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Whirlpool Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Very good sir. (Operator Instructions) Your first question comes from Sam Darkatsh - Raymond James.

Sam Darkatsh - Raymond James

First off and I guess this would be the 800 pound guerrilla in the room. Jeff with demand falling off as it is and you're asking for pricing as much as others in the industry are, what have you seen thus far in terms of the stickiness of the pricing? And help us with your expectations. I know you're expecting two points for positive pricing in mix for the year, but help us reconcile when on the one hand very difficult business environment and on the other hand the need to get pricing and the likelihood of receiving that.

Jeff M. Fettig

Sam, in fact a large number of these actions have been in place for several months. So we've got pretty good data in parts of the world whether it be Latin America and Asia, parts of Europe, parts of North America and we did in some markets early on lose some market share based on that. Without exception all of these markets are to date they are retaining this price mix and we are recovering systematically the market share through our other actions like new product innovation and our point of sales conversion work.

We have scaled down our expectations since October, September when we thought material costs were going to be dramatically higher than where we see them today. We've taken some of this and reinvested it with the trade in terms of conversion and trying to not only bring some consumers in to shops but to convert them once we get them in.

So I would say to date we have a pretty good – some cases a month, some cases two to three months where we have a pretty good idea what the run rate is with all this. And I think they're pretty much aligned with the expectations that we shared with you.

Roy W. Templin

Sam, its Roy. Just to give you a little perspective to Jeff's comment on run rate for 2008 we ended the year with about 1.5 points of positive price mix. We came out of the year though in Q4 with 2.7 points of positive price mix. Basically 50-50 Sam between price and mix, just to give you a little bit of perspective in terms of run rate.

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