe.

The *Whirlpool Dreamspace* and *Bauknecht big* clothes washing systems appealed to customers as well, because of their ease of use, energy efficiency and innovative features. And the *Whirlpool Mini-BI* microwave oven received strong consumer interest for its built-in convenience and style.

The region's efforts to enhance its trade-partner relationships also made significant headway in 2003. Whirlpool Europe further cemented



The uniquely designed *Whirlpool Mini-BI* microwave oven is a cinch to install and frees up needed counter space.



The *Bauknecht* double-drawer, built-in dishwashers give, with a flair, multiple cleaning and kitchen-design solutions.

its strategic partnership with the IKEA group, a global retailer of home furniture and furnishings. Whirlpool will provide exclusively a full range of appliances—including built-in appliances—to IKEA regionally and worldwide. The agreement helps extend the company's European distribution capability and expand its built-in business, particularly for cooking products.

Also last year, Whirlpool Europe signed a long-term supply agreement with Alno, the No. 1 built-in appliance purchaser in Germany and across the region. The built-in appliance business represents an important growth opportunity for the region.

Whirlpool Europe continued the ongoing expansion of its region-wide manufacturing capabilities, which included the integration of the company's 2002 acquisition of Polar S.A. of Poland. The operation continued to leverage its region-wide production and distribution network to deliver unique products at a competitive cost. The addition of Polar has allowed the company to balance production between its facilities in Western Europe and Eastern Europe, providing "best cost" manufacturing and a strong competitive position throughout the region.

## Outlook

For 2004—Whirlpool's 15th year of operating in Europe—the company anticipates continued sales growth based on improving economic trends across the region. The operation also will introduce a number of innovative products, such as a new premium cooking range under the *Whirlpool* and *Bauknecht* brands, and achieve significant cost savings through continued improvements in productivity and asset utilization.

## 2003 Awards and Achievements

- Whirlpool Slovakia was recognized as a "Family Friendly Employer" by the Slovak Republic for the company's efforts to foster equal opportunities for women and men, and to create family-support solutions.

- The *Whirlpool Dreamspace* washer was recognized as the "Best White Goods Product of the Year" by *ERT*, a leading British trade magazine, and "Appliance Innovation of the Year" by *Your Home*, a British consumer magazine.

# Latin America Operating Review



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

The effects of Brazil's economy in 2003 challenged Whirlpool Latin America operations for much of the year, and the company responded well within the difficult environment. Despite depressed consumer spending and industry demand, revenue of \$1.4 billion improved 6.7 percent. However, the economic impact on pricing, materials and currency significantly reduced operating profit.

Whirlpool Latin America accelerated steps in 2003 to consolidate its Brazilian operations as an export base for the parent company's global operating platform, while continuing to build on its leading market position in the region's largest countries, particularly Brazil. More than one-and-a-half million Brazilian-made products were exported to other markets and regions last year, nearly triple the previous record high in 2002. These achievements have placed the company among Brazil's 50 largest exporters. This role as a source for company exports will remain a key performance factor for years to come.

The Brazil-based compressor business, Embraco, already holds a leading export position and continued last year to build on its advanced technology. Embraco also oversees manufacturing operations in Italy, Slovakia and China.

Whirlpool's Brazilian operations also became an even more integral part of the company's overall global operating platform in 2003 with the engineering, design and production of the *Consul Ideale* clothes washer, an entry product that is affordable for first-time users of automatic washers. A version of the washer was subsequently produced in China and is heading for other emerging markets in 2004 and beyond.

The company's *Brastemp* brand also introduced *Luminata*, a complete line of premium kitchen appliances for Brazilian consumers. The line emerged after months of customer-focused studies during which



The *Brastemp Luminata* line of premium kitchen appliances, including the sleek and stylish range, offers technological advances that make cooking a pleasure.



The champagne-toned *Brastemp Duplex Frost-Free 440* is among the most complete and technologically advanced refrigerators on the market.

another consumer need and business opportunity was discovered. The need to purify household water—a daily chore for Brazilians—led to last year's introduction of the *Brastemp* water purifier system for use in the homes of consumers. Likewise, the *Consul* brand continued to update its entire line of home appliance products.

These innovative products and other customer-focused services continued to earn the *Brastemp* and *Consul* brands top honors among consumers. For instance, *Brastemp* and *Consul* placed fourth and ninth, respectively, in the annual "Top of Mind" national brand survey by *Folha de São Paulo*, a leading national news publication. This survey considers every brand in every consumer product segment.

Multibras and Embraco, Whirlpool's two subsidiaries in Brazil, again were selected in 2003 by *Exame*, the country's most prestigious business magazine, as among the "100 Best Companies to Work For" in Brazil. Multibras was recognized as the top home appliance manufacturer in the annual "The Most Admired in Brazil" ranking by the business magazine *Carta Capital* and the Interscience Technology and Information Research Institute.

Multibras remained the home appliance industry's energy-efficient leader last year by having retained the highest number of *Procel Labels*, the Brazilian Government's product certification of energy efficiency.

## Outlook

The company expects increased levels of revenues and profits based on moderate improvements in the external environment in Brazil. Industry unit shipments are expected to increase as well.

- *Forbes* magazine recognized Multibras, Whirlpool's Brazilian subsidiary, as one of "50 Most Admired Companies in Brazil." The award recognizes excellence in talent retention, workplace environments and social responsibility.

- Woman CONSULate has provided assistance to thousands of disadvantaged Brazilian women trying to improve their lives. Originally a *Consul* brand initiative, the company made CONSULate the most important social assistance project last year.



# Asia Operating Review



Mark Hu  
Executive Vice President,  
Whirlpool Asia

Whirlpool Asia faced a number of regional challenges in 2003, from SARS to political and economic uncertainty in several markets. The region operation reported sales of \$416 million, a 6.6 percent increase from 2002. Operating profit declined for the year, reflecting the economic conditions and market price pressures.

The company's operations in China and India, Whirlpool's largest regional markets, continued to make deeper distribution inroads in 2003 into the countryside from each country's urban hubs, thanks to enhanced partnerships with key retailers. The company also retained its No. 1 position in India for refrigeration products.

Whirlpool's customer-driven strategy was reinforced with an array of new product launches, which helped to spur sales. More than 50 new Asian-styled refrigerators, clothes washers and microwave ovens were introduced across the region, some of which were highlighted in an advertising campaign that won a prestigious Emvie Award in India for Excellence in Brand Advertising.

One of the most outstanding product success stories for the company in 2003 was the launch of the *Whirlpool Symphony* frost-free refrigerator. Manufactured in Brazil, *Whirlpool Symphony* was customized for the Asian market.

Another success was the *Whirlpool Whitemagic Stainwash*, the only clothes washer on the Indian market that can completely remove common household stains without hand scrubbing. Another unique *Whitemagic Stainwash* washer benefit for this Asian market is that it is internationally certified by Woolmark, the global authority on wool, as safe for the most delicate of fabrics.



**The *Whirlpool Whitemagic Stainwash* stands out as India's only automatic washer that completely removes stains without hand scrubbing.**



**The innovative style and function of the *Whirlpool Symphony* frost-free refrigerator captures consumer enthusiasm in Asian markets.**

Also first to India is the *Whirlpool MagiCook 22Gsi* with 6th Sense steam function, the market's only microwave oven with the capability to steam cook. The oven's 6th Sense fuzzy logic features take guesswork out of cooking by sensing the temperature and humidity of food items to establish precise cooking times. These features also permit steaming to prepare many Indian delicacies and crisping for pizzas and pastries.

Last year, region operations in India and China became increasingly important to the company's overall global operating platform. India, for example, increased its year-over-year exports by 20 percent and expanded the number of markets to which it exports. Whirlpool China continues to manufacture the bulk of the company's microwave ovens for world markets. China also is fast becoming an integral supply source for the company's global procurement activities.

Whirlpool Asia expanded its product development capabilities with the opening of three new technology centers that support regional and global products involving refrigeration, air conditioning and fabric care. The new centers extend the company's worldwide network of integrated technology resources.

## Outlook

For 2004, the company expects to drive both revenue growth and operating margin expansion in the region. The improvement is expected to be driven by exports to the company's global sales networks, and increased consumer demand for *Whirlpool* brand products in China and India.

- In partnership with Shanghai's Jiaotong University, Whirlpool China established a Whirlpool Scholarship Fund to support talented students who are interested in pursuing scientific studies at the university.

- The *Whirlpool Whitemagic Stainwash* washer was internationally certified by Woolmark Company for the safe cleaning of the most delicate fabrics. Woolmark is the world's leading wool textile organization.