WHIRLPOOL CORP /DE/
Form 10-Q
July 20, 2010
Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-3932

WHIRLPOOL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**38-1490038**
(State or other jurisdiction of incorporation of organization)	**(I.R.S. Employer Identification No.)**
2000 M-63	
Benton Harbor, Michigan	**49022-2692**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code (269) 923-5000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

Number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date:

Class of common stock	**Shares outstanding at July 15, 2010**
Common stock, par value $1 per share	76,009,404

Table of Contents

QUARTERLY REPORT ON FORM 10-Q

WHIRLPOOL CORPORATION

Three and Six Months Ended June 30, 2010

INDEX OF INFORMATION INCLUDED IN REPORT

Table of Contents

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. Certain statements contained in the annual report, including those within the forward-looking perspective section within this Management s Discussion and Analysis, and other written and oral statements made from time to time by us or on our behalf do not relate strictly to historical or current facts and may contain forward-looking statements that reflect our current views with respect to future events and financial performance. As such, they are considered forward-looking statements which provide current expectations or forecasts of future events. Such statements can be identified by the use of terminology such as anticipate, believe, estimate, expect, intend, may, could, possible, plan, project, similar words or expressions. Our forward-looking statements generally relate to our growth strategies, financial results, product development, and sales efforts. These forward-looking statements should be considered with the understanding that such statements involve a variety of risks and uncertainties, known and unknown, and may be affected by inaccurate assumptions. Consequently, no forward-looking statement can be guaranteed and actual results may vary materially.

This document contains forward-looking statements about Whirlpool Corporation and its consolidated subsidiaries (Whirlpool) that speak only as of this date. Whirlpool disclaims any obligation to update these statements. Forward-looking statements in this document may include, but are not limited to, statements regarding expected earnings per share, cash flow, productivity and material and oil-related prices. Many risks, contingencies and uncertainties could cause actual results to differ materially from Whirlpool s forward-looking statements. Among these factors are: (1) changes in economic conditions which affect demand for our products, including the strength of the building industry and the level of interest rates; (2) the effects of the global economic crisis on our customers, suppliers and the availability of credit; (3) Whirlpool s ability to continue its relationship with significant trade customers and the ability of these trade customers to maintain or increase market share; (4) intense competition in the home appliance industry reflecting the impact of both new and established global competitors, including Asian and European manufacturers; (5) the ability of Whirlpool to manage foreign currency fluctuations; (6) product liability and product recall costs; (7) litigation and legal compliance risk; (8) the ability of Whirlpool to achieve its business plans, productivity improvements, cost control, leveraging of its global operating platform, and acceleration of the rate of innovation; (9) inventory and other asset risk; (10) fluctuations in the cost of key materials (including steel, oil, plastic, resins, copper and aluminum) and components and the ability of Whirlpool to offset cost increases; (11) the ability of suppliers of critical parts, components and manufacturing equipment to deliver sufficient quantities to Whirlpool in a timely and cost-effective manner; (12) health care cost trends, regulatory changes and variations between results and estimates that could increase future funding obligations for pension and post retirement benefit plans; (13) Whirlpool s ability to obtain and protect intellectual property rights; (14) information technology system failures and data security breaches; (15) global, political and/or economic uncertainty and disruptions, especially in Whirlpool s significant geographic regions, including uncertainty and disruptions arising from natural disasters or terrorist attacks; (16) the effects of governmental investigations or related actions by third parties; (17) the impact of labor relations; (18) our ability to attract, develop and retain executives and other qualified employees; (19) changes in the legal and regulatory environment including environmental and health and safety regulations.

We undertake no obligation to update any forward-looking statement, and investors are advised to review disclosures in our filings with the Securities and Exchange Commission. It is not possible to foresee or identify all factors that could cause actual results to differ from expected or historic results. Therefore, investors should not consider the foregoing factors to be an exhaustive statement of all risks, uncertainties, or factors that could potentially cause actual results to differ from forward-looking statements. Additional information concerning these and other factors can be found in Risk Factors in Item 1A of this report.

Unless otherwise indicated, the terms Whirlpool, we, us, and our refer to Whirlpool Corporation and its consolidated subsidiaries.

Table of Contents

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

WHIRLPOOL CORPORATION

CONSOLIDATED CONDENSED STATEMENTS OF INCOME (UNAUDITED)

FOR THE PERIOD ENDED JUNE 30

(Millions of dollars, except per share data)

	Three Months Ended		Six Months Ended	
	2010	2009	2010	2009
Net sales	$ 4,534	$ 4,169	$ 8,806	$ 7,738
Expenses				
Cost of products sold	3,773	3,615	7,406	6,660
Selling, general and administrative	401	390	772	717
Intangible amortization	7	7	14	14
Restructuring costs	22	23	42	47
Operating profit	331	134	572	300
Other income (expense)				
Interest and sundry income (expense)	(69)	(12)	(81)	(59)
Interest expense	(55)	(58)	(113)	(120)
Earnings before income taxes and other items	207	64	378	121
Income tax benefit	(8)	(22)	(11)	(38)
Net earnings	215	86	389	159
Less: Net earnings available to noncontrolling interests	(10)	(8)	(20)	(13)
Net earnings available to Whirlpool common stockholders	$ 205	$ 78	$ 369	$ 146
Per share of common stock				
Basic net earnings available to Whirlpool common stockholders	$ 2.69	$ 1.05	$ 4.87	$ 1.96
Diluted net earnings available to Whirlpool common stockholders	$ 2.64	$ 1.04	$ 4.78	$ 1.95
Dividends	$ 0.43	$ 0.43	$ 0.86	$ 0.86
Weighted-average shares outstanding (in millions)				
Basic	76.2	74.5	75.8	74.3
Diluted	77.7	75.0	77.3	74.9

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements

Table of Contents

WHIRLPOOL CORPORATION

CONSOLIDATED CONDENSED BALANCE SHEETS

(Millions of dollars, except share data)

	(Unaudited) June 30, 2010	December 31, 2009
Assets		
Current assets		
Cash and equivalents	$ 850	$ 1,380
Accounts receivable, net of allowance for uncollectible accounts of $64 and $76 at June 30, 2010 and December 31, 2009, respectively	2,382	2,500
Inventories	2,676	2,197
Deferred income taxes	253	295
Other current assets	700	653
Total current assets	6,861	7,025
Other assets		
Goodwill	1,729	1,729
Other intangibles, net of accumulated amortization of $145 and $132 at June 30, 2010 and December 31, 2009, respectively	1,777	1,796
Other assets	1,395	1,427
Total other assets	4,901	4,952
Property, plant and equipment		
Land	71	77
Buildings	1,168	1,207
Machinery and equipment	7,978	8,193
Accumulated depreciation	(6,247)	(6,360)
Total property, plant and equipment, net	2,970	3,117
Total assets	$ 14,732	$ 15,094
Liabilities and stockholders equity		
Current liabilities		
Accounts payable	$ 3,499	$ 3,308
Accrued expenses	626	632
Accrued advertising and promotions	351	475
Employee compensation	410	501
Notes payable	22	23
Current maturities of long-term debt	310	378
Other current liabilities	687	624
Total current liabilities	5,905	5,941
Noncurrent liabilities		
Long-term debt	2,195	2,502
Pension benefits	1,519	1,557
Postretirement benefits	697	693

Other liabilities	625	641
Total noncurrent liabilities	5,036	5,393
Commitments and contingencies (see Note 5)		
Stockholders equity		
Common stock, $1 par value, 250 million shares authorized, 106 million and 105 million shares issued at June 30, 2010 and December 31, 2009, respectively, 76 million and 75 million shares outstanding at June 30, 2010 and December 31, 2009, respectively	106	105
Additional paid-in capital	2,144	2,067
Retained earnings	4,496	4,193
Accumulated other comprehensive income (loss)	(1,224)	(868)
Treasury stock, 30 million shares at June 30, 2010 and December 31, 2009	(1,823)	(1,833)
Total Whirlpool stockholders equity	3,699	3,664
Noncontrolling interests	92	96
Total stockholders equity	3,791	3,760
Total liabilities and stockholders equity	$ 14,732	$ 15,094

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements

Table of Contents

WHIRLPOOL CORPORATION

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

SIX MONTHS ENDED JUNE 30

(Millions of dollars)

	2010	2009
Operating activities		
Net earnings	$ 389	$ 159
Adjustments to reconcile net earnings to cash provided by (used in) operating activities:		
Depreciation and amortization	273	258
Curtailment gain	(62)	(92)
Decrease in LIFO inventory reserve	(7)	(10)
Loss (gain) on disposition of assets	1	(8)
Changes in assets and liabilities:		
Accounts receivable	(2)	(167)
Inventories	(577)	203
Accounts payable	331	(234)
Restructuring charges, net of cash paid	(14)	(39)
Taxes deferred and payable, net	(47)	(46)
Accrued pension	(9)	(17)
Employee compensation	(53)	66
Other	(53)	(77)
Cash provided by (used in) operating activities	170	(4)
Investing activities		
Capital expenditures	(267)	(229)
Investment in related businesses	(18)	(12)
Proceeds from sale of assets	9	36
Cash used in investing activities	(276)	(205)
Financing activities		
Repayments of long-term debt	(372)	(202)
Common stock issued	72	
Dividends paid	(66)	(63)
Purchase of noncontrolling interest shares	(12)	
Net proceeds (repayments) from short-term borrowings	2	(294)
Proceeds from borrowings of long-term debt		850
Other	(4)	
Cash (used in) provided by financing activities	(380)	291
Effect of exchange rate changes on cash and equivalents	(44)	19
(Decrease) increase in cash and equivalents	(530)	101
Cash and equivalents at beginning of period	1,380	146
Cash and equivalents at end of period	$ 850	$ 247

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements

Table of Contents

NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

(1) BASIS OF PRESENTATION

General Information

The accompanying unaudited Consolidated Condensed Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information or footnotes required by GAAP for complete financial statements. As a result, this Form 10-Q should be read in conjunction with the Consolidated Financial Statements and accompanying Notes in the Financial Supplement of our Form 10-K for the year ended December 31, 2009.

We have eliminated all material intercompany transactions in our Consolidated Condensed Financial Statements. We do not consolidate the financial statements of any company in which we have an ownership interest of 50% or less unless we control that company. We did not control any company in which we had an ownership interest of 50% or less for any period presented in our Consolidated Condensed Financial Statements.

Management believes that the accompanying Consolidated Condensed Financial Statements reflect all adjustments, including normal recurring items, considered necessary for a fair presentation of the interim periods.

New Accounting Standards

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, Improving Disclosures about Fair Value Measurements. ASU 2010-06 requires additional disclosures about fair value measurements including transfers in and out of Levels 1 and 2 and a higher level of disaggregation for the different types of financial instruments. For the reconciliation of Level 3 fair value measurements, information about purchases, sales, issuances and settlements are presented separately. This standard is effective for interim and annual reporting periods beginning after December 15, 2009, with the exception of revised Level 3 disclosure requirements which are effective for interim and annual reporting periods beginning after December 15, 2010. Comparative disclosures are not required in the year of adoption. We adopted the provisions of the standard on January 1, 2010, which did not have a material impact on our financial statements.

In June 2009, the FASB issued Accounting Standards Codification (ASC) 810, Consolidation , regarding the consolidation of variable interest entities (formerly SFAS No. 167, Amendments to FASB Interpretation No. 46(R)). ASC 810 is intended to improve financial reporting by providing additional guidance to companies involved with variable interest entities and by requiring additional disclosures about a company s involvement in variable interest entities. This standard is effective for interim and annual periods beginning after November 15, 2009. We adopted the provisions of the standard on January 1, 2010, which did not have a material impact on our financial statements.

In June 2009, the FASB issued ASC 860, Transfers and Servicing (formerly SFAS No. 166, Accounting for Transfers of Financial Assets). ASC 860 requires more information about transfers of financial assets and where companies have continuing exposure to the risk related to transferred financial assets. It eliminates the concept of a qualifying special purpose entity, changes the requirements for derecognizing financial assets, and requires additional disclosure. This standard is effective for interim and annual periods beginning after November 15, 2009. We adopted the provisions of the standard on January 1, 2010, which did not have a material impact on our financial statements.

(2) GOODWILL

The following table summarizes the carrying amount of goodwill:

Reporting unit - Millions of dollars	June 30, 2010	December 31, 2009
North America	$ 1,725	$ 1,724
Embraco	4	5

Total	$ 1,729	$ 1,729

(3) FAIR VALUE MEASUREMENTS

Fair value is measured based on an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a three-tier fair value hierarchy is established, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are

Table of Contents

observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are identified in the table below and are as follows:

(a) Market approach prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

(b) Cost approach amount that would be required to replace the service capacity of an asset (replacement cost)

(c) Income approach techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models)

Assets and liabilities measured at fair value on a recurring basis are as follows:

Millions of dollars	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique
June 30, 2010					
Money market funds[(1)]	$ 218	$ 218	$	$	(a)
Net derivative contracts	5		5		(a)
Available for sale investments	27	27			(a)
December 31, 2009					
Money market funds[(1)]	$ 355	$ 355	$	$	(a)
Net derivative contracts	97		97		(a)
Available for sale investments	25	25			(a)

(1) Money market funds are primarily comprised of U.S. government obligations.

Other Fair Value Measurements

The fair value of long-term debt (including current maturities) was $2,738 million and $3,060 million as of June 30, 2010 and December 31, 2009, respectively, and was estimated using discounted cash flow analysis based on incremental borrowing rates for similar types of borrowing arrangements.

(4) INVENTORIES

Millions of dollars	June 30, 2010	December 31, 2009
Finished products	$ 2,293	$ 1,853
Raw materials and work in process	521	489
	2,814	2,342

Less excess of FIFO cost over LIFO cost	(138)	(145)
Total inventories	$ 2,676	$ 2,197

The increase in inventories, compared to December 31, 2009, is driven primarily by increased production levels, including the building of transition inventory.

(5) COMMITMENTS AND CONTINGENCIES

Guarantees

We have guarantee arrangements in a Brazilian subsidiary. As a standard business practice in Brazil, the subsidiary guarantees customer lines of credit at commercial banks to support purchases following its normal credit policies. If a customer were to default on its line of credit with the bank, our subsidiary would be required to satisfy the obligation with the bank, and the receivable would revert back to the subsidiary. At June 30, 2010 and December 31, 2009, the guaranteed amounts totaled $267 million and $309 million, respectively. Our only recourse with respect to these arrangements would be legal or administrative collection efforts directed against the customer.

Table of Contents

We provide guarantees of indebtedness and lines of credit for various consolidated subsidiaries. The maximum amount of credit facilities available under these lines for consolidated subsidiaries totaled $1.1 billion and $1.4 billion at June 30, 2010 and December 31, 2009, respectively. Our total outstanding bank indebtedness under guarantees totaled $20 million and $18 million at June 30, 2010 and December 31, 2009, respectively.

As of May 16, 2008, we guaranteed a $50 million five year revolving credit facility between certain financial institutions and a not-for-profit entity in connection with a community and economic development project (Harbor Shores). The fair value of the guarantee is nominal. The purpose of Harbor Shores is to stimulate employment and growth in the areas of Benton Harbor and St. Joseph, Michigan. In the event of default, we must satisfy the guarantee of the credit facility up to the amount borrowed at the date of default.

Warranty Reserves

Product warranty reserves are generally established in the same period that revenue from the sale of the related products is recognized. The amounts of those reserves are based on established terms and our best estimate of the amounts necessary to settle future and existing claims on products sold as of the balance sheet date.

The following table represents a reconciliation of the changes in product warranty reserves for the periods presented:

Millions of dollars	**2010**	**2009**
Balance at January 1	$ 189	$ 215
Warranties issued during the period	246	196
Settlements made during the period	(182)	(228)
Other changes		2
Balance at June 30	$ 253	$ 185
Current portion	$ 217	$ 159
Non-current portion	36	26
Total	$ 253	$ 185

During the March 2010 quarter we accrued $75 million associated with a supplier-related quality and potential product safety issue that is included within warranties issued during the period. See Product Recalls below for additional information.

Product warranty reserves are included within other current liabilities and other noncurrent liabilities in our Consolidated Condensed Balance Sheet at June 30, 2010.

Legal Contingencies

Government authorities in various jurisdictions are conducting antitrust investigations of the global compressor industry, including our compressor business headquartered in Brazil (Embraco). In 2009, Embraco sales represented approximately 7% of our global net sales.

In February 2009, competition authorities in Brazil, the United States and Europe began to seek documents from us in connection with their investigations. A grand jury subpoena from the United States Department of Justice requested documents for the time period from 2003 to 2009. Competition authorities in other jurisdictions have sought similar information.

In September 2009, the Brazilian competition commission (CADE) agreed to terminate the administrative investigation of our compressor business. Under the terms of the settlement agreement, Whirlpool affiliates and certain executives located in Brazil acknowledged a violation of Brazilian antitrust law in the Brazilian compressor market by some Embraco employees. The settlement agreement provides for the affiliates to make contributions totaling 100 million Brazilian reais to a Brazilian government fund. The contributions translated to approximately $56 million, all of which was recorded as an expense in 2009. We are cooperating with the ongoing government investigations in other jurisdictions and have taken actions, and will continue to take actions, to minimize our potential exposure.

Since the government investigations became public in February 2009, we have been named as a defendant in numerous related antitrust lawsuits in various jurisdictions seeking damages in connection with the pricing of compressors from 1996 to 2009. Several other compressor manufacturers who are the subject of the government investigations have also been named as defendants in the litigation. United States federal lawsuits instituted on behalf of purported purchasers and containing class action allegations have been combined in one proceeding in the United States District Court for the Eastern District of Michigan. We intend to defend the lawsuits vigorously.

The final outcome and impact of these matters, and related claims and investigations that may be brought in the future are subject to many variables, and cannot be predicted with certainty. An accrual has been established only where we have determined that a loss is probable and the amount of loss can be reasonably estimated. As of June 30, 2010, we have accrued charges of approximately $100 million related to these matters. While it is currently not possible to reasonably estimate the aggregate amount of costs which we may incur in connection with these matters, such costs could have a material adverse effect on our financial position, liquidity, or results of operations.

The Brazilian Constitution provides a general basis for recognizing tax credits on the purchase of raw materials used in production (IPI tax credit). Certain raw materials that are exempt or have a zero tax basis in the production process qualify for these IPI tax credits. Based on legal precedent, in 2003 and 2004, we recognized tax credits in an aggregate amount of $26 million adjusted for currency. The Brazilian tax authority subsequently challenged the recording of IPI tax credits. No credits were recognized in 2005 through 2009. In 2009, we entered into an agreement under a special Brazilian government program providing for extended payment terms and reductions in penalties and interest to encourage taxpayers to resolve disputed IPI tax credit amounts. Charges recorded related to this program for the year ended December 31, 2009 include $27 million in tax that was recorded in cost of products sold, $16 million in interest expense and $4 million in penalties recorded in interest and sundry income (expense) in our Consolidated Statements of Income. During the December 2009 quarter, based on newly issued regulations, we settled with the Brazilian tax authority to resolve these and other disputed tax amounts. As a result of this settlement agreement, we recorded an increase in value added taxes owed of approximately $4 million in cost of goods sold, a reduction in interest expense totaling $18 million related to interest abatement, a reduction in interest and sundry income (expense) of $4 million related to penalty abatement and related income tax expense of $5 million under this special program. The settlement is in the process of being ratified by the Brazilian tax authority.

In 1989, a Brazilian affiliate (now a subsidiary) brought an action against a financial institution in Brazil seeking a Declaration of Non-Enforceability of Obligations relating to loan documentation entered into without authority by a senior officer of the affiliate. In September 2000, an adverse decision in the declaratory action became final. In 2001, the financial institution began a collection action and we responded with a counterclaim. The lower court dismissed the counterclaim in 2002 and the Superior Court confirmed the lower court decision in December 2005. The Superior Court dismissed our counterclaim in 2007. In late 2008, the lower court issued a decision in the collection action in favor of the financial institution in the amount of 283 million Brazilian reais (approximately $157 million), plus judicial adjustments, which could be significant. We have appealed this decision. Based on our outside counsel s assessment of the case, we increased the amount previously accrued for our estimated exposure for this litigation by 95 million reais (approximately $53 million) in the June 2010 quarter. However, the amount of the final award, if any, may be materially different than the amount we have accrued.

We are currently defending a number of class action suits in federal and state courts alleging breach of warranty, fraud and violation of state consumer protection acts. There are no allegations of any personal injury or property damage. However, unspecified compensatory damages are being sought. We believe these suits are without merit. We intend to vigorously defend these actions.

We are involved in various other legal actions arising in the normal course of business. Management, after taking into consideration legal counsel s evaluation of such actions, is of the opinion that the outcome of these matters will not have a material adverse effect, if any, on our Consolidated Condensed Financial Statements.

Product Recalls

We regularly engage in investigations of potential quality and safety issues as part of our ongoing effort to deliver quality products to customers. We are currently investigating a limited number of potential quality and safety issues. As necessary, we undertake to effect repair or replacement of appliances in the event that an investigation leads to the conclusion that such action is warranted.

On June 3, 2010, we announced, in a joint press release with the United States Consumer Product Safety Commission, a voluntary recall of 1.8 million dishwashers sold in the United States and Canada between 2006 and 2010. The recall is due to an electrical failure in the dishwasher s heating element. As a result, we have accrued $75 million as the estimated cost of this recall, all of which was recorded as a charge to cost of products sold during the March 2010 quarter. Our actual costs related to this action will depend on several factors, including the number of consumers who respond to the recall, the costs of repair and administration, and whether costs will be recovered from the supplier.

On March 10, 2009, we announced, in a joint press release issued with the United States Consumer Product Safety Commission, a voluntary recall of 1.8 million refrigerators sold in the United States and Canada between 2001 and 2004. The recall is due to a defect in an electrical relay component purchased from a supplier. In 2009, we increased the estimate of the affected population by 0.8 million due to a determination that the defective part which caused the product recall also resulted in similar failures in another type of refrigerator. There have been no other significant changes in assumptions other than increasing the affected population. As a result, we have accrued $70 million as the estimated cost of this recall all of which was classified in cost of products sold. For the six months ended June 30, 2009 we recorded $26 million ($3 million in the June 2009 quarter). For the six months ended June 30, 2010 we recorded $3 million ($1 million in the June 2010 quarter). There were no remaining amounts in this accrual as of June 30, 2010.

Table of Contents

Our actual costs related to this action will depend on several factors, including the number of consumers who respond to the recall, the costs of repair and administration, and whether costs will be recovered from the supplier.

(6) HEDGES AND DERIVATIVE FINANCIAL INSTRUMENTS

Derivative instruments are accounted for at fair value based on market rates. Derivatives where we elect hedge accounting are designated as either cash flow or fair value hedges. Derivatives that are not accounted for based on hedge accounting are marked to market through earnings. The accounting for changes in the fair value of a derivative depends on the intended use and designation of the derivative instrument. For a derivative instrument designated as a fair value hedge, the gain or loss on the derivative is recognized in earnings in the period of change in fair value together with the offsetting gain or loss on the hedged item. For a derivative instrument designated as a cash flow hedge, the effective portion of the derivative s gain or loss is initially reported as a component of Other Comprehensive Income (OCI) and is subsequently recognized in earnings when the hedged exposure affects earnings. Hedging ineffectiveness and a net earnings impact occur when the change in the fair value of the hedge does not offset the change in the fair value of the hedged item. The ineffective portion of the gain or loss is recognized in earnings.

Using derivative instruments means assuming counterparty credit risk. Counterparty credit risk relates to the loss we could incur if a counterparty were to default on a derivative contract. We generally deal with investment grade counterparties and monitor the overall credit risk and exposure to individual counterparties. We do not anticipate nonperformance by any counterparties. The amount of counterparty credit exposure is the unrealized gains, if any, on such derivative contracts. We do not require, nor do we post, collateral or security on such contracts.

Hedging Strategy

In the normal course of business, we manage risks relating to our ongoing business operations including those arising from changes in foreign exchange rates, interest rates and commodity prices. Fluctuations in these rates and prices can affect our operating results and financial condition. We use a variety of strategies, including the use of derivative instruments. We do not enter into derivative financial instruments for trading or speculative purposes.

Foreign currency exchange rate risk

We incur expenses associated with the procurement and production of products in a limited number of countries, while we sell in the local currencies of a large number of countries. Our primary foreign currency exchange exposures result from cross-currency sales of products. As a result, we enter into foreign exchange contracts to hedge certain firm commitments and forecasted transactions to acquire products and services that are denominated in foreign currencies.

We enter into certain undesignated non-functional currency asset and liability hedges that relate primarily to short-term payables, receivables, inventory and intercompany loans. These forecasted cross-currency cash flows relate primarily to foreign currency denominated expenditures and intercompany financing agreements, royalty agreements and dividends. When we hedge a foreign currency denominated payable or receivable with a derivative, the effect of changes in the foreign exchange rates are reflected currently in earnings for both the payable/receivable and the derivative. Therefore, as a result of the economic hedge, we do not elect hedge accounting.

Commodity price risk

We enter into forward contracts on various commodities to manage the price risk associated with forecasted purchases of materials used in our manufacturing process. The objective of these hedges is to reduce the variability of cash flows associated with the forecasted purchase of commodities.

Interest rate risk

We may enter into interest rate swap agreements to manage interest rate risk exposure. Our interest rate swap agreements effectively modify our exposure to interest rate risk, primarily through converting certain of our floating rate debt to a fixed rate basis, and certain fixed rate debt to a floating rate basis, thus reducing the impact of interest rate changes on future interest expense. These agreements involve either the receipt or payment of floating rate amounts in exchange for fixed rate interest payments or receipts, respectively, over the life of the agreements without an exchange of the underlying principal amounts. We also may utilize a cross-currency interest rate swap agreement to manage our exposure relating to certain intercompany debt denominated in one foreign currency that will be repaid in another foreign currency.

Table of Contents

The following table summarizes our outstanding derivative contracts and their effects on our Consolidated Condensed Balance Sheet at June 30, 2010:

Millions of dollars	Notional Amount	Fair Value of [1] Hedge Assets	Fair Value of [1] Hedge Liabilities	Type of Hedge[2]	Maximum Term
Derivatives accounted for as hedges					
Foreign exchange forwards/options	$ 1,092	$ 21	$ 41	(CF)/(FV)	18 months
Commodity swaps/options	503	40	16	(CF)/(FV)	31 months
Total derivatives accounted for as hedges		$ 61	$ 57		
Derivatives not accounted for as hedges					
Foreign exchange forwards/options	$ 1,334	$ 4	$ 6		12 months
Commodity swaps/options	14	3			18 months
Total derivatives not accounted for as hedges		7	6		
Total derivatives		$ 68	$ 63		

(1) Periodic adjustments from fair valuing hedge assets and liabilities are recorded in other current assets and other assets or other current liabilities and other liabilities. As of June 30, 2010, hedge assets of $53 million and $15 million were recorded in other current assets and other assets, respectively, and hedge liabilities of $53 million and $10 million were recorded in other current liabilities and other liabilities, respectively.

(2) Derivatives accounted for as hedges are either considered cash flow (CF) or fair value hedges (FV).

The following table summarizes our outstanding derivative contracts and their effects on our Consolidated Condensed Balance Sheet at December 31, 2009:

Millions of dollars	Notional Amount	Fair Value of [1] Hedge Assets	Fair Value of [1] Hedge Liabilities	Type of Hedge[2]	Maximum Term
Derivatives accounted for as hedges					
Foreign exchange forwards/options	$ 1,090	$ 40	$ 54	(CF)/(FV)	15 months
Commodity swaps/options	486	109	2	(CF)/(FV)	29 months
Total derivatives accounted for as hedges		$ 149	$ 56		
Derivatives not accounted for as hedges					
Foreign exchange forwards/options	$ 801	$ 6	$ 4		5 months
Commodity swaps/options	24	4	2		24 months
Total derivatives not accounted for as hedges		10	6		
Total derivatives		$ 159	$ 62		

(1) Periodic adjustments from fair valuing hedge assets and liabilities are recorded in other current assets and other assets or other current liabilities and other liabilities. As of December 31, 2009, hedge assets of $119 million and $40 million were recorded in other current assets and other assets, respectively, and hedge liabilities of $61 million and $1 million were recorded in other current liabilities and other liabilities, respectively.

(2) Derivatives accounted for as hedges are either considered cash flow (CF) or fair value hedges (FV).

Table of Contents

The effects of derivative instruments on our Consolidated Condensed Statement of Income for the three months ended June 30, 2010 are as follows:

Cash Flow Hedges - Millions of dollars	**Gain (Loss) Recognized in OCI (Effective Portion)**	**Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)[1]**		**Gain (Loss) Recognized in Income (Ineffective Portion)[2]**
Foreign exchange forwards/options	$ 3	$ (6)	(a)(b)	$
Commodity swaps/options	(90)	16	(b)	(1)
	$ (87)	$ 10		$ (1)

(1) Gains and losses reclassified from accumulated OCI and recognized in income are recorded in (a) interest and sundry income (expense) or (b) cost of products sold.
(2) Gains and losses recognized in income related to the ineffective portion of hedges are recorded in interest and sundry income (expense).

Fair Value Hedges - Millions of dollars	**Gain (Loss) Recognized on Derivative[3]**	**Gain (Loss) Recognized on Related Hedged Items[3]**	**Hedged Item**
Foreign exchange forwards/options	$ (1)	$ 1	Non-functional currency assets and liabilities

(3) Gains and losses recognized in income are recorded in interest and sundry income (expense).

Derivatives not accounted for as hedges - Millions of dollars	**Gain (Loss) Recognized on Derivativesnotaccounted for as hedges[4]**
Foreign exchange forwards/options	$ 4

(4) Mark to market gains and losses recognized in income are recorded in interest and sundry income (expense).

The effects of derivative instruments on our Consolidated Condensed Statement of Income for the three months ended June 30, 2009 are as follows:

Cash Flow Hedges - Millions of dollars	**Gain (Loss) Recognized in OCI (Effective Portion)**	**Gain (Loss) Reclassified from Accumulated OCI**	**Gain (Loss) Recognized in Income (Ineffective Portion)[2]**

		into Income (Effective Portion)[1]		
Foreign exchange forwards/options	$ (3)	$ (2)	(a)(b)	$
Commodity swaps/options	54	(37)	(b)	1
Interest rate swaps		1	(c)	
	$ 51	$ (38)		$ 1

(1) Gains and losses reclassified from accumulated OCI and recognized in income are recorded in (a) interest and sundry income (expense), (b) cost of products sold or (c) interest expense

(2) Gains and losses recognized in income related to the ineffective portion of hedges are recorded in interest and sundry income (expense).

Fair Value Hedges - Millions of dollars	**Gain (Loss) Recognized on Derivative[3]**	**Gain (Loss) Recognized on Related Hedged Items[3]**	**Hedged Item**
Foreign exchange forwards/options	$ (3)	$ 3	Non-functional currency assets liabilities

(3) Gains and losses recognized in income are recorded in interest and sundry income (expense).

Derivatives not accounted for as hedges - Millions of dollars	**Gain (Loss) Recognized on Derivatives not accounted for as hedges[4]**
Foreign exchange forwards/options	$ 32

(4) Mark to market gains and losses recognized in income are recorded in interest and sundry income (expense).

Table of Contents

The effects of derivative instruments on our Consolidated Condensed Statement of Income for the six months ended June 30, 2010 are as follows:

Cash Flow Hedges - Millions of dollars	Gain (Loss) Recognized in OCI (Effective Portion)	Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)(1)		Gain (Loss) Recognized in Income (Ineffective Portion)(2)
Foreign exchange forwards/options	$ (21)	$ (16)	(a)(b)	$ 2
Commodity swaps/options	(48)	34	(b)	2
	$ (69)	$ 18		$ 4

(1) Gains and losses reclassified from accumulated OCI and recognized in income are recorded in (a) interest and sundry income (expense) or (b) cost of products sold.
(2) Gains and losses recognized in income related to the ineffective portion of hedges are recorded in interest and sundry income (expense).

Fair Value Hedges - Millions of dollars	Gain (Loss) Recognized on Derivative(3)	Gain (Loss) Recognized on Related Hedged Items(3)	Hedged Item
Foreign exchange forwards/options	$ (7)	$ 7	Non-functional currency assets and liabilities

(3) Gains and losses recognized in income are recorded in interest and sundry income (expense).

Derivatives not accounted for as hedges - Millions of dollars	Gain (Loss) Recognized on Derivatives not accounted for as hedges(4)
Foreign exchange forwards/options	$ (5)
Commodity swaps	1
	$ (4)

(4) Mark to market gains and losses recognized in income are recorded in interest and sundry income (expense).

The effects of derivative instruments on our Consolidated Condensed Statement of Income for the six months ended June 30, 2009 are as follows:

Cash Flow Hedges - Millions of dollars	Gain (Loss Recognized in OCI (Effective Portion)	Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)(1)		Gain (Loss) Recognized in Income (Ineffective Portion)(2)
Foreign exchange forwards/options	$ (16)	$ 3	(a)(b)	$
Commodity swaps/options	78	(88)	(b)	2
Interest rate swaps	1	1	(c)	
	$ 63	$ (84)		$ 2

(1) Gains and losses reclassified from accumulated OCI and recognized in income are recorded in (a) interest and sundry income (expense), (b) cost of products sold or (c) interest expense

(2) Gains and losses recognized in income related to the ineffective portion of hedges are recorded in interest and sundry income (expense).

Fair Value Hedges - Millions of dollars	Gain (Loss) Recognized on Derivative(3)	Gain (Loss) Recognized on Related Hedged Items(3)	Hedged Item
Foreign exchange forwards/options	$ (6)	$ 6	Non-functional currency assets and liabilities

(3) Gains and losses recognized in income are recorded in interest and sundry income (expense).

Derivatives not accounted for as hedges - Millions of dollars	Gain (Loss) Recognized on Derivatives not accounted for as hedges(4)
Foreign exchange forwards/options	$ 17
Commodity swaps	(6)
	$ 11

(4) Mark to market gains and losses recognized in income are recorded in interest and sundry income (expense).

The net amount of unrealized gain or loss on derivative instruments included in accumulated OCI related to contracts maturing, and expected to be realized during the next twelve months is a gain of $3 million at June 30, 2010.

Table of Contents

(7) STOCKHOLDERS EQUITY

Comprehensive Income and Stockholders Equity

Comprehensive income primarily includes (1) our reported net earnings, (2) foreign currency translation, (3) changes in the effective portion of our open derivative contracts designated as cash flow hedges, (4) changes in our unrecognized pension and other postretirement benefits and (5) changes in fair value of our available for sale securities.

The following table summarizes our comprehensive income for the periods presented:

Millions of dollars	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
Net earnings as reported	$ 215	$ 86	$ 389	$ 159
Currency translation adjustments net	(150)	245	(229)	161
Cash flow hedges net	(69)	63	(64)	102
Pension and other postretirement benefits plans net	(13)	25	(62)	12
Available for sale securities	(13)	3	(4)	(1)
Comprehensive income (loss)	(30)	422	30	433
Less: Comprehensive income (loss) available to noncontrolling interests	9	16	17	23
Comprehensive income (loss) available to Whirlpool common stockholders	$ (39)	$ 406	$ 13	$ 410

The following table summarizes the changes in stockholders equity:

Millions of dollars	Total	Whirlpool Common Stockholders	Non controlling Interests
Stockholders equity, December 31, 2009	$ 3,760	$ 3,664	$ 96
Net earnings	389	369	20
Other comprehensive income (loss)	(359)	(356)	(3)
Comprehensive income (loss)	30	13	17
Purchase of noncontrolling interest	(8)		(8)
Issuance of treasury stock	10	10	
Common stock	1	1	
Additional paid-in capital	77	77	
Dividends declared on common stock	(79)	(66)	(13)
Stockholders equity, June 30, 2010	$ 3,791	$ 3,699	$ 92

Noncontrolling Interests

During the December 2009 quarter, our Latin America region entered into a definitive agreement to purchase 1.8% of the outstanding noncontrolling interest in Brasmotor S.A. for $12 million. This transaction closed on January 15, 2010 and raised our ownership interest in Brasmotor S.A. to 95.6%.

Net Earnings per Share

Basic and diluted net earnings per share were calculated as follows:

Millions of dollars and shares	**Three months ended June 30, 2010**	**Three months ended June 30, 2009**	**Six months ended June 30, 2010**	**Six months ended June 30, 2009**
Numerator for basic and diluted earnings per share net earnings available to Whirlpool common stockholders	$ 205	$ 78	$ 369	$ 146
Denominator for basic earnings per share weighted-average shares	76.2	74.5	75.8	74.3
Effect of dilutive securities stock-based compensation	1.5	0.5	1.5	0.6
Denominator for diluted earnings per share adjusted weighted-average shares	77.7	75.0	77.3	74.9

Diluted net earnings per share of common stock include the dilutive effect of stock options. For the three and six months ended June 30, 2010, approximately 803,000 and 1,083,000 stock options, respectively, were excluded from the calculation of diluted earnings per share because their exercise prices rendered them anti-dilutive. For the three and six months ended June 30, 2009,

Table of Contents

approximately 3,992,364 and 3,993,729 stock options, respectively, were excluded from the calculation of diluted earnings per share because their exercise prices rendered them anti-dilutive.

(8) RESTRUCTURING CHARGES

Under our ongoing global operating platform initiatives, we implemented certain restructuring initiatives to strengthen our leadership position in the global appliance industry. We plan to continue a comprehensive worldwide effort to optimize our regional manufacturing facilities, supply base, product platforms and technology resources to support our global brands and customers. We incurred total restructuring charges of $22 million and $23 million during the three months ended June 30, 2010 and 2009, respectively. During the six months ended June 30, 2010 and 2009, we incurred total restructuring charges of $42 million and $47 million, respectively. These charges are included in restructuring costs in our Consolidated Condensed Statements of Income and primarily consist of charges to shift refrigeration and laundry capacity within North America and dishwasher capacity within Europe and reorganize the salaried and hourly workforces throughout Europe.

On October 27, 2008, management committed to a workforce reduction plan whereby we will reduce our employee base by approximately 5,000 employees and contractors worldwide from the fourth quarter of 2008 through the end of 2010. We expect to incur approximately $96 million in employee termination costs, $14 million in asset impairment costs and $3 million in other associated costs for a total of $113 million that will be incurred as a result of this workforce reduction. We incurred $4 million and $12 million of charges associated with this workforce reduction during the six months ended June 30, 2010 and 2009, respectively. As of June 30, 2010, approximately $7 million of these workforce reduction costs remain, all of which will result in future cash expenditures. We expect to incur additional costs of $7 million in our Europe region throughout 2010 related to these initiatives. For additional information about restructuring charges by operating segment, see Note 11.

On August 28, 2009, we announced changes to our North America manufacturing operations which resulted in the closure of our manufacturing facility in Evansville, Indiana in June 2010. We eliminated approximately 1,100 full-time positions as a result of the closure. We estimate that we will incur approximately $53 million in total costs in connection with the exit of this facility comprised of $19 million in employee termination costs, $13 million in equipment relocation costs, $5 million in asset impairment costs, and $16 million in other associated costs. We incurred $12 million and $10 million associated with this closure during the March and June 2010 quarters, respectively. We expect to recognize approximately $5 million of these costs during the remainder of 2010 and $5 million of these costs in 2011 and estimate that approximately $33 million of the estimated $53 million in total cost will result in cash expenditures. As of June 30, 2010, approximately $10 million of these closure costs remain, all of which will result in future cash expenditures.

A summary of the changes to our restructuring liability balance for the six months ended June 30, 2010 is as follows:

Millions of dollars	January 1, Balance	Charge to Earnings	Cash Paid	Non-Cash	Translation	June 30, Balance
Termination costs	$ 68	$ 31	$ (41)	$ (1)	$ (6)	$ 51
Non-employee exit costs	15	11	(8)	(6)		12
Total	$ 83	$ 42	$ (49)	$ (7)	$ (6)	$ 63

(9) INCOME TAXES

The effective income tax rate for the three and six months ended June 30, 2010 was a benefit of 3.9% and 2.9%, respectively, compared to a benefit of 35.4% and 31.5% for the three and six months ended June 30, 2009, respectively. The decrease in the benefit from 2009 is primarily due to higher earnings and related tax expense partially offset by an increase in general business credits. The difference, for the three and six month periods, from the statutory rate of 35% is substantially due to the favorable impact of general business credits. At the end of each interim period, we make our best estimate of the effective tax rate expected to be applicable for the full year and the impact of discrete items, if any, and adjust the quarterly rate, as necessary.

Over the next twelve months it is reasonably possible that we will settle unrecognized tax benefits totaling approximately $41 million associated with certain tax examinations and other events.

15

Table of Contents

(10) PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

The components of net periodic pension cost and the cost of other postretirement benefits for the three and six months ended June 30, 2010 and 2009 are as follows:

	Three months ended June 30,					
	U.S. Pension Benefits		Foreign Pension Benefits		Other Postretirement Benefits	
Millions of dollars	2010	2009	2010	2009	2010	2009
Service cost	$ 0.7	$ 2.8	$ 1.5	$ 1.5	$ 2.9	$ 2.6
Interest cost	49.9	51.6	4.7	4.9	10.2	12.3
Expected return on plan assets	(47.3)	(49.1)	(2.3)	(2.4)		
Amortization of prior service cost (credit)	(0.7)	(0.1)	0.1	0.2	(7.8)	(7.9)
Amortization of net loss	7.4	8.1	0.5	0.9		
Amortization of transition obligation			(0.1)	(0.1)		0.1
Settlement and curtailment loss (gain)		3.3	0.4		(33.0)	(1.8)
Net periodic cost	$ 10.0	$ 16.6	$ 4.8	$ 5.0	$ (27.7)	$ 5.3

	Six months ended June 30,					
	U.S. Pension Benefits		Foreign Pension Benefits		Other Postretirement Benefits	
Millions of dollars	2010	2009	2010	2009	2010	2009
Service cost	$ 1.4	$ 5.6	$ 3.1	$ 2.9	$ 5.5	$ 6.0
Interest cost	99.8	103.2	9.6	9.5	20.3	25.2
Expected return on plan assets	(94.6)	(98.3)	(4.8)	(4.7)		
Amortization of prior service cost (credit)	(1.4)	(0.1)	0.2	0.3	(17.3)	(15.6)
Amortization of net loss	14.8	16.4	1.1	1.8		
Amortization of transition obligation			(0.1)	(0.1)		0.1
Settlement and curtailment loss (gain)		3.5	0.8	(1.7)	(62.0)	(93.5)
Net periodic cost	$ 20.0	$ 30.3	$ 9.9	$ 8.0	$ (53.5)	$ (77.8)

On August 28, 2009, we announced the closure of our manufacturing facility in Evansville, Indiana, which triggered a curtailment gain in our United States retiree healthcare plan to be recognized as the employees terminate. During the March and June 2010 quarters, we recognized curtailment gains of $29 million and $33 million, respectively. These curtailment gains were recognized in our Consolidated Condensed Statement of Income as a component of cost of goods sold with an offset in our Consolidated Condensed Balance Sheet to other comprehensive income, net of tax.

On February 9, 2009, we announced the suspension of the annual credit to retiree health savings accounts RHSA for the majority of active participants. The result of the indefinite suspension was a one-time curtailment gain of $89 million included in net periodic cost with an offset to other comprehensive income, net of tax. During the March 2009 quarter, we recorded $80 million of this gain in our Consolidated Condensed Statement of Income as a component of cost of products sold and $9 million was recorded as a component of selling, general and administrative expenses. Additionally, during the March 2009 quarter, we modified benefits for certain employees which resulted in a reduction in the postretirement benefit obligation of $44 million with an offset to other comprehensive income, net of tax.

(11) OPERATING SEGMENT INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated on a regular basis by the chief operating decision maker, or decision making group, in deciding how to allocate resources to an individual segment and in assessing performance.

We identify such segments based upon geographical regions of operations because each operating segment manufactures home appliances and related components, but serves strategically different markets. The chief operating decision maker evaluates performance based upon each segment s operating income, which is defined as income before interest and sundry income (expense), interest expense, income taxes, minority interests and restructuring costs. Total assets by segment are those assets directly associated with the respective operating activities. The Other/Eliminations column primarily includes corporate expenses, assets and eliminations, as well as all restructuring expenses. Intersegment sales are eliminated within each region except compressor sales out of Latin America, which are included in Other/Eliminations.

Table of Contents

As described above, our chief operating decision maker reviews each operating segment s performance based upon operating income which excludes restructuring expenses. These restructuring expenses are included in operating profit on a consolidated basis and included in the Other/Eliminations column in the tables below.

	OPERATING SEGMENTS					
Three Months Ended June 30 - Millions of dollars	**North America**	**Europe**	**Latin America**	**Asia**	**Other/ Eliminations**	**Total Whirlpool**
Net sales						
2010	$ 2,539	$ 739	$ 1,043	$ 263	$ (50)	$ 4,534
2009	2,403	786	844	184	(48)	4,169
Intersegment sales						
2010	$ 48	$ 67	$ 62	$ 54	$ (231)	$
2009	40	78	60	46	(224)	
Depreciation and amortization						
2010	$ 75	$ 26	$ 22	$ 5	$ 11	$ 139
2009	82	25	18	4	14	143
Restructuring (see Note 8)						
2010	$ 10	$ 11	$ 1	$	$	$ 22
2009	6	7	1	8	1	23
Operating profit (loss)						
2010	$ 200	$ 20	$ 165	$ 15	$ (69)	$ 331
2009	120	(12)	75	11	(60)	134
Total assets						
June 30, 2010	$ 8,259	$ 2,806	$ 3,043	$ 794	$ (170)	$ 14,732
December 31, 2009	8,123	3,216	2,887	690	178	15,094
Capital expenditures						
2010	$ 79	$ 16	$ 15	$ 4	$ 7	$ 121
2009	73	21	14	2	7	117

	OPERATING SEGMENTS					
Six Months Ended June 30 - Millions of dollars	**North America**	**Europe**	**Latin America**	**Asia**	**Other/ Eliminations**	**Total Whirlpool**
Net sales						
2010	$ 4,790	$ 1,478	$ 2,184	$ 455	$ (101)	$ 8,806
2009	4,507	1,482	1,533	304	(88)	7,738
Intersegment sales						
2010	$ 96	$ 146	$ 122	$ 94	$ (458)	$
2009	74	157	111	83	(425)	
Depreciation and amortization						
2010	$ 145	$ 52	$ 45	$ 9	$ 22	$ 273
2009	144	47	35	9	23	258
Restructuring (see Note 8)						
2010	$ 22	$ 18	$ 1	$	$ 1	$ 42
2009	18	17	3	8	1	47
Operating profit (loss)						
2010	$ 294	$ 47	$ 332	$ 26	$ (127)	$ 572
2009	284	(12)	132	16	(120)	300
Total assets						
June 30, 2010	$ 8,259	$ 2,806	$ 3,043	$ 794	$ (170)	$ 14,732
December 31, 2009	8,123	3,216	2,887	690	178	15,094
Capital expenditures						
2010	$ 181	$ 33	$ 31	$ 7	$ 15	$ 267
2009	119	42	25	3	40	229

Table of Contents

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

EXECUTIVE OVERVIEW

Whirlpool Corporation (Whirlpool) is the world s leading manufacturer of major home appliances with revenues of $17 billion and net earnings available to Whirlpool common stockholders of $328 million for the year ended December 31, 2009. We are a leading producer of major home appliances in North America and Latin America and have a significant presence in markets throughout Europe and India. We have received worldwide recognition for accomplishments in a variety of business and social efforts, including leadership, diversity, innovative product design, business ethics, social responsibility and community involvement. We conduct our business through four reportable segments, which we define based on geography. For additional information about our operating segments, see Note 11 of the Notes to the Consolidated Condensed Financial Statements.

Our global branded consumer products strategy is to introduce innovative new products, increase brand customer loyalty, expand our presence in foreign markets, enhance our trade management platform, improve total cost and quality by expanding and leveraging our global operating platform and where appropriate, make strategic acquisitions and investments.

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

We continue to experience macroeconomic challenges which have impacted the global economy, the capital markets and global demand for our products. Although we have made significant progress in reducing cost to better align with global demand, and in improving our liquidity position, we expect that we will continue to experience the effects of liquidity strain on our suppliers, continued instability in global consumer confidence and discretionary spending.

RESULTS OF OPERATIONS

For the three months ended June 30, 2010, consolidated net sales were $4.5 billion, increasing from $4.2 billion in 2009. Consolidated net earnings available to Whirlpool common stockholders were $205 million, or $2.64 per diluted share, increasing from $78 million or $1.04 per diluted share in 2009. For the six months ended June 30, 2010, consolidated net sales were $8.8 billion, increasing from $7.7 billion in 2009. Consolidated net earnings available to Whirlpool common stockholders were $369 million, or $4.78 per diluted share, increasing from $146 million or $1.95 per diluted share in 2009. The following discussion highlights significant drivers of our operating performance.

Consolidated Net Sales

Consolidated net sales increased 8.7% for the three months ended June 30, 2010 and 13.8% for the six months ended June 30, 2010 compared to the same periods in 2009. The increase for both the three and six month periods is primarily due to an increase in units sold and the favorable impact of foreign currency, partially offset by lower product price/mix. Excluding the impact of foreign currency, consolidated net sales increased 6.2% and 8.6% for the three and six months ended June 30, 2010, respectively.

The following table summarizes consolidated net sales by region:

	Three Months Ended June 30,			Six Months Ended June 30,		
Millions of dollars	**2010**	**2009**	**Change**	**2010**	**2009**	**Change**
North America	$ 2,539	$ 2,403	5.7%	$ 4,790	$ 4,507	6.3%
Europe	739	786	(5.9)	1,478	1,482	(0.3)
Latin America	1,043	844	23.7	2,184	1,533	42.5
Asia	263	184	42.5	455	304	49.4
Other/eliminations	(50)	(48)		(101)	(88)	
Consolidated	$ 4,534	$ 4,169	8.7 %	$ 8,806	$ 7,738	13.8 %

Significant regional trends were as follows:

North America net sales increased 5.7% for the three months ended June 30, 2010 compared to the same period in 2009, primarily due to a 7.0% increase in units sold, partially offset by lower product price/mix. The increase in units sold is due to higher industry demand resulting from strengthening economies in the United States, Mexico and Canada. For the six month period, net sales increased 6.3% compared to the same period in 2009, primarily due to an 8.8% increase in units sold and the same factors affecting the three month comparison. Excluding the impact of foreign currency, North America net sales increased 4.0% and 4.3% for the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009.

Table of Contents

Europe net sales decreased 5.9% for the three months ended June 30, 2010 compared to the same period in 2009, primarily due to the unfavorable impact of foreign currency and lower product price/mix, partially offset by a 4.6% increase in units sold. For the six month period, net sales were slightly lower than the same period in 2009 as unfavorable foreign currency and lower product price/mix was offset by a 3.0% increase in units sold. Excluding the impact of foreign currency, Europe net sales decreased 0.3% and 1.1% for the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009.

Latin America net sales increased 23.7% for the three months ended June 30, 2010 compared to the same period in 2009, primarily due to the favorable impact of foreign currency and higher BEFIEX credits, partially offset by a 2.3% decrease in units sold. For the six month period, net sales increased 42.5% compared to the same period in 2009, primarily due to the favorable impact of foreign currency, a 21.3% increase in units sold and higher BEFIEX credits. During the three months ended June 30, 2010 and 2009, we monetized $47 million and $9 million of BEFIEX credits, respectively. During the six months ended June 30, 2010 and 2009, we monetized $88 million and $44 million of BEFIEX credits, respectively. We expect to continue recognizing credits as they are monetized. As of June 30, 2010, $614 million of BEFIEX credits remain. Future actions by the Brazilian government could limit our ability to monetize these export credits. Excluding the impact of foreign currency, Latin America net sales increased 12.6% and 24.7% for the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009.

Asia net sales increased 42.5% for the three months ended June 30, 2010 compared to the same period in 2009, primarily due to a 28.0% increase in units sold, the favorable impact of foreign currency and improved product price/mix. For the six month period, net sales increased 49.4% compared to the same period in 2009, primarily due to a 36.2% increase in units sold, the favorable impact of foreign currency and improved product price/mix. Excluding the impact of foreign currency, Asia net sales increased 33.8% and 39.9% for the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009.

Gross Margin

Consolidated gross margin percentages for the three and six months ended June 30, 2010 increased compared to the same periods in 2009 primarily due to cost reduction initiatives and productivity improvements, partially offset by lower product price/mix and higher material and oil-related costs. In addition, the three month period was favorably impacted by the net impact of certain one time items including higher curtailment gains in 2010 associated with a postretirement benefit plan, partially offset by certain credits recognized in 2009 related to refundable energy surcharges. In addition to the one time items affecting the three months ended June 30, 2010 discussed above, the six month period was unfavorably impacted by the net impact of certain one time items including a 2010 dishwasher recall charge and lower curtailment gains in 2010 associated with a postretirement benefit plan, partially offset by a foreign operating tax settlement in 2009. These one time items resulted in a net improvement in gross margin of $22 million, or 0.5 percentage points for the three months ended June 30, 2010 and resulted in a net reduction in gross margin of $55 million, or 0.6 percentage points for the six months ended June 30, 2010.

The following table summarizes gross margin percentages by region:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2010	2009	Change	2010	2009	Change
North America	14.8%	12.6%	2.2pts	13.1%	13.8%	(0.7)pts
Europe	13.5	10.1	3.4	13.7	10.4	3.3
Latin America	22.7	16.0	6.7	22.2	15.6	6.6
Asia	17.6	19.6	(2.0)	17.8	19.5	(1.7)
Consolidated	16.8	13.3	3.5	15.9	13.9	2.0

Significant regional trends were as follows:

North America gross margin percentage increased for the three months ended June 30, 2010 primarily due to continued cost reduction initiatives and improved productivity, partially offset by lower product price/mix and higher material and oil-related costs. The gross margin percentage for the three month period was also positively impacted by higher 2010 curtailment gains associated with a postretirement benefit plan, which resulted in a net increase in gross margin of $33 million, or 1.3 percentage points. For the six month period ended June 30, 2010, the gross margin percentage decreased primarily due to lower product price/mix, certain one-time items and higher material and oil-related costs partially offset by continued cost reductions and improved productivity. One time items totaling $70 million, or 1.5 percentage points, included the net impact of a 2010 dishwasher recall charge, a 2009 refrigerator recall charge and lower 2010 curtailment gains associated with a postretirement benefit plan. See Notes 5 and 10 to the Consolidated Condensed Financial Statements for additional information related to product recalls and curtailment gains, respectively.

Europe gross margin percentage increased for the three and six months ended June 30, 2010 primarily due to continued cost reductions and improvements in productivity.

Table of Contents

Latin America gross margin percentage increased for the three months ended June 30, 2010 primarily due to improved productivity, increased regional tax incentives associated with BEFIEX and improved product price/mix. The above items were partially offset by certain credits recognized in 2009 related to refundable energy surcharges. For the six month period ended June 30, 2010, gross margin percentage increased primarily due to improvements in raw materials costs and productivity, increased regional tax incentives associated with BEFIEX and a $26 million 2009 charge associated with a foreign operating tax settlement. The above items were partially offset by certain credits recognized in 2009 related to refundable energy surcharges. See Note 5 to the Consolidated Condensed Financial Statements for additional information related to the foreign operating tax settlement.

Asia gross margin percentage decreased for the three and six months ended June 30, 2010 due to higher raw materials costs and lower product price/mix, partially offset by improved productivity.

Selling, General and Administrative

The following table summarizes selling, general and administrative expenses as a percentage of sales by region:

	Three Months Ended June 30,				Six Months Ended June 30,			
Millions of dollars	**2010**	**As a % of Sales**	**2009**	**As a % of Sales**	**2010**	**As a % of Sales**	**2009**	**As a % of Sales**
North America	$ 169	6.7%	$ 175	7.3 %	$ 321	6.7 %	$ 322	7.1%
Europe	79	10.7	92	11.6	156	10.6	166	11.2
Latin America	72	6.9	60	7.1	152	7.0	107	7.0
Asia	32	12.0	25	13.7	56	12.2	44	14.5
Other/eliminations	49		38		87		78	
Consolidated	$ 401	8.8 %	$ 390	9.3 %	$ 772	8.8 %	$ 717	9.3 %

For the three and six months ended June 30, 2010, consolidated selling, general and administrative expenses, as a percent of consolidated net sales, decreased compared to 2009 primarily as a result of improved leverage due to increases in net sales. Total consolidated selling, general and administrative expenses increased during the three and six months ended June 30, 2010 primarily due to the unfavorable impacts of foreign currency.

Restructuring

Restructuring initiatives resulted in charges of $22 million and $42 million for the three and six months ended June 30, 2010, reflecting ongoing efforts to optimize our global operating platform. These amounts have been identified as a separate component of operating profit and primarily consist of charges to shift refrigeration and laundry capacity within North America and dishwasher capacity within Europe and reorganize the salaried and hourly workforces throughout Europe. For additional information about restructuring activities see Note 8 to the Consolidated Condensed Financial Statements.

Interest and Sundry Income (Expense)

Interest and sundry income (expense) increased $57 million to a net expense of $69 million for the three months ended June 30, 2010 compared to the same period in 2009 primarily due to higher charges incurred for legal contingencies and legal defense. Interest and sundry income (expense) increased $22 million for the six month period ended June 30, 2010 when compared to the same period in 2009 primarily due to higher charges incurred for legal contingencies and legal defense, partially offset by the favorable impact of foreign currency and higher interest income. For additional information regarding legal contingencies, see Note 5 to the Consolidated Condensed Financial Statements.

Interest Expense

Interest expense decreased $3 million for the three month period ended June 30, 2010 compared to the same period in 2009 due to lower average debt levels, partially offset by higher interest rates. For the six months ended June 30, 2010, interest expense decreased $7 million compared to the same period in 2009 due to a one time interest charge recorded in 2009 related to a foreign operating tax settlement and lower average debt levels, partially offset by higher interest rates.

Income Taxes

The effective income tax rate for the three and six months ended June 30, 2010 was a benefit of 3.9% and 2.9% compared to a benefit of 35.4% and 31.5% for the three and six months ended June 30, 2009. The decrease in the benefit from 2009 is primarily due to higher earnings and related tax expense partially offset by an increase in general business credits. For additional information about income taxes see Note 9 to the Consolidated Condensed Financial Statements.

Table of Contents

Net Earnings Available to Whirlpool Common Stockholders

Net earnings available to Whirlpool common stockholders for the three months ended June 30, 2010 were $205 million or $2.64 per diluted share, compared to $78 million, or $1.04 per diluted share in 2009 due to the factors described above. Net earnings available to Whirlpool common stockholders for the six months ended June 30, 2010 were $369 million or $4.78 per diluted share, compared to $146 million, or $1.95 per diluted share in 2009 due to the factors described above.

UPDATE: FORWARD-LOOKING PERSPECTIVE

For the full year 2010, we expect earnings per diluted share to be in the range of $9.00 to $9.50 compared with our previous guidance of $8.00 to $8.50. We currently expect free cash flow for the year to be in the range of $550 to $650 million, compared with our previous guidance of $500 to $600 million. We are also updating our outlook for demand in our North America region. We expect North American appliance shipments to increase by approximately 5% compared with our previous expectation of 3-5%.

The table below reconciles projected 2010 cash provided by operations determined in accordance with generally accepted accounting principles (GAAP) in the United States to free cash flow, a non-GAAP measure. Management believes that free cash flow provides shareholders with a relevant measure of liquidity and a useful basis for assessing Whirlpool s ability to fund its activities and obligations. There are limitations to using non-GAAP financial measures, including the difficulty associated with comparing companies that use similarly named non-GAAP measures whose calculations may differ from our calculations. We define free cash flow as cash provided by continuing operations after capital expenditures and proceeds from the sale of assets/businesses. The projections shown here are based upon many estimates and are inherently subject to change based on future decisions made by management and the board of directors of Whirlpool, and significant economic, competitive and other uncertainties and contingencies.

Millions of dollars	**2010 Outlook**	
Cash provided by operating activities	$ 1,115	$ 1,225
Capital expenditures	(575)	(625)
Proceeds from sale of assets/businesses	10	50
Free cash flow	$ 550	$ 650

FINANCIAL CONDITION AND LIQUIDITY

Our objective is to finance our business through operating cash flow and the appropriate mix of long-term and short-term debt. By diversifying the maturity structure, we avoid concentrations of debt, reducing liquidity risk. We have varying needs for short-term working capital financing as a result of the nature of our business. The volume and timing of refrigeration and air conditioning production impacts our cash flows and consists of increased production in the first half of the year to meet increased demand in the summer months.

We have experienced negative global economic trends in the recent quarters. To succeed in this environment we have aggressively taken steps to further reduce all areas of cost, production capacity and working capital. Outside the United States, short-term funding is provided by bank borrowings on uncommitted lines of credit. We believe that our operating cash flow, together with access to sufficient sources of liquidity, will be adequate to meet our ongoing funding requirements.

As of June 30, 2010, there was no balance outstanding under our credit facility and we are in compliance with the financial covenants for all periods presented.

Pension and Postretirement Benefit Plans

On August 28, 2009, we announced the closure of our manufacturing facility in Evansville, Indiana, which triggered a curtailment gain in our United States retiree healthcare plan to be recognized as the employees terminate. During the March and June 2010 quarters, we recognized curtailment gains of $29 million and $33 million, respectively. These curtailment gains were recognized in our Consolidated Condensed Statement of Income as a component of cost of goods sold with an offset in our Consolidated Condensed Balance Sheet to other comprehensive income, net of tax.

On February 9, 2009, we announced the indefinite suspension of the annual credit to retirement health savings accounts for the majority of active participants. The result of the suspension was a curtailment gain of $89 million.

For additional information about pension and postretirement benefit plans, see Note 10 to the Consolidated Condensed Financial Statements.

Table of Contents

Sources and Uses of Cash

We expect to meet our cash needs for 2010 from cash flows from operations, cash and equivalents and financing arrangements. Our cash and equivalents were $850 million at June 30, 2010 compared to $247 million at June 30, 2009.

Cash Flows from Operating Activities

Cash provided by operating activities for the six months ended June 30, 2010 totaled $170 million, an increase of $174 million compared to 2009. Cash provided by operations reflects higher cash earnings, the timing of cash payments for accounts payable due to increased production in 2010 coupled with lower production in the first half of 2009 and higher collections of accounts receivable, partially offset by higher inventory balances and higher employee compensation payments.

Cash Flows from Investing Activities

Cash used in investing activities during the six months ended June 30, 2010 totaled $276 million compared to $205 million in 2009. The increase in cash used in investing activities was primarily due to higher capital spending and lower proceeds from the sale of assets in 2010.

Cash Flows from Financing Activities

Cash used in financing activities during the six months ended June 30, 2010 totaled $380 million compared to cash provided by financing activities of $291 million in 2009. The current period reflects net repayments of long-term debt and short-term borrowings totaling $370 million compared to net repayments of $496 million in 2009. There were no proceeds from borrowings of long-term debt in the current period compared to proceeds of $850 million in 2009. During 2010, we received proceeds from the issuance of common stock related to option exercises of $72 million, paid dividends to common stockholders totaling $66 million and purchased noncontrolling interest shares in our Latin America segment for $12 million. During 2009, we paid dividends to common stockholders totaling $63 million.

OTHER MATTERS

Government authorities in various jurisdictions are conducting antitrust investigations of the global compressor industry, including our compressor business headquartered in Brazil (Embraco). In 2009, Embraco sales represented approximately 7% of our global net sales.

In February 2009, competition authorities in Brazil, the United States and Europe began to seek documents from us in connection with their investigations. A grand jury subpoena from the United States Department of Justice requested documents for the time period from 2003 to 2009. Competition authorities in other jurisdictions have sought similar information.

In September 2009, the Brazilian competition commission (CADE) agreed to terminate the administrative investigation of our compressor business. Under the terms of the settlement agreement, Whirlpool affiliates and certain executives located in Brazil acknowledged a violation of Brazilian antitrust law in the Brazilian compressor market by some Embraco employees. The settlement agreement provides for the affiliates to make contributions totaling 100 million Brazilian reais to a Brazilian government fund. The contributions translated to approximately $56 million, all of which was recorded as an expense in 2009. We are cooperating with the ongoing government investigations in other jurisdictions and have taken actions, and will continue to take actions, to minimize our potential exposure.

Since the government investigations became public in February 2009, we have been named as a defendant in numerous related antitrust lawsuits in various jurisdictions seeking damages in connection with the pricing of compressors from 1996 to 2009. Several other compressor manufacturers who are the subject of the government investigations have also been named as defendants in the litigation. United States federal lawsuits instituted on behalf of purported purchasers and containing class action allegations have been combined in one proceeding in the United States District Court for the Eastern District of Michigan. We intend to defend the lawsuits vigorously.

The final outcome and impact of these matters, and related claims and investigations that may be brought in the future are subject to many variables, and cannot be predicted with certainty. An accrual has been established only where we have determined that a loss is probable and the amount of loss can be reasonably estimated. As of June 30, 2010, we have accrued charges of approximately $100 million related to these matters. While it is currently not possible to reasonably estimate the aggregate amount of costs which we may incur in connection with these matters, such costs could have a material adverse effect on our financial position, liquidity, or results of operations.

The Brazilian Constitution provides a general basis for recognizing tax credits on the purchase of raw materials used in production (IPI tax credit). Certain raw materials that are exempt or have a zero tax basis in the production process qualify for these IPI tax credits. Based on legal precedent, in 2003 and 2004, we recognized tax credits in an aggregate amount of $26 million adjusted

Table of Contents

for currency. The Brazilian tax authority subsequently challenged the recording of IPI tax credits. No credits were recognized in 2005 through 2009. In 2009, we entered into an agreement under a special Brazilian government program providing for extended payment terms and reductions in penalties and interest to encourage taxpayers to resolve disputed IPI tax credit amounts. Charges recorded related to this program for the year ended December 31, 2009 include $27 million in tax that was recorded in cost of products sold, $16 million in interest expense and $4 million in penalties recorded in interest and sundry income (expense) in our Consolidated Statements of Income. During the December 2009 quarter, based on newly issued regulations, we settled with the Brazilian tax authority to resolve these and other disputed tax amounts. As a result of this settlement agreement, we recorded an increase in value added taxes owed of approximately $4 million in cost of goods sold, a reduction in interest expense totaling $18 million related to interest abatement, a reduction in interest and sundry income (expense) of $4 million related to penalty abatement and related income tax expense of $5 million under this special program. The settlement is in the process of being ratified by the Brazilian tax authority.

In 1989, a Brazilian affiliate (now a subsidiary) brought an action against a financial institution in Brazil seeking a Declaration of Non-Enforceability of Obligations relating to loan documentation entered into without authority by a senior officer of the affiliate. In September 2000, an adverse decision in the declaratory action became final. In 2001, the financial institution began a collection action and we responded with a counterclaim. The lower court dismissed the counterclaim in 2002 and the Superior Court confirmed the lower court decision in December 2005. The Superior Court dismissed our counterclaim in 2007. In late 2008, the lower court issued a decision in the collection action in favor of the financial institution in the amount of 283 million Brazilian reais (approximately $157 million), plus judicial adjustments, which could be significant. We have appealed this decision. Based on our outside counsel s assessment of the case, we increased the amount previously accrued for our estimated exposure for this litigation by 95 million reais (approximately $53 million) in the June 2010 quarter. However, the amount of the final award, if any, may be materially different than the amount we have accrued.

Table of Contents

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our exposures to market risk since December 31, 2009.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.
We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) that are designed to provide reasonable assurance that information required to be disclosed in our filings under the Securities Exchange Act is recorded, processed, summarized and reported within the periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Prior to filing this report, we completed an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2010. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2010.

(b) Changes in internal control over financial reporting.
There were no changes in our internal control over financial reporting that occurred during the most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to legal proceedings can be found under the heading Commitments and Contingencies in Note 5 to the Consolidated Condensed Financial Statements contained in Part I, Item 1 of this report.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A to our Annual Report on Form 10-K for the year ended December 31, 2009. The risk factors disclosed in our Annual Report on Form 10-K, in addition to the other information set forth in this report, could materially affect our business, financial condition or results. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may materially adversely affect our business, financial condition or results.

Item 2. Unregistered Sale of Securities, Use of Proceeds and Issuer Purchases of Equity Securities

None

Item 3. Defaults Upon Senior Securities

None

Item 4. (Removed and Reserved)

Item 5. Other Information

None

Item 6. Exhibits

Exhibit 31.1	Certification of Chief Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2	Certification of Chief Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*

* Pursuant to Regulation S-T, this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WHIRLPOOL CORPORATION
(Registrant)

By	/s/ ROY W. TEMPLIN
Name:	Roy W. Templin
Title:	Executive Vice President
	and Chief Financial Officer
	(Principal Financial Officer)

July 20, 2010