

Key Brand and Regional Accomplishments

GLOBAL Recognized as one of the world's 100 most innovative companies by *Business Week* magazine and the Boston Consulting Group.

Named to the *Ocean Tomo 300 Patent Index*, the first equity index based on the value of corporate intellectual property.

Named 2006 Product Innovation Leader by Innovate Forum, a global media brand dedicated to the business value of innovative technologies and processes.

Included in the 2006/2007 Dow Jones Sustainability World, FTSE4Good and KLD Domini Social 400 Indexes, three of the world's most comprehensive reviews of sustainable business practices.

NORTH AMERICA Began production at a new front-load clothes washer plant and a refrigeration plant in Mexico.

Expanded production of a bottom-mount freezer refrigerator plant in the United States.

Named one of the 100 best corporate citizens by *Business Ethics* magazine for the seventh consecutive year.

Received the National Award for Ethics & Values from the Confederación de Cámaras Industriales de los Estados Unidos Mexicanos.

Launched the Building Blocks program to recognize an outstanding U.S. Habitat for Humanity affiliate and its relationship with its local community by holding a week-long build in the affiliate's community. The program kicked off in Nashville, Tennessee, uniting 100 local residents with 100 Whirlpool employees and 100 volunteers from Habitat affiliates to build 10 homes on one block.

Raised more than \$4 million for the Susan G. Komen Breast Cancer Foundation since 2001, through the *Cook for the Cure* program presented by KitchenAid. In addition to our support in the United States and Canada, KitchenAid supports breast cancer foundations in France, Germany, South Africa, Greece and Israel.

Received the Catalyst Award for design from the Industrial Designers Society of America (IDSA) and *Business Week* magazine for the Whirlpool brand *Duet* fabric care system.

The Whirlpool *Duet Sport* fabric care system, KitchenAid *Architect II* Series microwave hood combination oven and Maytag *ICE₂O* refrigerator received design awards from the Chicago Athenaeum of Architecture and Design.

Received the 2007 ENERGY STAR® Sustained Excellence/ Partner of the Year Award from the U.S. Department of Energy and the U.S. Environmental Protection Agency; our eighth win, a feat unmatched by any other home appliance manufacturer.

Whirlpool brand *Duet* washer and pedestal became the first certified as user-friendly by the Arthritis Foundation.

Partnered with Google to provide architects and designers 3-D models of Whirlpool and Gladiator brand products within the Google SketchUp 3-D design and visualization tool.

EUROPE Honored with the 2005 Benefactor of the Year award for our work with Habitat for Humanity International in Poland. Whirlpool employees have been active in builds in the cities of Gliwice, Poznan and Gdansk.

Recognized as a top corporate philanthropist 2006 by U.S. Ambassador to the Czech Republic for "Children Act of the Year," a project supporting children across the country.

Received the International Forum Design Award for In.Home, a concept that takes appliances to new locations in the home and invents ways in which they can interact as a system rather than as stand-alone appliances.

Genius built-in microwave was awarded the French Design Institute's Janus Design Award, the company's third since 2002.

Whirlpool U.K.'s Titanium product range was named winner of the Silver prize in the Appliance Innovation of the Year category by House Beautiful.

LATIN AMERICA Elected one of 150 Best Companies to Work For in Brazil for the 10th straight year by *Exame/Voce S.A. Guidebook*.

Named Most Admired Company in the home appliances segment in Brazil for the ninth consecutive year by *Carta Capital* magazine and TNS InterScience.

Whirlpool Brazil won *Modern Consumer* magazine's Excellence in Client Service Prize 2006 in the home appliance category. The award recognizes customer relationship excellence.

Embraco subsidiary was named one of the 100 Top Companies from Rapidly Developing Economies by Boston Consulting Group.

ASIA Received the HR Excellence Award at Amity International Business School's Global Human Resource Summit.

Awarded a Certificate of Excellence from the India Engineering Export Promotion Council.

Named to the Trustworthy Enterprise List by the General Administration of Customs for our facility in Shunde, China.

Won a *Reader's Digest* Trusted Brands Gold Award in refrigeration in India.

Sponsored the week-long 2006 Jimmy Carter Work Project in India, during which approximately 20 Whirlpool employees joined 2,000 other volunteers to help build 100 homes in a village near Mumbai.

NORTH AMERICA OPERATING REVIEW

Whirlpool North America reported revenues of \$12.0 billion in 2006, up 34 percent from 2005, while operating in an environment of rising raw material costs and decreased U.S. appliance industry demand in the second half of the year. We achieved record sales in Mexico, one of the world's fastest growing markets, and strong sales in Canada. And, we are well on our way to fully integrating the Maytag business following a successful acquisition that created efficiencies and growth opportunities.

We continue to enhance our North American operating platform. In the United States, we consolidated laundry operations to improve efficiencies and productivity, and we expanded our manufacturing capacity for the growing bottom-freezer refrigeration segment. In Mexico, we completed new front-load clothes-washer and side-by-side refrigerator facilities, both of which have improved production capabilities that will help solidify our leadership position in the North American business.

During the year, we also improved our ability to better and more quickly make products available to our trade customers as we began to implement our new distribution strategy. This will enhance our already strong relationships with our trade customers, which were acknowledged this year with top supplier awards by three of our largest trade customers.

In 2006, we continued our cadence of innovation. In addition to a record number of new products, more than 60 percent of all products sold in North America in 2006 were introduced new to the marketplace. The *Whirlpool* brand completed the largest new product launch in our company's history with the introduction of an entirely new line of laundry products. In refrigeration, we launched the industry's first French door bottom-freezer refrigerators with an ice and water dispenser on the door and 42-inch built-in French door bottom-freezer refrigerator.

As a result of the Maytag acquisition, we now have an expanded portfolio of powerful brands that can reach any consumer segment. All of our major U.S. brands are among *Home Furnishing News (HFN)* magazine's top 100 preferred home furnishing brands, with three — *KitchenAid*, *Whirlpool* and *Maytag* brands — in the top 12. Our innovation pipeline will enable us to continually differentiate our brands to meet ever-changing consumer needs.

OUTLOOK: In 2007, we expect to increase sales in North America, although we anticipate that the industry will be down 2 to 3 percent for the year. We look forward to further revitalizing the *Maytag* brand and re-establishing the heritage of durability and dependability for which it is known. And lastly, Whirlpool North America expects to continue to deliver more innovative products and services to continually meet the needs of North American consumers.



KitchenAid Architect Series II
A new generation of *KitchenAid*'s premium, flagship appliance line with enhancements inspired by cooks, culinary professionals and design experts.



Maytag Ice2O Refrigerator
The first French door bottom-freezer refrigerator with ice and water on the door.

W. Timothy Yaggi
Executive Vice President
Market Operations
Whirlpool North America



EUROPE OPERATING REVIEW

Whirlpool Europe delivered record revenue of \$3.4 billion in 2006, up 7 percent from 2005. Our overall operating profit increased 23 percent over 2005, bolstered by innovation in cooking and built-in products, as well as our continued expansion of the *Whirlpool* brand in two key emerging markets – Turkey and Russia.

Whirlpool Europe continued to meet the needs of our consumers with innovative products. We launched a six-kilogram (13 pound) *Bauknecht* washing machine with a *Hygiene+* cycle, which heats laundry to 80 degrees Celsius (176 degrees Fahrenheit), destroying bacteria and removing allergens. The *Whirlpool* brand improved upon its popular front-loading *DreamSpace* washing machine, increasing its capacity to enable it to complete nine kilograms (20 pounds) of laundry in a single load. And, the *Bauknecht* brand launched two new built-in appliance lines – *Pure* and *Design* – which integrate several different global design trends, offer scratch-resistant surfaces and an intelligent system control with text display that provides perfect cooking results.

We also began preparing for the 2007 European launch of the high-end *KitchenAid* brand. The European version of this premier brand will feature the distinctive *KitchenAid* design along with cutting-edge technology.

We support our innovative products and leading brands through our manufacturing footprint, which we continued to refine this year, including nearly doubling the capacity of our cooking facility in Poland. We also made improvements to our product quality through systematic progress in our quality processes and the introduction of design-to-quality new product platforms.

Whirlpool Europe further strengthened its leading position in the growing built-in market through an either exclusive or primary trade customer relationship with the three largest built-in appliance retailers in Europe. We improved our overall supply chain abilities through an industry-leading build-to-order system that produces only upon order, enabling us to better serve our customers without holding inventory.

OUTLOOK: In 2007, Whirlpool Europe expects a strong year with solid sales growth, fueled by the continued launch of innovative products and services. We will continue the growth of our built-in appliance business and expansion of our *Whirlpool* brand offerings. In addition, we anticipate the successful ramp-up of the *KitchenAid* brand launch. Finally, we look forward to cost savings from ongoing productivity gains that will also contribute to performance improvements.



***Bauknecht Hygiene+* Washer**

The Hygiene cycle heats laundry to a temperature of 80 degrees Celsius (176 degrees Fahrenheit) for 10 minutes, destroying bacteria and removing allergens.



Whirlpool Built-In Ovens

Built-in ovens with new styling and *6th Sense* technology offer a range of pre-set recipes to help consumers easily express their culinary creativity.

Marc Bitzer
Executive Vice President
and President
Whirlpool Europe



LATIN AMERICA OPERATING REVIEW

Whirlpool Latin America reported regional revenue of \$2.4 billion in 2006, up 24 percent from the previous year. During the year, we strengthened our leadership position in the region, particularly in Brazil, Argentina and Chile.

Consumer loyalty to both the *Brastemp* and *Consul* brands has increased consistently over the past four years. A recent study by a leading Brazilian newspaper found that *Brastemp* has the highest brand recognition among high-end consumers across all industries. *Consul* has been top-of-mind with consumers in the refrigeration category for 16 consecutive years and is the appliance brand with the highest penetration in Brazil.

Innovation continues to sustain and drive our brands' competitiveness in the region. In 2006, we launched nearly one new product per week, delivering innovative products to a broad segment of consumers. Some examples include the expansion of the *6th Sense* line of products, a refrigerator with a pure-water dispenser, a line of gas-on-glass cooktops in assorted colors to serve middle-end consumers and the *Brastemp Gourmand* line.

Comprehensive cost-management processes delivered strong value for the region. Our lean manufacturing program has driven double-digit annual productivity gains through significant improvements in product quality, cost and delivery and strengthened relationships with suppliers. The opening of a new technology center in Rio Claro, Brazil, is intended to enhance Whirlpool Corporation's worldwide competitiveness by capitalizing on global platforms and maximizing engineering resources.

We also strengthened and broadened relationships with our trade customers to create a more collaborative environment from key accounts to small customers. For example, we implemented joint business plans and knowledge exchange programs, such as six sigma training, with some of our trade customers. In addition, we are helping our trade customers understand the value of social responsibility. Our three-year sponsorship of the Retail Social Responsibility Program organized by the Getúlio Vargas Foundation, a leading Brazilian business school, helps trade customers understand how to differentiate themselves in the marketplace by being good corporate citizens.

Finally, our Brazilian-based compressor operation, Embraco, maintained its global market and technological leadership positions. We opened a new facility in China, with a new global product platform that doubles the production capacity of our existing facilities. In 2006, Embraco received the Foreign Trade Highlight Award and was recognized by the Brazilian Ministry of Development, Industry and Foreign Trade for its social responsibility efforts in developing a new carbon-dioxide compressor, which significantly reduces power consumption and uses carbon gas as a natural refrigerant.

OUTLOOK: In 2007, Whirlpool Latin America will continue to build strength in the key countries in the region. We anticipate continued sales growth based on increased demand, strong brands and innovative product launches. Leveraging our cost and quality position, these activities will contribute to another year of improved profitability.



Brastemp Gourmand Line
Designed for the amateur gourmet, the line includes a refrigerator with a wine rack, and a 40-bottle wine cooler with shock absorbers and a range with an electric multifunctional oven.



Brastemp Cooktops
The *Brastemp* brand launched new cooktops in emotionally appealing colors, such as black, blue, green and red.

Paulo F.M.O. Periquito
Executive Vice President
and President
Whirlpool Latin America



ASIA OPERATING REVIEW

Whirlpool Asia delivered revenues of \$457 million in 2006, up 8 percent from the year before. The successful execution of our strategy improved our performance in India, China, Hong Kong, Taiwan and throughout Southeast Asia.

We reclaimed the leadership position in the key direct cool refrigeration segment in India this year by continually delivering innovative products – such as pedestals for non-perishable foods, LED lighting and improved cooling retention. We also continued to solidify our position in China. In the first quarter we launched a top-load washing machine with new aesthetics, which supported the brand and category positioning, and further enhanced our product portfolio in the highly competitive Chinese appliance business. In Australia, we launched 40 new cooking and dishwasher products, significantly improving our presence in these categories and further enhancing our innovative image in that country.

In 2006, we also launched our first-ever pan-Asia product – a new *Whirlpool* brand horizontal axis washer. Driven by consumer insights, the washer's features include increased capacity, improved energy efficiency, and an intelligent system that cleans and cares for consumers' washing needs.

Our ability to meet the demand for continual innovative product development increased this year with the expansion of our technology center in Shenzhen, China. Whirlpool Asia now has the capabilities to achieve increased innovation and synergies across microwave, food-preparation, air-treatment and other product groups.

Finally, we saw significant growth in the amount of business conducted with key trade customers in China and India. Our focus is to foster long-term relationships with all of our trade customers by developing new strategies that allow us to better align with them and further improve both of our businesses. For example, we are providing account management tools, new to the Asia market, and beginning to prepare joint business plans with key trade customers.

OUTLOOK: In 2007, Whirlpool Asia looks to a year of continued strong revenue growth. We expect strong growth in our domestic business, fueled by our new products. We will leverage our cost and quality position in our export business. We also anticipate profit improvement in 2007, resulting from our improved management of product mix and margins.



Mark Hu
Executive Vice President
and President
Whirlpool Asia

Fusion Direct Cool Refrigerator

Whirlpool India refrigerator with *6th Sense* "frost control" provides more than 17 hours of cooling retention during power outages, compared to other refrigerators that offer only six hours.



Australian Cooking and Dishwasher

Whirlpool Australia launched 40 new cooking and dishwasher products.

