



2004 Annual Report

Customer Loyalty ... the Core of our Strategy

Customer Passion ... the Focus of our Business

## "Sensing the Difference"

Whirlpool Europe's brand positioning campaign conveys the features of the region's "6th Sense" line of innovative products. Represented here: "Origami," a new line of accessories that enhance the performance of the cooking hob.



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#### *About the cover:*

*"Because there are times when a few grass stains simply don't matter." The cover image (from Bauknecht's "Live Today" campaign), and many photos throughout this annual report are taken from Whirlpool's regional advertising campaigns. They reflect the essence of our brands, the lifestyles of our customers, and how our products enhance their lives.*

# Customer Loyalty

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## *The Core of Our Strategy*

Fifteen years ago, Whirlpool began a strategy that has continually grown from a focus on manufacturing productivity and our global operating platform ... and evolved through strong branding, innovative products, and now our more recent spotlight on customer loyalty. Today, our strategy is as much about winning the faith of consumers as it is a culmination of all the previous strategic investments we've made to earn and win their loyalty. Even more so, in the face of today's dramatically changed manufacturing environment, customer loyalty at Whirlpool remains the heart of the *right strategy at the right time*.

Over the years, we've transformed our business from a regional, technology-centric and trade-driven approach to a global consumer strategy that balances branding requirements, brings consumers in at the earliest stage and makes sure we deliver on our brand promise while leveraging our global platform.

In short, at a time when those in manufacturing and industry are being forced to react to rapid and unexpected cost increases throughout the external environment, we expect to realize even more benefits and value from our customer-focused strategy.



Jeff Fettig, Chairman, President and Chief Executive Officer

## Our Business: the passion of our customers

In 2004, we experienced a dynamic global business environment with robust demand for appliances, higher costs for key materials, and a continued evolution of growing international competition. Against this backdrop, today's consumers and trade partners are more knowledgeable and more demanding than ever before.

In this challenging environment, the only companies assured a chance at success will be those with a focus on understanding consumer needs, developing highly innovative branded solutions, the ability to effectively serve trade partners big and small, and a relentless drive to improve productivity and quality. These abilities are required to create value for shareholders, customers and employees alike. And today, Whirlpool has in place a **unique value creation strategy** addressing each of these issues to succeed against the challenges of the global marketplace moving forward.

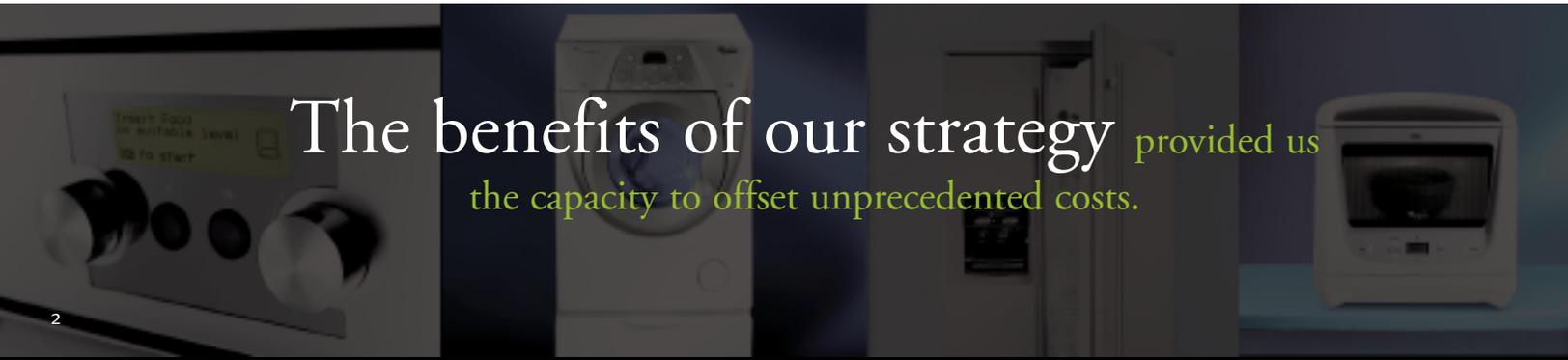
The core of our strategy is to **create unmatched customer loyalty for our brands**. The focus of our business is the passion of our customers – their emotional and rational expectations when purchasing and owning home appliances. Managing our resources to meet those expectations is paramount both for our long-term success and our ability to adjust to short-term market fluctuations.

I am confident the transformation currently underway within our company will create value for our shareholders by placing us in the best cost, best trade partner and best consumer position in the industry.

### 2004: A Year of Rapid Change

In 2004, our business landscape changed rapidly as the year progressed. In the first half of the year we aggressively grew our business and earnings by more than 10 percent. We continued our revenue growth in the second half, however we faced higher material cost increases in excess of \$200 million – driven by steel, resins and other oil-related costs. We were successful in offsetting a significant portion of these cost increases by achieving record levels of productivity, cost controls, and introducing price increases. As a result, we delivered record revenues of \$406 million, or \$5.90 per diluted share, and \$241 million in free cash flow.

Perhaps most important, it was the benefits of our strategy that provided us the capacity to offset these unprecedented costs and we expect this to continue into the future. Increasing consumer demand for our brands, growth through innovation, enhanced trade partner relationships and record levels of controllable productivity are the value-creation levers that will differentiate us from our competitors and allow Whirlpool to better serve shareholders and our valued customers in the year ahead.



The benefits of our strategy provided us  
the capacity to offset unprecedented costs.

In 2004, business performance achievements were:

- Record world-wide revenue of \$13.2 billion, an increase of over 8.6 percent
- Continued global growth of the Whirlpool Brand, which remains the number one selling global appliance brand worldwide
- Full-year earnings of \$406 million
- \$241 million in free cash flow (footnote 1)
- Reduced debt-to-capital ratio from 51 percent to 46 percent
- Returned \$116 million to shareholders through dividends, which was \$22 million or **26 percent** more than 2003
- Invested \$251 million in repurchasing 3.7 million shares

### Three Components of Whirlpool Value Creation

**Global operating efficiency** is a fundamental requirement to exceed our customers' expectations and succeed against any competitor worldwide. At Whirlpool Corporation, rigorous measurement tools ensure the efficiency of our global operating platform and leverage the assets of our 38 factories to keep ahead of competitors in terms of overall cost, quality and asset utilization. By managing each of our facilities from a truly global perspective, our asset-utilization rates, productivity and quality assurance systems are not only best in-class within our business, but also are driving toward world-class benchmarks.

To do this, we set aggressive goals and use a disciplined approach to evaluate progress. Tools such as Six Sigma and Lean Manufacturing principles measure performance of all invested assets from an Economic Value Added (footnote 2) perspective. Today, 34 percent of our manufacturing footprint is located in what are considered low-cost countries.

Footnote 1: Free cash flow is cash from operations after capital expenditures, proceeds from the sale of fixed assets and dividends.

Footnote 2: EVA is a measure of corporate value created with and beyond the cost of invested capital (shareholder equity and borrowed funds). It is calculated by taking net operating profit after taxes (NOPAT) and subtracting the cost of capital.

## A Differentiated Value Creation Strategy

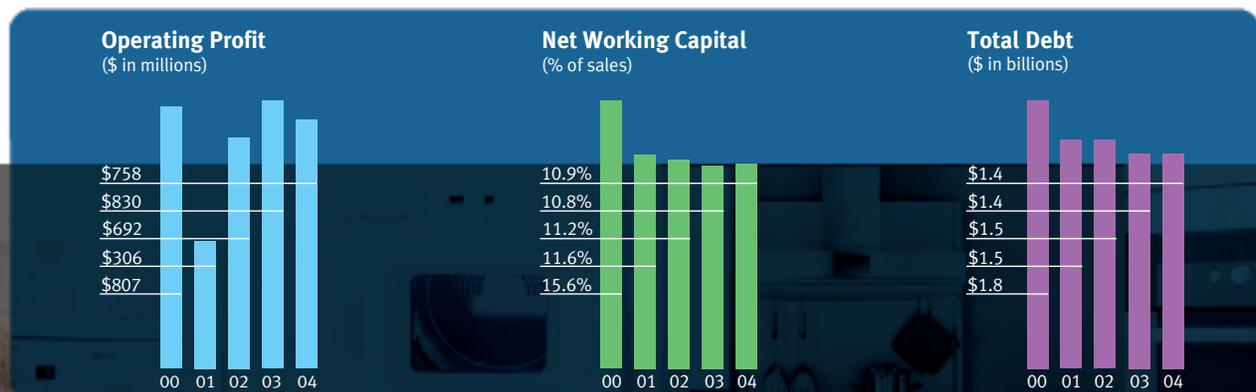


And our export sales from one region to the next now represent **15 percent**, which further improves our asset efficiency.

**Trade partner management** ... that is, ensuring our customers have a positive experience with the trade partners who sell our products ... is crucial to building life-long loyal customers for all our brands. Hence, we "partner" with the retailers and builders who share a similar commitment around delivering a positive customer experience.

The business model is built on developing efficient and effective business-to-business systems and an integrated supply chain that ensures products are available when and where our customers want them. Furthermore, this strategic alignment is built around innovation, training, customer service and total customer experience. These are the areas where customer loyalty begins, and this shared customer focus creates value for Whirlpool, our trade partners and for our customers.

**Creating unmatched customer loyalty for our brands** is the cornerstone of our strategy. This simple idea is based on the belief we must have an in-depth understanding of our customers' needs, wants and expectations, and can consistently deliver unique, innovative solutions to meet or exceed these expectations. Only by satisfying the customer will we create a unique and valuable brand franchise that will continue to reward all of our stakeholders over time.



## Financial Highlights

(Millions of dollars, except per share data)	2004	2003	% Change
Net sales	\$ 00,000	\$ 12,176	00.0%
Earnings from continuing operations	\$ 000	\$ 414	00.0%
Per share on a diluted basis	\$ 0.00	\$ 5.91	00.0%
Net earnings (loss)	\$ 000	\$ 414	NM <sup>1</sup>
Per share on a diluted basis	\$ 0.00	\$ 5.91	NM <sup>1</sup>
Stockholders' equity	\$ 0,000	\$ 1,301	00.0%
Total assets	\$ 0,000	\$ 7,361	00.0%
Return on equity *	00.0%	42.9%	
Return on assets *	0.0%	6.1%	
Book value per share	\$ 00.00	\$ 18.56	00.0%
Dividends per share	\$ 0.00	\$ 1.36	—
Average dividend yield	0.0%	2.2%	
Total return to stockholders	00.0%	41.7%	
<hr/>			
Share price			
High	\$ 00.00	\$ 73.35	
Low	\$ 00.00	\$ 42.80	
Close	\$ 00.00	\$ 72.65	00.0%
<hr/>			
Total return to stockholders (five-year annualized)	0.0%	8.1%	
Shares outstanding (in 000's)	00,000	68,931	0.0%
Number of registered stockholders	0,000	8,178	0.0%
Number of employees	00,000	68,407	0.0%

\* Refer to Eleven-Year Consolidated Statistical Review (pages 32-33) for more information about return on equity and asset calculations.

<sup>1</sup> Not a meaningful comparison.

The benefits will be seen in the form of faster growth due to repeat purchases, proactive recommendations among consumers, and higher margins due to the customer's willingness to pay for the value they receive.

The success of this strategy lies in knowing the rational and emotional drivers that build customer loyalty for a brand, and generating a continuous flow of consumer-relevant innovation that provides unique solutions for our customers.

As a result, our organization is making the comprehensive understanding of the science around customer loyalty one of our embedded core competencies. We have translated our extensive customer-focused market research into training modules and practical applications so each employee and trade partner can better understand the customer and their role in building loyalty. Last year, more than **10,000 employees attended customer loyalty training sessions** or participated in unique customer-focused exercises, such as buying experiences and serving

as brand ambassadors for friends and families.

We also are transforming our global enterprise to deliver a cadence of innovation and value consumers seek within a brand experience that, today, is unmatched in the appliance industry. To accomplish this, employees at every level are harnessing creative thinking and turning it into market realities. Innovation has become part of the Whirlpool culture, with extensive training dedicated to innovation processes. As a result, our employees have contributed thousands of ideas, with hundreds of commercial concepts currently in the innovation pipeline at various stages of evaluation and development. By the end of 2004, a broad range of consumer-relevant innovative products were adding more than \$200 million to Whirlpool's revenue growth. And more than 5,000 Whirlpool people are actively involved in other innovative customer loyalty initiatives for 2005.



Creating unmatched customer loyalty for our brands.

## 2005 Outlook

Whirlpool Corporation is well prepared to face the global economic challenges that we forecast for 2005. We expect moderate growth, significant material and oil-related cost challenges and some continued volatility in global currencies.

Despite these challenges, we expect to drive earnings and cash flow improvement through the implementation of a series of decisions:

- We have implemented global price increases of approximately 5-to-10 percent, effective January 2005, in most key markets around the world, including the United States.
- We have undertaken actions to drive record levels of controllable productivity, leverage our global operating platform, and reduce non-product related spending.
- Lastly, we are accelerating our rate of innovation to the market and plan to introduce a large number of new products from our innovation pipeline throughout the year.

## Corporate Responsibility

We have completed our first year under Section 404 of the Sarbanes-Oxley Act of 2002 and have assessed our internal controls over financial reporting as effective. We have leveraged these new requirements with our belief that there is no right way to do a wrong thing.

We continue to learn that customers worldwide consistently rank corporate social responsibility a primary driver of their brand loyalty. We couldn't be more delighted as Whirlpool has a robust record of various social philanthropic programs. This core value, central to our company's culture, has remained constant during years of growth and change.

Most noteworthy is Whirlpool Corporation's five-year sponsorship of Habitat for Humanity International, which received widespread recognition when linked to our sponsorship of the Reba McEntire 2004 Concert Tour. The project has provided nearly 60,000 appliances to Habitat homes built in North America, and has recently expanded into Europe and Central Asia. Broad employee participa-

tion in the program includes personal contributions of more than \$1.25 million and more than 3,500 Whirlpool people personally involved in building Habitat homes. The ideals of this program reflect Whirlpool's belief that communities and individuals must work together to strengthen families in ways that are measurable and sustainable.

## Personal Thoughts

During my 24-year career at Whirlpool, I've learned that the power of this organization is embedded in the hearts, minds and spirit of my fellow 68,000 colleagues. And I am proud to be associated with a team willing to face the challenges of the global marketplace while remaining focused on delivering innovative products that fulfill the passions of our customers.

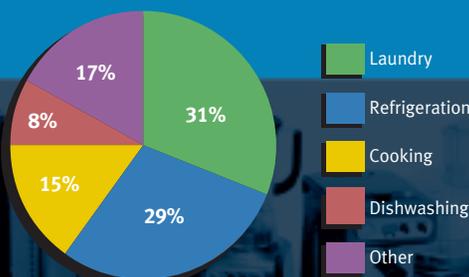
I know all of my colleagues join me in recognizing the many years of service and leadership provided to this organization by David Whitwam. It was Dave's unique ability to create a shared global vision that grew Whirlpool Corporation from an \$4.2 billion Midwest manufacturer, when he became chairman in 1987, to the \$13.2 billion global leader that we are today. Despite these achievements, it is the personal values Dave exhibited, and his standards for excellence, that will be remembered most.

I am honored to become the new Chairman, President and CEO of Whirlpool Corporation. And on behalf of the entire Whirlpool leadership team, we are committed to creating value for our shareholders, our customers and for our colleagues. We look forward to delivering on this commitment in 2005.

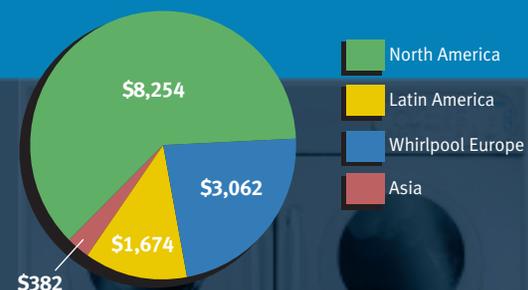
Sincerely,

Jeff Fettig  
Chairman, President  
and Chief Executive Officer

### 2004 Sales by Product Segment



### 2004 Sales by Geographic Region (in millions)



## A best in class global operating platform managing overall costs, quality and asset efficiency.

The strategic global operating network we've built and invested in over the years produced a series of accomplishments in 2004 that indicate our strategy is sound and we're on the right path. Inside this annual report, you'll find reasons to believe we'll continue to differentiate our company from other manufacturers and create value for our customers, shareholders, communities and employees.

Despite the rapid increase of raw material costs experienced during the second half of the year, we achieved significant gains in productivity and expect improvements and cost savings to continue to drive our performance throughout 2005. Why? In short, we have the world's best low-cost manufacturing platform, our cross-regional product sales represent approximately XX percent, and are well positioned to optimize and maintain the value in our platform moving forward.

During the year, Whirlpool made significant investments in North American and European operations, specifically in the United States, Mexico and Poland. The investments will continue the development and introduction of innovative products, and expand the company's manufacturing capabilities in cooking, refrigeration, dish-washing and clothes washing.

Our global manufacturing platform already provides the best cost and quality solutions for our regional brands, markets and customers worldwide. And over the next

three to five years, we expect to further improve our product manufacturing capabilities by fully migrating them to the best-cost locations for each of our global markets. Our goal is that 75 percent of our supply base will be managed and leveraged globally. Furthermore, we expect to increase our capital efficiency by 25 percent.

During 2005, we expect to begin capitalizing on recent investments in our manufacturing footprint with some robust product launches - particularly in the laundry category - that should provide a watershed period for the company through 2006 [note: here we are referring to Mexico coming on-line (SxS) and the Sahara dryer, as well as Oasis and Horizon (which will be launched in late 2005)].



### Repeating History

*Leveraging Whirlpool's heritage of Laundry Leadership into the Future.*

Over 90 years ago, and on the cusp of the emerging home appliance industry, Whirlpool first made a name for itself in laundry care. Three years ago, Whirlpool made history again, introducing the Whirlpool brand Duet laundry machine and growing it into the #1 selling front-loader in the industry. History is about to repeat itself again ... as Whirlpool invests aggressively in the Duet laundry platform to ensure it's leadership into the future, and leverage our learnings about the product into a new global platform that promotes customer loyalty and leads the industry in energy efficiency.

The Whirlpool Duet laundry machine was the first product to provide clear evidence that customers decisions involve both rational to emotional decision factors, based on a

groundswell of consumer demand and preference unlike any we had seen previously. Today, three years after its introduction, Duet sales are rapidly approaching a 20 percent balance of sale along a robust price/volume demand curve. The results confirm that our strategy is working, and that loyal customers understand its value and are willing to purchase premium-priced products.

Innovative engineering efforts are managed by an international team of engineers that are part of our worldwide operating platform - from Brazil, India, Mexico and the U.S. - to deliver the best products by managing knowledge globally and applying lower cost manufacturing. The result will be a new platform capable of producing laundry products appropriate for sale in every region of the world.

## “The Choice of the Brazilian Woman”

Consul brand's new positioning campaign recognizes the importance of women in the home appliance decision-making process and includes products depicted in the artwork of four celebrity Brazilian female artists.



Escolher bem é um talento.  
E talento é uma coisa  
que a mulher brasileira  
tem de sobra.

### Whirlpool's Manufacturing Network Drives Competitive Advantage

Whirlpool's global manufacturing footprint enables efficient and effective resource allocation and product distribution. The network is "best in class" for low-cost manufacturing, quality and safety. Trans-regional sales have doubled in the past five years, resulting in more than six million products distributed from Whirlpool manufacturing and technology centers in 2004.



6 Million Products will Move Globally in 2004...and continue to grow each year.

## "Two in One"

The Dish Drawer, offering two dishwashers in the space of one, was first launched under the Whirlpool brand in Europe, and more recently in the U.S. under KitchenAid brand.



### Water, water...everywhere.

*Brand elasticity and a strong relationship creates an exclusive win-win.*

When Lowe's first approached us to provide an exclusive new line of water softeners, filters, coolers and heaters, it was a potential opportunity to simultaneously leverage the strength of both the Whirlpool brand and our relationship with a key trade partner. It was also a new opportunity we weren't completely convinced of - after all, we don't manufacture such products. Rather than let the opportunity slip through our fingers, we quickly executed one of Whirlpool's successful new initiatives: a licensing business providing over \$6 million in annual profit.

Lowe's was looking to introduce a solution to their newly discovered customer insight: strong interest in water filtration. And they

sought the strength of the Whirlpool brand to support their new initiative. Our own brand elasticity study concluded that Whirlpool was indeed a match.

Together with Lowe's, we identified licensee partners (including one of our refrigerator filter makers) evaluated their ability to manufacture additional models, and launched a new program with record speed to market: only four months per product line. In return, Lowe's provided significant dedicated floor space in their stores and a new television advertisement (images seen here) leveraging the strength of both brands, product ease of use, and exclusive launch at Lowe's.

In short, it's a good example of leveraging strong Whirlpool relationships and brands into a profitable \$6 million dollar contribution to our bottom line ... and it's a business managed by only three people.. The success of the program has convinced us that such partnerships offer a huge opportunity for appropriate extensions of the Whirlpool brand. As such, we're aggressively expanding into new areas such as air purification, HVAC, sump pumps and vacuums, among others. If successful, we estimate the licensing business could grow to contribute significant Whirlpool brand earnings in the near future.

# Consolidating Trade & Distribution Relationships

Global pressures are forcing industry consolidation among the companies that serve the domesticity needs of consumers, and only those players with sufficient global reach and innovative solutions will be able to compete efficiently and differentiate themselves. To accomplish this, a global network of partnerships is forming among industry players - between kitchen designers and appliance manufacturers, between manufacturers and retailers, and between retailers and their peers.

Comparable to the pharmaceutical industry for example, where a smaller manufacturer markets their product through the sales capabilities of a global partner to turn it into a blockbuster, so too is similar consolidation occurring within the home appliance sector. Whirlpool might source a product or component from one company for a new appliance - for example: Dish Drawer from Fisher & Paykel. We might assemble a team of water filter manufacturers to serve the unmet needs of a major trade retail partner. Or we may work with a high-end Italian kitchen manufacturer to turn a forward looking design concept into reality, as we are with the exciting results of in.kitchen - unveiled in 2004 by Whirlpool's Global Design team.

The reputation of our innovative design, the strength of our brands and our global reach enable us to form the relationships that enable us to bring the right players to the table to create new solutions. Likewise, bringing the consumer - that is, what we continue to learn about their preferences and habits - into the process at the earliest stages ensures that our new products warrant the kind of interest and loyalty that drive customers into the showrooms of retailers seeking Whirlpool products. This

reduces our cost to serve retailers, increases our balance of sale and has resulted in trade partnerships with most every major retailer around the world. As a result, the Whirlpool brand enjoys an all-time high marketshare and the number one brand position among eight of the top 10 appliance retailers in America.



## Design Innovation:

*Changing the face of the built-in kitchen industry*  
2004 marked 15 years of business for Whirlpool Europe, and during its milestone anniversary the organization unveiled the critically acclaimed series of revolutionary built-in kitchen concepts entitled "in.kitchen: design landscapes for a new built-in experience."

Based on deep consumer insights and trends research, in.kitchen is Whirlpool's vision for built-in kitchens that are based on the culinary level and domestic space of indi-

vidual users, and are more highly integrated solutions than those currently available in the marketplace. Rather than design distant product hopes, the project team created glimpses of possible domestic experiences that could be achieved in the near future through well-orchestrated partnerships within the kitchen industry.

In creating in.kitchen, Whirlpool is promoting greater dialogue within the industry - kitchen makers, cabinet manufacturers, and others - to move beyond Whirlpool's traditional role of providing a high-tech appliance 'box' to fill a functional 'hole' inside the consumer's kitchen. The effort has already attracted the attention of one high-end Italian kitchen manufacturer to turn the in.kitchen concept into a reality, thus dramatically changing the face of built-in kitchens and how people experience the domestic "heart" of their homes. Stay tuned.



# The Value of Customer Loyalty

Whirlpool's customer loyalty strategy is a long-term commitment built upon the roots of strategic investments in global manufacturing productivity, trade partner management, and the development of innovative products and strong brands. Each of those investments were significant steps during the evolution of a strategy that has evolved to produce the corporate foundation required to successfully differentiate ourselves in the marketplace.

Of course, focusing on the customer is the foundation of most companies interested in success. However, Whirlpool's focus on customer loyalty is recognition that winning the emotional loyalty of consumer purchasing behavior is critical to differentiating ourselves in an industry that's been stuck in the status quo of similar products and services. Loyalty is a behavior, not a satisfaction or attitude. And securing consumer's loyalty for our portfolio of products (versus single appliances) will ultimately transform Whirlpool from a home appliance maker into a consumer goods company.

Building unmatched customer loyalty requires unique solutions ... built on a platform of innovation. As such, we're relying more than ever on innovation to carry us through the cycles of our industry, rather than limit investment in this area during downturns in the industry. As such, in 2005 we will be accelerating the rate of new product introduction from our innovation pipeline. - included on page X. The pipeline is robust, and is expected to represent innovations that will generate more than \$3 billion in annual revenues by the end of 2005.

Today, Whirlpool's industry leading infrastructure, innovative product pipeline and deep understanding of the needs of customers enable us to consistently deliver unique and innovative solutions to meet or exceed their expectations. We believe we're only starting to see the

fruits of our labor in this strategy. And we made some of our greatest gains in understanding and acting upon customer loyalty drivers during 2004 - accomplishments we must move upon and leverage moving forward. As a result, we're strengthening the value of our brand franchise that is paying, and will continue to pay, dividends to our shareholders over time.

Perhaps the most compelling explanation of this strategy is in the expected results. What is customer loyalty worth? We believe every 10 points of increased customer loyalty will create approximately \$2.75 billion in revenue and improved operating profit. Accordingly, we've set ambitious business goals to double our customer loyalty performance in seven years.

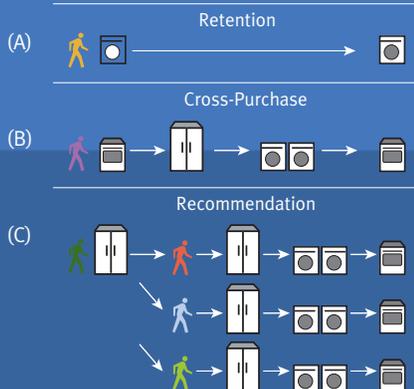
This year we made monumental advances instilling the customer loyalty concept throughout the entire network of Whirlpool people worldwide, leading to greater integration of the concept within our short and long-term strategic planning processes. Today, our people clearly understand the difference between, and are shifting their work from "customer focus" to "customer loyalty."

Customer loyalty is about winning the hearts and minds of millions of consumers worldwide. Indeed, it's the heart of our strategy and the heart of Whirlpool people everywhere.

## Customer Loyalty is a Behavior, not a Satisfaction or Attitude

### The Evolution of Customer Loyalty

Year 1 → Year 10



(A) Winning the loyalty of customers means more than hoping they're satisfied enough at the end of the product life cycle to repurchase the same brand.

(B) For Whirlpool, it means leveraging the strength of our brands and innovative products to create an emotional link with customers where they cross-purchase the brand for other home appliance needs.

(C) The ultimate level of customer loyalty is achieved when appliance owners, impressed with their products, become "evangelists" recommending the brand to others who begin cross-purchasing behavior, thus dramatically influencing sales growth through repeat purchases and brand extensions. Likewise, improved profit margins deliver better shareholder value because of lower costs for customer acquisition and retention, and higher profitability from customers who are willing to pay for relevant innovation and brand value.



### Cook for the Cure

The KitchenAid Cook for the Cure® was created to give passionate cooks a way to support the Susan G. Komen Breast Cancer Foundation and the fight against breast cancer. To date, the program has raised over \$2.3 million dollars for the cause through donation-with-purchase programs, special fundraising events, auctions and grass roots initiatives.



### The Woman's Consulate

A Consul brand initiative and social responsibility project for Whirlpool Latin America, the Woman's Consulate creates employment and income opportunities for women with low levels of income and schooling.

Participants receive guidance on how to open businesses and cooperatives, and promotes citizenship development for women through access to information and permanent education, stimulating their participation in and contribution to the community. The result is improved quality of life for the women and a transformation in gender relations.

**REBA**

 **Habitat for Humanity®**

CONCERT TOUR  
PRESENTED BY



### Case Study: Doubling Customer Loyalty

Who would have thought that the single biggest application of customer loyalty learnings would be a country music star? But that's exactly what happened when ongoing consumer research showed that social responsibility consistently ranks high as a loyalty driver among customers, and that the emotional connection to the Whirlpool brand is twice as powerful as the rational connection.

Brand positioning around social responsibility came naturally for Whirlpool because we already had a successful story to tell: Whirlpool's ongoing philanthropic efforts with Habitat for Humanity International. Leveraging our

philanthropic efforts into a brand asset meant mixing it with the broad appeal of country music. Thus we tapped Reba McEntire for a new advertising campaign to spread the word about our partnership with Habitat for Humanity.

The program was designed to unleash the emotional power of our brand, link it to loyalty and drive a business behavior. As a result, the Whirlpool/Reba McEntire advertising campaign was named to Ad Age's Top 10 list, and customers exposed to the campaign are twice as likely to remain loyal to the Whirlpool brand. Rarely can a corporation make such a clear connection between its social philanthropic efforts and customer loyalty.

# New Product Innovation

New product innovation at Whirlpool begins with significant brand input and positioning combined with ongoing research results on consumer loyalty

drivers. This approach is applied to both existing product lines and new business opportunities.

## New Business

Generate and develop opportunities to create new customers, channels and business models.

## New Platforms

New manufacturing platforms providing completely new product lines that solve previously unmet consumer needs.

## Merchandisable Innovation

Novel innovative features designed to update existing products and present new product attributes to the marketplace.

## Platform Replacement

Existing product lines are replaced with new manufacturing platforms.



# Building unmatched customer loyalty requires unique solutions... built on a platform of innovation.

In 1999, Whirlpool began investing in a significant innovation strategy applied across all product categories. Between 2001 and 2004, the fruits of that investment strategy became evident in an innovation pipeline that introduced 33 new products into the marketplace, collecting over \$200 million of innovation revenue last year. In 2005 alone, Whirlpool is planning the launch of 14 new innovative products aiming to double innovation revenue.

Our investment strategy for the pipeline is simple ... maintain a planned rate of compelling, sustainable, and differentiated product innovation that:

- Delivers new and differentiated solutions to consumers
- Establishes sustainable competitive advantage
- Creates differentiated shareholder value

As a result, today's pipeline is estimated to be worth a potential \$XXX through the end of 20XX.



#### **In.kitchen: Ritual**

Currently under development with a high-end Italian kitchen manufacturer, Ritual is one of Whirlpool's critically acclaimed built-in kitchen concepts (unveiled in 2004). Ritual blends two environments - the kitchen and the dining room - into a single unit that hosts all kitchen appliances and a table upon which to present a meal. It is expected to enter the marketplace in 2006.



#### **"Athena" Speed Cook Appliance**

Leveraging the success of Whirlpool's '04 launch of the G2 Microven, Athena incorporates grilling, high speed and convection cooking qualities with the industry's largest turntable, best ventilation system and high-end built-in look. It is designed to position Whirlpool brand as a leader within this emerging product category.



#### **Niagara Advanced Dispenser**

An advanced ice and water dispenser, Niagara fills any size container twice as fast\*. The oversized dispenser cavity accommodated both large and small containers. The patented filtration system includes touch-button measured filling (in ounces, cups or liters), and a slide-out dispenser tray provides a sturdy platform for hands-free filling from a 180° rotating faucet.

*\*compared to previous Whirlpool models*

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# 2001

# 2004

## 34 Product Introductions



**Family Studio 1**  
First in a family of fabric care centers **NA** ■

**Economic House**  
A water solution service that provides filtered, chilled water replacing bottled water **LA** ★



**KitchenAid Outdoor Entertaining**  
Stainless steel free-standing and built-in **NA** ★



**Water Domain**  
Multi-phase licensing project including water softeners, filters, dispensers **NA** ★



**Gladiator GarageWorks**  
Garage organizing solutions and appliances **NA** ◆ ★



**Pure**  
Delivering filtered, chilled and carbonated water above the sink, countertop and under sink water dispensing **EU** ★



**KitchenAid Brand Licensing**  
Extends the brand reach through gadgets, bakeware, cookware, linens, etc. **NA** ▲ ● ★



**Polara**  
Refrigerated free-standing range **NA** ●



**briva**  
In-sink dishwasher **NA** ▲



**Dish Drawers**  
Dishwasher in single or double drawers through partnership with Fisher-Paykel **NA** **EU** ▲



**Jetchef**  
Family size/space saving multi-purpose oven with high speed, wide range of cooking features and ease of programming **EU** ●

**ACCESS Pedestal**  
Pedestal for Access front loading washer and matching dryer **NA** ■

**Access/ADOTT**  
Semi-professional fabric care package & after sales service **EU** ■



**Mini Built-in Microwaves**  
Easy to install and frees up needed counter space **EU** ●

**Dish pedestal**  
Dishwasher pedestal with drawer **NA** ▲

**Trolley**  
Standard washing machine pedestal with removable trolley to improve loading & unloading **EU** ■



**Text Assistant Display (TAD) Oven**  
User-friendly LCD interface including assisted, manual, memo & demo-modes **EU** ●

**One Touch Sensor**  
Advanced sensor (40°-70° C) dishwasher control for clean dishes for any load **EU** ▲



**Turbo Wash Dishwasher**  
Intensified wash zone for heavily soiled dishes **NA** ▲



**Max! Fitness, Magnum, Moka**  
A Max! with unique accessory algorithms to prepare healthy food, dense hot chocolate and brew fresh espresso **EU** ●

**Design Your Own Sink**  
Custom designed sinks **NA** ▲

**Scrubber Lid for Volcan washer**  
Innovative scrubber lid feature instead of current metal lid **NA** ■



**6th Sense**  
Refrigerator that recognizes events - door open, temporary black-out, etc. **EU** ◆



**Ikea Kid**  
Kid-friendly customizable oven that matches Ikea's Living with Children theme **EU** ●

**Design Your Own Refrigerator**  
Customizable refrigerator **NA** ▲

**KitchenAid Portables**  
Custom colors **NA** ★



**Pro Line Majors**  
TLC and new selling process **NA** ★

**Design Your Own Dishwasher**  
Capability to design your own dishwasher **NA** ▲

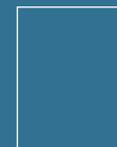


**Twin**  
Revolutionary 3M fully integrated built-in microwave **EU** ●

**Jobim**  
Improved ovens & burners with different power, more convenience and new cooking experience due to the product's unique performance **LA** ●



**Pro Line Appliances** **NA** ★



**Pro Line Coffee Grinder (A-9)**  
Reintroduction of the world's first Burr coffee grinder - model A-9 **NA** ★



**Big/Dreamspace**  
Large capacity machine designed for big items **EU** ■

# 2005

Estimate 14 new product introductions



## Brutus

Commercial laundry project that focuses on a centralized payment station **NA** ■



## Fabric Refresher

Collapsible in-home clothes vitalizing system that is easily stored & provides wrinkle and odor removal **NA** **EU** ■



## Pro Laundry

Commercial-like durability laundry pair with stainless steel finish **NA** ■



## Double Drawers - Ingredient Center

New refrigerated appliance for fresh produce at counter top **NA** ◆



## HE Wash 1

Soak and Pulse Filter for easy cleaning and 2x Cenelec performance **EU** ▲



## Origami

Multi-functional cooktop accessories **EU** ●



## Athena

Hi-speed micro-wave-hood combo with built-in look and increased capacity **NA** ●

## Soft Dry CD DR (Hanger)

New condenser dryer equipped space-saving accessories to dry garments **EU** ■



## Titanium Range and Line

Built in cooking appliance line with titanium material **EU** ●



## Moka II

A Max! microwave with a unique 'Espresso Moka' accessory **EU** ●



## Niagara

New ice and water dispenser **NA** ◆

## Hygienic Refrigerator

Anti-bacterial air filtration solution for freezer and refrigerator **EU** ◆

## Crystal Coating

Protective layer that reduces thermal & abrasion effects on stainless steel & aluminum cooktops **NA** ●

\*\* Please note: This innovation pipeline originally contained a column for product launches expected for 2006. It has since been removed and the 2005 pipeline is being revised accordingly across this page.

# North America Operating Review



David L. Swift  
Executive Vice President,  
North American Region

## Significant New Product Introductions:



- The stylish new KitchenAid Ensemble front-loading washer and dryer delivers high water and energy efficiency and extends the KitchenAid brand into other areas of the home.



- KitchenAid brand expanded its Pro Line® series of professional-style countertop appliances with the introduction of a commercial quality food processor.

**Whirlpool North America performed solidly in 2004, making advances in our customer loyalty strategy even while confronting unprecedented increases in raw-material and oil-related costs. Our people met these challenges by delivering strong manufacturing productivity gains, new product introductions, and effective brand and product mix.**

Despite the prevailing global and economic uncertainty, consumer demand remained strong as low interest rates in the United States helped maintain the momentum of new-housing starts, sales of existing homes and spending on durable goods. Whirlpool North America posted record revenue of \$8.25 billion in 2004. Operating profit, however, declined four percent to \$778 million, largely because of the sharp increases in the costs of key commodities and logistics.

During 2004, we made a commitment for a \$180 million multi-year investment to strengthen our North American manufacturing base and extend our leadership position in the U.S. appliance industry. The investment is expected to deliver a series of innovative new product introductions to consumers in the U.S. domestic market and throughout the world. In addition, the investment will help us improve efficiency and productivity across our North American manufacturing platform.

During the year, we made significant progress across the region with another year of record sales in Canada and further integration of Whirlpool Mexico into its regional operations. In 2005 and in the years ahead, Whirlpool Mexico will be a strategically significant business within Whirlpool Corporation's global operating platform, serving as an important product export, manufacturing and

supply-chain provider for all of North America and beyond. A prime example of Whirlpool Mexico's growing importance is the pending launch of a super efficient and affordable front-loading clothes washer for Mexico and export markets at the company's expanded Monterrey facility.

More important for the long-term direction of the company, we continued to make significant inroads with our strategy of focusing our operations on our customers. Meeting their needs and simplifying their lives are the linchpins in building loyalty to the company's brands, particularly the Whirlpool and KitchenAid brands in North America. In line with this strategy, teams of Whirlpool engineers, designers and marketers are constantly undertaking dozens of customer-loyalty initiatives to deliver unique solutions to customers (many of which are listed above).

During 2004, Whirlpool North America continued to make rapid strides in broadening our innovation strategy through partnerships, exclusive arrangements and licensing agreements with like-minded innovative companies. These affiliations speed up Whirlpool's introduction of unique solutions that better fulfill customer needs and desires. Our on-going relationship with New Zealand-based Fisher & Paykel is a good example of how these partnerships help with global sourcing of unique appliances such as Dish Drawer (launched in Europe and the U.S.), and other innovative technologies and products planned for the future.

The strength of our brands and our relationships with trade partners have secured leadership positions with the top American retailers and buying groups, representing more than 80 percent market share of all appliances purchased in the U.S. Likewise, our strong

### Key Statistics

- No. 1 position in the industry
- \$8.3 billion in 2004 sales
- \$778 million in 2004 operating profit
- Approximately 28,000 employees

### Brands

**United States**  
Whirlpool, KitchenAid, Gladiator, Roper by Whirlpool Corporation, Estate

**Mexico**  
Whirlpool, Acros, Supermatic, Crolls

### Locations

**Headquarters:**  
Benton Harbor, MI

#### Manufacturing Locations:

**United States**  
LaVergne, TN; Findlay, OH; Marion, OH; Greenville, OH; Clyde, OH; Benton Harbor, MI; Evansville, IN; Fort Smith, AR; Tulsa, OK; Oxford, MS

**Mexico**  
Monterrey, Reynosa, Celaya, Puebla

### Principle Products

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, Water Dispensers and Fabric Fresheners



- The rugged design of the new Gladiator GarageWorks Freezerator™ refrigerator, enables it to cope with temperature extremes in the garage.



- A variety of new Whirlpool ovens and ranges were introduced in 2004 with unique features such as sophisticated glass touch controls for ease of use and cleaning.



- The new Whirlpool® Gold super capacity dishwasher with AccuSense® adaptive wash cycle automatically selects the right wash cycle based on load size and food deposits.

position with contract builders continues to grow, with KitchenAid brand channel revenue growing 20 percent in 2004. Total sales have grown at an average annual growth rate of 10-percent each of the past five years. Additionally, our market share among the top 30 national builders was up 33 percent in 2004 vs. 2002.

Energy and water conservation continue to be a primary concern of Whirlpool, and we are working closely with the U.S. Environmental Protection Agency and the U.S. Department of Energy to reduce greenhouse gas emissions through the introduction of energy efficient, Energy Star® qualified appliances.

In 2004 we upgraded our commitment to Habitat for Humanity through increased donations, products and employee involvement. Once a partnership only in North America, where the company would donate an Energy Star® qualified refrigerator and range for every Habitat home, Whirlpool now partners with Habitat in 18 countries around the world. In addition to sponsoring a summer concert tour for Reba McEntire on behalf of Habitat, we cosponsored the 2004 Jimmy Carter Work Project (JCWP) in Mexico to help generate enthusiasm for the 2005 JCWP in Whirlpool's headquarters community of Benton Harbor (where we will build 24 homes in two weeks).

Our commitment to social causes also extended to KitchenAid brand's fundraising partnership with the Susan G. Komen Breast Cancer Foundation for the fight against breast cancer. In 2004 alone, KitchenAid raised more than \$750,000 for the foundation through the sale of special pink-colored KitchenAid products and other fund-raising efforts for a total of \$2.3 million in donations since 2001.

## Outlook

In 2005, Whirlpool North America expects to continue successfully executing our customer loyalty strategy, with strong brands and innovative products attracting and retaining customers for life. We expect modest growth of two-percent in industry shipments in the United States.

To reduce the impact of those costs, we have announced price increases ranging from five-to-ten percent, effective in early January 2005. We are also implementing additional productivity initiatives, reducing non-product related spending, and increasing the pace of innovative product introduction in 2005.

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## Awards:

- International Design magazine named Whirlpool as one of the ten best companies for global design leadership, citing "visionary scenarios" created by the company for what the future may hold in the areas of fabric care and the kitchen.
- Whirlpool Corporation was, for the fifth time, named "Energy Star® Partner of the Year" by the U.S. Department of Energy and U.S. Environmental Protection Agency.
- Whirlpool Corporation is the first recipient of the Home Safety Council Product Innovation for Consumer Safety Award, recognizing outstanding product innovations that help reduce the risk of injury and enhance consumer safety at home.
- Whirlpool Canada named one of top 50 places to work in Canada among a national survey of employers.

# Europe Operating Review



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

## Significant New Product Introductions:



- 6th Sense Technology: Introduced in 2004, Whirlpool's unique 6th Sense technology has been applied across all product lines (such as this refrigerator) to save time and energy for users, while also providing them choice, flexibility, simplicity and excellent results in their household tasks.



- The Whirlpool® JetChef three-in-one oven combines conventional, steam and microwave technology for high-speed cooking, while 6th Sense technology adjusts the settings for the best results based on the food type.



- The Whirlpool® Progressive Collection provides cutting-edge technology in a complete range of innovative products with clean, essential design, using stylish, functional glass and stainless steel.

**Whirlpool Europe achieved significant performance improvements in 2004, with revenue of \$3.1 billion up 13.8 percent and an operating profit increase of \$167 million, 34.5 percent over 2003.**

The continued performance improvement is due in part to the successful pan-European expansion of our built-in appliance business, with a 17-percent increase in units sold year over year. The strong growth rates of our two major pan-European kitchen trade partners, IKEA and Alno, contributed to the success of our built-in products. Innovative products like the 6th Sense product line, the new JetChef three-in-one oven and the Mini BI built-in oven drove performance improvement, while record levels of productivity during 2004 also helped offset increased costs in the region.

Whirlpool Europe's core strategy continues to focus on effectively building life-long customer loyalty across all the varied markets of the region. In 2004, we began consolidation of the company's 32 different market organizations into a few key "market regions" to serve this customer loyalty goal. The new organization of combined markets will also reduce complexity, improve execution and bring about cost efficiencies.

During 2004, we continued our strategy to drive sustainable competitive advantage in all of our European operations. Through manufacturing footprint changes and continued implementation of leading edge productivity and efficiency tools such as Lean Manufacturing and Six Sigma, our people drove record productivity improvement across all operations during the year. Additionally, continued expansion of our Central European facilities resulted in increased production of existing refrigeration and dishwasher production lines and construction of a new cooking facility at our Wroclaw, Poland, site.

We significantly strengthened our trade-partner relationships in '04 while marking our 15th anniversary of business and our regional brand leadership. Whirlpool Europe welcomed more than 2,000 European retail trade partners and media at an award-winning event that strengthened brand positioning in the region, unveiled "in.kitchen" - our concept kitchens of the future - and presented product innovations such as the new Whirlpool brand Progressive line of kitchen appliances.

Lastly, we're proud to have leveraged Whirlpool Corporation's long-standing commitment to social causes and its successful relationship with Habitat for Humanity International in 2004 by launching a building and product donation program in Europe.

## Outlook

Facing the challenges of the market environment in 2005, Whirlpool Europe has solid plans to mitigate raw material costs and commodity increases through region-wide price increases. We expect continued sales growth through Whirlpool innovation and continued emphasis on product and brand mix management in response to consumer demand. Growth of our built-in appliance business, expansion of the Whirlpool brand, and significant cost savings from continued productivity gains are also expected to contribute to performance improvements. We expect modest growth of one-percent in industry shipments across Europe.

## Awards:

- The EIBTM (European Incentive & Business Travel & Meeting Exhibition) granted Whirlpool Europe the "Best Business to Business Event" for "Experience the Vision", Whirlpool Europe's 15th anniversary event held in Cannes, France, in March 2004.
- Whirlpool France won the 2004 Janus de la Santé award in partnership with Handicap Zero, a well-known French charity dedicated to the blind.

## Key Statistics

- No. 3 position in Western and Central Europe
- \$3.1 billion in 2004 sales
- \$166 million in 2004 operating profit
- Approximately 15,000 employees

## Brands

Whirlpool, Bauknecht, Ignis, Polar, Laden in France, KIC in South Africa

## Locations

**Operations Center:**  
Comerio, Italy

## Manufacturing Locations:

**France** Amiens

**Germany** Neunkirchen, Schorndorf

**Italy** Naples, Siena, Cassinetta, Trento

**Poland** Wroclaw

**Slovakia** Poprad

**South Africa** Isithebe

**Sweden** Norrköping

## Principle Products

Automatic Dryers, Automatic Washers, Built-in Hobs, Built-in Ovens, Compressors, Dishwashers, Free-standing Cookers, Freezers, Microwave Ovens, Ranges, Refrigerators

# Latin America Operating Review



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

## Significant New Product Introductions:



- The Brastemp Sixth Sense Technology Line is a new portfolio of refrigerators, ranges and washing machines - each one with unmatched design, technology and performance.
- The "Brastemp You" Refrigerator is the first fully customizable refrigerator in Latin America. Currently sold exclusively through the Brastemp website, the unit will be offered as a business opportunity for trade partners in the near future.



- The Consul Frost-Free Refrigerator with water dispensing combines convenience ease of use and an affordable price.



- The new Consul Séc Fácil is the brand's first laundry dryer and combines drastically reduced clothes drying time with low energy consumption.

Whirlpool's Brazilian home appliances operation successfully increased market share during 2004, sustained by strong demand for our brands, several innovative new product launches and targeted customer loyalty actions. Whirlpool Latin America also reaffirmed the growing importance of its manufacturing position within Whirlpool's global operating platform during 2004, exporting more than 27 percent of our production to Whirlpool markets worldwide.

While the Latin American economic environment in 2004 was favorable growth-wise for Whirlpool, higher steel and freight costs as well as unfavorable currency conditions presented significant challenges. Despite adverse market conditions, the company responded well, growing revenues by 24 percent to \$1.6 billion. Operating profit, however, declined 27-percent to \$65 million, largely due to the sharp increases in the costs of key commodities and logistics.

Significant new product introductions included the introduction of 6th Sense appliance control technology across the Brastemp portfolio (refrigerators, ranges and washing machines), and the successful introduction of the "Brastemp You" Refrigerator - the first customizable refrigerator in Latin America. Consul brand expanded its fabric care line in 2004 with the introduction of the brand's first clothes spin-dryer. Other new Consul brand product introductions included a new water-dispensing refrigerator, and Consul's first ceiling fan - an extension of the brand into new product areas.

Consul brand, present in 50 percent of Brazilian homes, also unveiled its new brand positioning campaign: "The choice of the Brazilian woman." The new concept, recognizing the importance of women in the home appliance decision-making process, included Consul products depicted in the artwork of four Brazilian female artists.

2004 was another year of successful progress in our customer loyalty transformation process. Our Multibrás subsidiary launched an integrated management system for direct suppliers, which defines standards to achieve continuous product and service quality improvements, permanent technological enhancements and productivity gains.

Multibrás also created a new commercial structure to better serve trade partners, as we expect them to make significant investments in new store openings or acquisitions in Latin America. The new structure evolved from our channel strategy, and is adapted to this new trade scenario.

Multibrás exceeded its manufacturing productivity targets and delivered \$4.8 million in improvements during 2004, largely due to the successful implementation of Lean Manufacturing. Lean culture guidelines were also applied to the first phases of new product development.

Whirlpool's Brazil-based compressors operation, Embraco, maintained its global market leadership during 2004, with 25-percent of market share, and improved its position in the commercial refrigeration segment by offering 17 new products to the market and launching environmentally compliant CO2 compressors.

## Outlook

Whirlpool Latin America expects continued sales growth driven by moderate increase in overall demand, strong brands and innovative product launches in 2005. Exports will continue to be a priority for the region, as we anticipate the continued consolidation of our position within Whirlpool's global operating platform.

The region's profitability is also expected to improve significantly based on achieving further price increases and delivering significant productivity gains. During January 2005, the region implemented a six-percent price increase to mitigate higher costs, and announced an additional six percent increase effective in April 2005. We expect industry shipments in 2005 to increase by approximately five percent.

## Awards:

- Brastemp was again recognized as one of the most recognized brands in Brazil in 2004. The brand ranked fourth for the 14th consecutive year. Consul was the most mentioned brand in the refrigerator category for the 13th year.
- Multibrás was once again recognized by the Carta Capital Magazine and the Interscience Informação e Tecnologia Aplicada as one of "The most admired (companies) in Brazil", in the home appliances segment.
- Multibrás was recognized for the eighth time on the list of "Top 100 Best Companies to Work for" in Brazil, by Exame Magazine, the major business magazine in Brazil.

## Key Statistics

- No. 1 market position in the industry
- \$1.7 billion in 2004 sales
- \$65 million in 2004 operating profit
- Approximately 21,000 employees

## Brands

Whirlpool, Brastemp, Consul, Embraco, Eslabón de Lujo

## Locations

**Headquarters:** São Paulo, Brazil; Buenos Aires, Argentina; Santiago, Chile

**Manufacturing Locations:** Brazil Manaus, Rio Claro, Joinville, São Paulo

**International (Embraco)** Riva di Chieri, Italy; Spisska Nova Ves, Slovakia; Beijing, China

## Principle Products

Automatic Washers, Compressors, Countertop Appliances, Dishwashers, Freezers, Microwave Ovens, Ranges, Refrigerators, Room Air Conditioners, Fabric Dryer

# Asia Operating Review



**Mark Hu**  
Executive Vice President,  
Whirlpool Asia

## Significant New Product Introductions:



- The innovative Whirlpool Mercury line of high capacity clothes washers has quickly become one of China's top-selling washers.



- The Ice Magic frost-free refrigerator with 6th Sense technology is the only refrigerator on the Indian market that senses the loss of cold air and lowers the temperature through its Dynamic Airflow Control System.



- Whirlpool India introduced the world's first Frost Control refrigerator with 6th Sense technology, a high capacity, single-door refrigerator that automatically defrosts the freezer.

Whirlpool Asia coped with an array of challenges in 2004, ranging from rising commodity prices and trade distribution issues to price pressures and increasing industry competition. The region reported sales of \$382 million, an 8.2 percent decrease from the year before. Operating profit declined for the year, reflecting the difficult operating environment and appliance over capacity in Asia.

China and India are Whirlpool's largest markets in the region and among the most competitive. The company initiated a new trade management strategy, which included revised trade terms and broader distribution channels outside urban hubs. The strategy is expected to spur renewed market share gains in the world's fastest growing region.

In India, for instance, Whirlpool India entered into a strategic alliance with Faber S.p.A. (Italy) to sell and distribute Whirlpool cooking appliances, such as ranges, ovens and electric kitchen chimneys. The new organization's products are the largest selling premium brand in the cooking segment and the global leader in kitchen chimneys. The partnership gives the company an opportunity to extend the Whirlpool brand, a leading brand among clothes washers and refrigerators, to the cooking category.

In fending off the intense competition, Whirlpool introduced a number of innovative appliances (many of them new to the market) including: two new frost control refrigerators with 6th Sense Technology in India, and a new line of Whirlpool Mercury high-capacity clothes washers. For these and other innovative products, Whirlpool brand was featured by SUPERBRANDS, a global brand-ranking organization, in its first edition of India's Superbrands.

Whirlpool's manufacturing facilities in India and China have become key procurement and product sources for the company's global operating platform. China-based technology centers play a significant role in Whirlpool's global technology organization, and increasingly serve markets worldwide with efficient manufacturing and innovation. For example, Whirlpool's plant in Shunde, China, is the company's primary manufacturer for microwave ovens globally, while the washer facility in Shanghai has started exporting products to the Middle East. Exports from Whirlpool India increased 18 percent in 2004, adding another 10 national markets to its expanding export network.

## Outlook

For 2005, Whirlpool Asia anticipates steady revenue growth and improved operating margins as new, innovative products are introduced in the region and as the company's product distribution network continues to expand. Exports from Asia will continue to fuel growth as a significant source for Whirlpool's sales networks.

Price increases have been implemented across the region to address rising material costs. Based on current economic conditions, the company expects full-year industry unit shipments to increase 3-to-5 percent.

## Awards:

- Whirlpool Asia's clothes washers were recognized by the Chinese government's product-standard agency as among the best performing, high quality appliances on the market.
- Whirlpool brand was featured by SUPERBRANDS, a global brand-ranking organization, in its first edition of India's Superbrands.

### Key Statistics

- Leader among Western companies
- \$382 million in 2004 sales
- \$(25) million in 2004 operating loss
- Approximately 5,000 employees

### Brands

Whirlpool

### Locations

**Headquarters:** Shanghai, PRC

#### Manufacturing Locations:

**India** Faridabad, Pune,

Pondicherry

**China** Shanghai, Shunde

### Principle Products

Air Conditioners, Compressors,  
Microwave Ovens,  
Refrigerators, Washers