



July 10, 2014

Whirlpool Enters into Agreements to Acquire Majority Interest in Indesit

BENTON HARBOR, Mich. and MILAN, Italy, July 10, 2014 /PRNewswire/ -- Whirlpool Corporation (NYSE: WHR) and Fineldo S.p.A. announce that they have entered into a binding agreement for the sale of Fineldo's stake in Indesit Company S.p.A. (BIT: IND). Whirlpool also entered into binding share purchase agreements with members of the Merloni family for their Indesit shares. Under these agreements, Whirlpool would acquire shares representing a total of 66.8 percent of the voting stock of Indesit. Whirlpool currently intends to finance this transaction through cash on hand, together with private, domestic and international public debt financing, depending on the timing of closing and market conditions. The acquisition of control of Indesit is subject to judicial and antitrust approvals and is expected to close by the end of 2014.



"We expect this opportunity to position our European business for growth and ongoing value creation with a well-respected and established company such as Indesit," said Jeff M. Fettig, chairman and chief executive officer of Whirlpool Corporation. "We consider acquisitions based on strategic fit, shareholder value and a high degree of confidence in our ability to execute. We believe this will ideally position us for sustainable growth in the highly competitive and increasingly global home appliance market in Europe. Whirlpool has demonstrated its capability to create efficiencies and value through acquisitions, and therefore we have high confidence that through this transaction we will deliver strong returns to our shareholders and innovative products to our consumers."

"The agreement announced today provides Indesit with the tools to build a solid and sustainable future," said Gian Oddone Merli, chief executive officer at Fineldo S.p.A. "During the last several months of discussions, Whirlpool has proven to be the right partner, with a similar culture and unique ability to offer long-term growth, capitalizing on the attention to quality that has always characterized Indesit. The benefits Indesit will derive from this investment are significant, including the ability to bring its know-how and products to a company with a global scale."

"We expect this transaction will enable us to create a more efficient appliance company in Europe, with increased value through improved asset utilization and complementary country positions, products, brands and distribution," said Marc Bitzer, president of North America and Europe, Middle East and Africa (EMEA) for Whirlpool. "We foresee the acquisition strengthening and sustaining our European manufacturing, and enabling our products to be competitive and value-creating. European trade customers and consumers will benefit from the improved efficiency through our investments in innovation and technology leadership provided by the combined strength of Whirlpool and Indesit."

THREE SHARE PURCHASE AGREEMENTS

In this transaction, Whirlpool simultaneously entered into share purchase agreements (collectively, the "**Share Purchase Agreements**") with Fineldo for a 42.7 percent stake in Indesit (the "**Fineldo Agreement**"); certain members of the Merloni family (the "**Merloni Family Members**") for a 13.2 percent stake in Indesit (the "**Merloni Family Agreement**"); and Ms. Claudia Merloni for a 4.4 percent stake in Indesit. This total of 60.4 percent of Indesit stock capital represents a 66.8 percent voting stake in Indesit, in light of the treasury shares held by Indesit.

The purchase price under all three Share Purchase Agreements is €11.00/USD \$15.06 per Indesit share, resulting in a total expected purchase price of €758 million/USD \$1.038 billion. Under the Fineldo Agreement, however, the purchase price is subject to a possible pre-closing downwards or upwards adjustment based on Indesit's consolidated average net debt and net working capital. The purchase price is based on Indesit's average net debt position for 2013 (to be audited).

Fineldo and Merloni Family Agreements

Closings under the Fineldo Agreement and the Merloni Family Agreement are subject to the prior issuance of required antitrust clearances in the EMEA region and authorization by the Court of Ancona (which must approve the sale under the terms of the guardianship of Mr. Vittorio Merloni, Fineldo's controlling shareholder) and other customary conditions.

Closings under the Fineldo and Merloni Family Agreements are to take place simultaneously and are currently expected to occur by the end of 2014. Fineldo and the Merloni Family Members have agreed with Whirlpool not to initiate, solicit, agree or execute with any other person any transaction concerning their Indesit shares until the earliest to occur of closings under the agreements; July 31, 2015; or, if the Court of Ancona does not authorize the transaction with Whirlpool, December 31, 2014.

Either party's breach of its obligation to consummate the transaction or Fineldo's breach of its exclusivity obligations requires payment of at least €40 million/USD \$54.8 million in liquidated damages.

Claudia Merloni Agreement

Closing under the agreement for the purchase of Ms. Claudia Merloni's 4.4 percent stake in Indesit is not subject to antitrust and court authorization conditions. This closing is expected to take place within the next five business days. Whirlpool has agreed with Fineldo not to exercise the voting rights attached to this stake or to file any slate of candidates for the appointment of the board of directors and/or the board of statutory auditors of Indesit until the closing of the purchase of the Fineldo stake. Whirlpool has further agreed that, if the closing of the Fineldo stake purchase does not occur by July 31, 2015, it will resell these Indesit shares within the following two years.

MANDATORY TENDER OFFER

Following closing of the acquisition of the Fineldo stake and the Merloni Family Members stake, Whirlpool will launch a mandatory tender offer on all remaining shares of Indesit in accordance with Italian law at the highest price per Indesit share paid by Whirlpool under the Share Purchase Agreements, which is currently expected to be €11.00/USD \$15.06 per share. If the price-adjustment mechanism provided under the contract results in the payment of a higher price per share at the closing on the Fineldo Agreement, such higher price will apply also to the mandatory tender offer.

ADDITIONAL INFORMATION

All currency translations are based on the closing rate as of June 30, 2014.

For additional information about the transaction, see Whirlpool Corporation's Current Report on Form 8-K, which will be filed within the next four business days.

About Whirlpool Corporation

Whirlpool Corporation is the world's leading global manufacturer and marketer of major home appliances, with annual sales of approximately \$19 billion in 2013, 69,000 employees and 59 manufacturing and technology research centers around the world. The company markets *Whirlpool*, *Maytag*, *KitchenAid*, *Jenn-Air*, *Amana*, *Brastemp*, *Consul*, *Bauknecht* and other major brand names. Additional information about the company can be found at <http://www.whirlpoolcorp.com>.

About Fineldo S.p.A. and Indesit

Fineldo S.p.A. is a holding company whose assets include a controlling interest in Indesit Company S.p.A., one of the European leading manufacturers and distributors of major domestic appliances. Indesit Company has eight industrial sites (in Italy, Poland, the UK, Russia and Turkey) and approximately 16,000 employees. The Group's main brands are Indesit, Hotpoint and Scholtès.

Whirlpool Additional Information

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this press release relating to the acquisition of the shares in Indesit pursuant to the share purchase agreements and the mandatory tender offer and the anticipated benefits of such acquisitions constitute "forward-looking statements" within the meaning of the U.S. federal securities laws. These statements reflect management's current expectations regarding future events and speak only as of the date of this press release. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance and will not necessarily be accurate indications of whether or not, or the times at or by which, events will occur. Actual performance may differ materially from that

expressed or implied in such statements. These statements rely on assumptions which may or may not be realized, including, among other things:

- the expectation that closing conditions for the stock purchase agreements, including prior issuance of the required antitrust clearances and the relevant authorizations by the Court of Ancona, will be met;
- the expectation that the aggregate purchase price for the acquisition of the shares pursuant to the Share Purchase Agreements will be approximately €758 million/USD \$1.038 billion, based on Indesit's average net debt position for 2013, and subject, in the case of the Fineldo stake, to certain adjustments;
- the expectation that the transactions under the Fineldo Agreement and the Merloni Family Agreement will close by the end of 2014;
- the expectation that Whirlpool will carry out a mandatory tender offer for the remaining shares of Indesit in accordance with Italian law;
- the expectation that Whirlpool will have sufficient cash on hand together with other public or private debt financing, depending on the timing of the closing date and market conditions, to finance the acquisition of the shares in Indesit;
- the expectation that Whirlpool will realize the expected benefits of the acquisition of the shares in Indesit and the timing of such realization; and
- the expectation that there will be no unexpected costs or liabilities in connection with the acquisition of the shares in Indesit.

In addition to the assumptions described above, reference should also be made to the factors discussed under "Risk Factors" in Whirlpool's periodic filings with the Securities and Exchange Commission. Although the forward-looking statements contained in this press release are based upon what are believed to be reasonable assumptions, investors cannot be assured that actual results will be consistent with these forward-looking statements, and the differences may be material. These forward-looking statements are made as of the date of this press release and, except as expressly required by applicable law, Whirlpool assumes no obligation to update or revise them to reflect new events or circumstances.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which, or to any persons to whom, such offering, solicitation or sale would be unlawful.

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