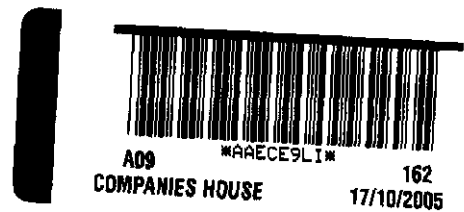


2185705

BWI Products Limited

Report and Financial Statements

31 December 2004



Directors

A Wilson
G Jenkins

Secretary

G Jenkins

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

Natwest Bank Plc
1 High Street
Croydon
CR9 1PD

Solicitors

Lane & Partners
15 Bloomsbury Square
London
WC1A 2 LP

Registered office

Whirlpool Centre
209 Purley Way
Croydon
CR9 4RY

Directors' report

The directors present their report and financial statements for the year ended 31 December 2004.

Results and dividends

The loss for the year amounted to £580,291. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company continued to be that of the holding company of investments in subsidiaries.

Directors

The directors who served the company during the year were as follows:

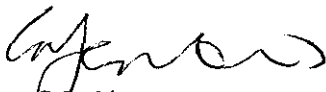
C de Bont	(resigned 30 January 2004)
A Wilson	
G Jenkins	(appointed 2 February 2004)

There are no directors' interests requiring disclosure under the Companies Act 1985.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board


G Jenkins
Secretary

11 October 2005

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of BWI Products Limited

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. *In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.*

Independent auditors' report

to the members of BWI Products Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

11 OCTOBER 2005

Profit and loss account for the year ended 31 December 2004

	Notes	2004 £	2003 £
Administrative expenses		(13,923)	—
Interest payable and similar charges	4	(566,368)	(688,570)
Provisions against investments		—	(31,664,954)
		<u>(580,291)</u>	<u>(32,353,524)</u>
Loss on ordinary activities before taxation		(580,291)	(32,353,524)
Tax on loss on ordinary activities	5	—	—
Loss for the financial year		<u>(580,291)</u>	<u>(32,353,524)</u>


Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £580,291 attributable to the shareholders for the year ended 31 December 2004 (2003 - loss of £32,353,524).

Balance sheet

at 31 December 2004

	Notes	2004 £	2003 £
Fixed assets			
Investments	6	66,806,153	66,737,623
Current assets			
Debtors	7	-	13,923
Creditors: amounts falling due within one year	8	(8,162,475)	(7,527,577)
Net current liabilities		(8,162,475)	(7,513,654)
Total assets less current liabilities		58,643,678	59,223,969
Capital and reserves			
Called up share capital	10	48,510,000	48,510,000
Capital reserve	11	46,189,885	46,189,885
Profit and loss account	11	(36,056,207)	(35,475,916)
Equity shareholders' funds	11	58,643,678	59,223,969


11 October 2005

Notes to the financial statements

at 31 December 2004

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention.

The financial statements present information on BWI Products Limited as an individual company and not of its group. The company is exempt from the obligations to prepare group financial statements as permitted by section 228 of the Companies Act 1985, as it is included in the group financial statements of Whirlpool Europe B.V., a company incorporated in Holland.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Fixed assets

All fixed assets are initially recorded at cost.

Taxation

The charge for current taxation is based on the profit for the year.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Notes to the financial statements

at 31 December 2004

2. Audit fee

The audit fee is borne by a fellow subsidiary undertaking.

3. Staff costs

No salaries or wages have been paid to employees, including the directors, during the year.

4. Interest payable and similar charges

	2004 £	2003 £
Interest on loan from Whirlpool IF BV	383,368	688,570
Interest charged by the Inland Revenue on withholding tax settlement	183,000	—
	<u>566,368</u>	<u>688,570</u>

5. Taxation on ordinary activities

The tax on the results on ordinary activities for the year ended 31 December 2004 is £nil.

(a) Factors affecting current tax charge

The tax assessed on the result on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2003 - 30%). The differences are reconciled below:

	2004 £	2003 £
Loss on ordinary activities before taxation	(580,291)	(32,353,524)
Result on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(174,087)	(9,706,057)
Unrelieved tax losses carried forward	59,077	206,571
Expenses not deductible for Tax purposes	—	9,499,486
Other timing differences	115,010	—
Total current tax (note 5(a))	<u>—</u>	<u>—</u>

(b) Factors that may affect future tax charges

Deferred tax assets have not been recognised in respect of unutilised losses of £1,886,211 (2003 - £1,827,134) and other timing differences of £134,726 (2003 - £ nil). The losses can only be utilised against future profits. At present, it is unclear whether the tax losses will be utilised in the foreseeable future.

Notes to the financial statements

at 31 December 2004

6. Investments

	Shares in subsidiary undertakings	Shares in trade investments	Total investments
	£	£	£
Cost:			
At 1 January 2004	92,664,954	5,737,623	98,402,577
Additions	68,530	—	68,530
At 31st December 2004	<u>92,733,484</u>	<u>5,737,623</u>	<u>98,471,107</u>
Provisions against investments:			
At 1 January 2004	(31,664,954)	—	(31,664,954)
Amount provided for during the year	—	—	—
At 31st December 2004	<u>(31,664,954)</u>	<u>—</u>	<u>(31,664,954)</u>
Net Book Value:			
At 31 December 2004	<u>61,068,530</u>	<u>5,737,623</u>	<u>66,806,153</u>
At 1 January 2004	<u>61,000,000</u>	<u>5,737,623</u>	<u>66,737,623</u>

The principal subsidiary undertakings which are wholly owned are Whirlpool France S.A. and Whirlpool (UK) Limited.

The directors are of the opinion the aggregate values of the company's investments are not less than the amounts at which they are stated in the financial statements.

Notes to the financial statements

at 31 December 2004

7 Debtors

	2004 £	2003 £
Amounts owed by group undertakings	-	13,923
	<u>-</u>	<u>13,923</u>

8 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	7,713,387	7,461,857
Accrued interest on amounts owed to group undertakings	449,088	65,720
	<u>8,162,475</u>	<u>7,527,577</u>

9 Related party transactions

As the company is a wholly owned subsidiary undertaking of Whirlpool Corporation, it is not required to disclose the transactions with entities, which are part of the group.

10 Share capital

	2004 £	Authorised 2003 £
Ordinary shares of £1 each	<u>48,510,000</u>	<u>48,510,000</u>

	No.	2004 £	No.	2003 £
Ordinary shares of £1 each	48,510,000	<u>48,510,000</u>	48,510,000	<u>48,510,000</u>

Notes to the financial statements

at 31 December 2004

11 Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i> £	<i>Capital reserve</i> £	<i>Profit and loss account</i> £	<i>Total share- holders' funds</i> £
At 1 January 2003	48,510,000	—	(3,122,392)	45,387,608
Loss for the year	—	—	(32,353,524)	(32,353,524)
Capital contribution	—	46,189,885	—	46,189,885
At 31 December 2003	48,510,000	46,189,885	(35,475,916)	59,223,969
Loss for the year	—	—	(580,291)	(580,291)
At 31 December 2004	48,510,000	46,189,885	(36,056,207)	58,643,678

12 Ultimate parent company

Whirlpool Corporation, incorporated in the state of Delaware in the United States of America, is the ultimate parent undertaking of Whirlpool (UK) Limited.

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member, is Whirlpool Corporation and the parent undertaking of the smallest such group is Whirlpool Europe B.V. (incorporated in Holland).

Copies of the financial statements of Whirlpool Corporation are available from Whirlpool Centre, 209 Purley Way Croydon, CR9 4RY.