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Whirlpool Corporation To Become Majority Shareholder Of China-Based Hefei Sanyo

Accelerating growth in China's emerging market

BENTON HARBOR, Mich., Aug. 13, 2013 /PRNewswire/ -- Whirlpool Corporation [NYSE: WHR] today announced that it has entered into agreements to become a majority shareholder (51 percent) in Hefei Rongshida Sanyo Electric Co. Ltd. [600983: Shanghai], a leading home appliances manufacturer based in Hefei, China.

(Logo: <http://photos.prnewswire.com/prnh/20040202/DETU004LOGO>)

Through this transaction, a Whirlpool Corporation subsidiary will acquire all shares currently owned by Sanyo Electric Co. Ltd. and Sanyo Electric Co. (China) Ltd., and purchase new Hefei Sanyo shares via a private placement.

The transaction is subject to customary conditions, certain termination rights, Chinese regulatory approval, and Hefei Sanyo shareholders' approval. After the transaction is approved, Whirlpool will acquire a majority stake in Hefei Sanyo for approximately RMB 3.4 billion/USD 552 million cash, based on the exchange rate as of August 9, 2013. The transaction is expected to close by the end of 2014. Whirlpool expects that this transaction will be accretive in the first full year of integration.

"Whirlpool has a strong presence in China's higher tier segments, this acquisition allows the company to build on, complement, and grow its position in the emerging Chinese market and to leverage our global enterprise for greater efficiencies," said Jeff Fettig, CEO and Chairman of Whirlpool Corporation. "As the leading global manufacturer and marketer of major home appliances, we will leverage the technology capabilities of Hefei Sanyo and provide the investments to enhance Hefei Sanyo's research and development and product innovation capabilities. This will give Chinese consumers a broader range of innovative, high-quality products through our combined trusted portfolio of brands."

Mike Todman, president of Whirlpool International, added: "Hefei Sanyo has an established nationwide distribution platform, a scaled manufacturing presence with opportunity for growth, and is ideally located in Hefei, a recognized appliance hub in China. Hefei Sanyo is a well-managed, profitable business with great prospects, led by an experienced and capable executive team with a track record of delivering strong performance. "

For additional information about the transaction, see Whirlpool Corporation's Current Report on Form 8-K dated August 12, 2013.

Whirlpool Corporation's earnings and cash flow outlook for the full-year 2013 remain unchanged from the last update contained in its earnings release dated July 19, 2013.

About Whirlpool Corporation

Whirlpool Corporation is the world's leading manufacturer and marketer of major home appliances, with annual sales of approximately \$18 billion in 2012, 68,000 employees, and 65 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 to consumers in nearly every country around the world. Additional information about the company can be found at <http://www.whirlpoolcorp.com>.

Hefei Sanyo: Corporate Fact sheet

- **Year established:** 1994
- **Headquarters:** Hefei, Anhui Province
- **Corporate Structure:** A joint venture between former Hefei Rongshida Group Co., Ltd and Sanyo Electric Co., Ltd., and Sanyo Electric (China) Co., Ltd., a subsidiary of Panasonic Corporation [TSE: 6752]
- **Financials:** Hefei Sanyo reported revenue of \$636 million, EBIT of \$51 million, EBITDA of \$59 million, and net earnings of \$48 million for full year 2012. They reported revenue of \$204 million, EBIT of \$19 million, and net earnings of \$17 million for Q1 2013.
- **Number of employees:** 10,000
- **Chairman:** Jin Youhua

- **Main Brands:** Sanyo, Rongshida /Royal Star and Diqua
- **Main Products:** washer, refrigerator, microwave oven
- **Number of manufacturing bases:** three
- **Sales networks:** large nationwide distribution network
- **Listing:** Listed on the Shanghai Stock Exchange since July 2004 (Ticker: 600983)
- **Major shareholders:** Hefei State-owned Assets Holding Co., Ltd (33.57%), Sanyo Electric Co., Ltd. and affiliated companies (29.51%)

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this press release relating to the acquisition of shares of Hefei Sanyo and Whirlpool's 2013 outlook constitute "forward-looking statements" within the meaning of the 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. Important factors that could cause actual results to differ materially from these expectations include, among other things:

- the expectation that closing conditions for the share acquisition and the private placement including all regulatory approvals will be met;
- the expectation that the termination rights will not be exercised by the sellers;
- the expectation that the transaction will be approved by shareholders of Hefei Sanyo;
- the expectation that the share acquisition and the private placement will close by the end of 2014;
- the expectation that the aggregate purchase price for the share acquisition and the private placement will be approximately RMB 3.4 billion (USD 552 million based on the exchange rate as of August 9, 2013), subject, in each case, to certain adjustments if dividends are paid on the Hefei Sanyo shares;
- the expectation that Whirlpool will have sufficient cash on hand or through other public or private debt financing depending on the timing of the closing and market conditions to finance the share acquisition and private placement;
- the expectation that Whirlpool will realize the expected benefits of the share acquisition and the private placement and the timing of such realization;
- any unexpected costs or liabilities in connection with the share acquisition and the private placement; and
- the expectation that Whirlpool will achieve its outlook for the full year 2013.

In addition to the assumptions described above, reference should also be made to the factors discussed under "Risk Factors" in Whirlpool Corporation'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 Corporation assumes no obligation to update or revise them to reflect new events or circumstances.

SOURCE Whirlpool Corporation

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