

**Summary of the Financial report
of Gorenje, d.d., and of the Gorenje Group,
for the period January – March 2007**



Velenje, Slovenia, May 2007

<u>Contents:</u>	Page
BUSINESS REPORT	3
Basic information on Parent Company Gorenje, d.d., and on Gorenje Group	3
Revenue	3
Production	4
Investments	4
Employees	4
Shareholder Structure and Share Price	5
Business Outlook for the Year 2007	6
FINANCIAL REPORT	6
Accounting Policies	6
Group Structure	6
Non-audited consolidated financial statements of Gorenje Group, according to IFRS	8
Non-audited non-consolidated financial statements of Gorenje, d.d., in accordance with the International Financial Reporting Standards (IFRS)	12
FINANCIAL HIGHLIGHTS AND ACHIEVEMENTS OF GORENJE GROUP	16

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BUSINESS REPORT

Basic information on Parent Company Gorenje, d.d., and on Gorenje Group

Name	Gorenje, gospodinski aparati, d.d.
Date of entry in court register	31 December 1997
Abbreviated name	Gorenje, d.d.
Registered office	Partizanska 12, SI-3503 Velenje, Slovenia
Activities	Manufacture, sale, maintenance and repair of electric and non-electric domestic and electro-thermic appliances
Activity code	29.710 Manufacture of electric domestic appliances
Tax number	SI72615320
Registration number	5163676
Issued share capital	SIT 12,200,000,000 (EUR 50,909,697.88)
Shares	12,200,000 ordinary registered shares with no par value; the shares of Gorenje, d.d., are listed on the official market of the Ljubljana Stock Exchange under the trading code GRVG (www.ljse.si).

Organisational Structure of the Gorenje Group:

The companies of the Group are organised into three divisions:

- **Household appliances division:** Manufacture and sale of household appliances of its own production, sale of products from the complementary program of household appliances of other manufacturers, sale of additional program of home electronics and small household appliances, and the manufacture and sale of heating-thermic appliances. Tool-making, manufacture of machinery and mechanical components.
- **Home interior division:** Manufacture and sale of kitchen and bathroom furnishings, bathroom fittings and ceramic tiles.
- **Trade and services division:** Energy management and environmental protection, trade, engineering, agency services, restaurant and catering services, tourism and real estate management.

Consolidated revenue

Consolidated revenue amounted to **EUR 313.3 million**, implying a **strong 35.7% increase** over 1st Qtr. 2006 and **26.1% of the 2007 plan**. The revenues are not entirely comparable with the figures from the 2006 due to the inclusion of companies Istrabenz Gorenje energetski sistemi and Surovina, d.d., into the Group. Considering only the comparable figures, the extent of sales for the Group is increased for EUR 36.2 million, or 15.7%.

Sales structure by division (in EUR thousand)	1Q 2006	1Q 2007	Plan 2007	2007/ Plan07	2007/ 06
Household appliances	195,945	238,670	983,924	24.3%	+ 21.8%
Home interior	14,343	14,313	64,922	22.0%	- 0.2%
Trade and services	20,528	60,348	152,324	39.6%	+ 194.0%
Consolidated revenue	230,816	313,331	1,201,170	26.1%	+ 35.7%

Revenue from sales of the main company **Gorenje, d.d.**, amounted to EUR 205.8 million, implying a strong 32 % increase over 1st Qtr. 2006 and 24.4% of the 2007 annual plan. Strong increase of Trade and services division goes to the inclusion of two companies namely, Istrabenz–Gorenje energetski sistemi (in the second half of July 2006) and Surovina, d.d., (in the beginning of 2007) into the Group. Into the consolidated revenue for the period January-March 2007 were included the revenue from the company **Istrabenz Gorenje energetski sistemi** in the amount of **EUR 31,246 thousand** and from **Surovina, d.d.**, in the amount of **EUR 15,043 thousand**.

Production

- In the parent company **765 thousand units** of large household appliances was produced, what is **25%** of the plan 2007 and **6.8% growth**.
- The company Mora Moravia, a.s., Czech republic, produced **104 thousand units** of cooking appliances, implying **12.7%** increase over 1st Qtr. 2006.
- Gorenje AD, d.o.o., Valjevo, Serbia, produced **97 thousand units** of refrigerators and freezers.
- The total production of the **Gorenje Group** was **967 thousand units** of large household appliances (**24.5%** of the annual plan for the year 2007).

Investments

Gorenje Group Invested **EUR 7.7 m** in Property, plant and equipment and intangible non-current assets, showing 16% of the plan 2007. The major part were recorded in the household appliances division in amount to EUR 6.7 m (mainly Gorenje, d.d.).

In EUR thousand	1Q 2007	Plan 2007	2007/Plan 07
Land	3	0	/
Buildings	1,666	11,624	14.3%
Technical equipment	4,490	28,173	15.9%
Other equipment	790	5,487	14.4%
Other intangible investments	758	2,552	29.7%
Total	7,707	47,836	16.1%

Investments by divisions:

In EUR thousand	Plan 2007	1Q 2007	2007/Plan 2007
Household appliances	42,506	6,682	15.7%
Home interior	2,422	270	11.1%
Trade and services	2,908	755	26.0%
Total	47,836	7,707	16.1%

Employees

At the end of March 2007 the number of employees was **11,477**, which was 661 employees more (**6.1%**), than the year-end 2006. The average number of employees was **11,293** and in the 1st Qtr. 2006 10,337 or **9.2%** increase.

Average number of employees by divisions:

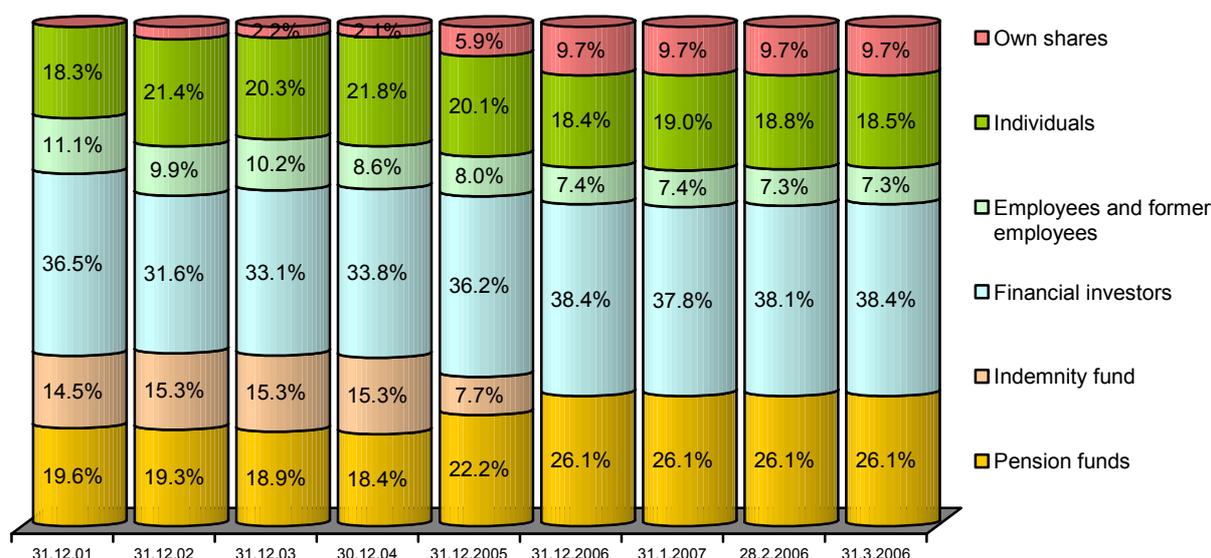
	1Q 2006	1Q 2007	2007/ 2006
Household appliances	8.805	9.381	+ 6.5%
domestic companies	7.215	7.170	- 0.6%
foreign companies	1.590	2.211	+ 39.1%
Home interior	1.170	1.139	- 2.6%
domestic companies	1.044	1.026	- 1.7%
foreign companies	126	113	- 10.3%
Trade and services	362	773	+ 113.5%
domestic companies	346	357	+ 3.2%
foreign companies	16	416	/
Gorenje Group	10.337	11.293	+ 9.2%
domestic companies	8.605	8.553	+ 0.6%
foreign companies	1.732	2.740	+ 58.2%

Shareholder Structure and Share Price

Information about issued shares and capital: The Company Gorenje, d.d., became a joint-stock company in 1997 after successful completion of ownership transformation. The **Company's share capital**, with **nominal value of SIT 12,200,000,000 (EUR 50,909,697.88)**, is divided into **12,200,000 ordinary registered shares with no par value** and with **trading code GRVG**.

On 31 March 2007 the **number of shareholders** of Gorenje, d.d., was **17,332**, which was an increase of 1%, compared with the figure on 31 December 2006 (17,168).

Shareholders structure:



Foreign investors participation increased from 5.68% (692,411 shares) at the end of December 2006 to **9.23% (1,125,900 GRVG shares)**, of which foreign legal entities held 1,106,463 shares or 9.07% (666,449 on Dec. 2006, 5.46%) and foreign individuals 19,437 or 0.16%.

	Shareholder	No. of shares	Share in %
1.	KAPITALSKA DRUŽBA, D.D.	3,073,579	25.2 %
2.	GORENJE, D.D. – Own shares	1,183,342	9.7%
3.	KD GALILEO, VZAJEMNI SKLAD (Mutual fund)	506,963	4.2%
4.	RAIFFEISEN ZENTRALBANK OESTERREICH AG, Vienna	480,652	3.9%
5.	PROBANKA D.D.	408,446	3.3%
6.	DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I (Mutual fund)	380,951	3.1%
7.	KD RASTKO, DELNIŠKI VZAJEMNI SKLAD (Mutual fund)	360,447	3.0%
8.	KRONA SENIOR, DELNIŠKA ID, D.D.	224,697	1.8%
9.	BANK AVSTRIA CREDITANSTALT AG	177,231	1.5%
10.	KD ID, DELNIŠKA ID, D.D.	169,020	1.4%
	Top 10 shareholders	6,965,328	57.1%
	Other shareholders	5,234,672	42.9%
	Total:	12,200,000	100.0%

- The total number of **own shares** is **1,183,342** or **9.6995%** of Gorenje, d.d., capital.
- The **share price GRVG** of Gorenje, d.d., reached EUR 26.65 at the end of the year 2006 and **at the end of the March 2007 EUR 30.20**.
- **EPS = EUR 1.30** (annual basis and the own shares were deducted)
- **Book value EUR 19.34** and **Price to Book value ratio is 1.56** (1.40 on 31 December 2006)
- **Market capitalisation** at the end of March 2007 amounted to **EUR 405 m**.

Business Outlook for the Year 2007

According to analysts, it is unlikely that we will see a significant improvement in business conditions in 2006. The prices of **commodities** remain the biggest uncertainty, in particular of sheet metal and other metals, plastics, and components made of these materials. The other major factor affecting the achievability of planned business performance in 2006 is the application of the **WEEE Directive**, which entered into force in Slovenia in August 2005.

The negative impacts of adversary economic elements will have to be neutralized as much as possible during the year 2007 above all by the optimization and search for cheaper alternative supply sources, selective price increases of household appliances and enhancement of their sales structure, and rationalization of costs in all segments of operations. The Management Board will continue to carry out all business operations which are expected to contribute to the final achievement of forecast business objectives for the year 2007.

FINANCIAL REPORT

Accounting Policies

The non-audited consolidated financial statements of the Gorenje Group have been prepared in accordance with the provisions of the Corporations Act and the International Financial Accounting Standards as published by the International Accounting Standards Board (IASB), and the interpretations of the International Financial Reports Interpretation Committee (IFRIC).

The non-audited non-consolidated financial statements of Gorenje, d.d., for January – March 2007 have been prepared in accordance with the International Financial Accounting Standards. Transition to IFRS was passed on the 9th Annual General Meeting of Gorenje, d.d., held on 29 June 2006. All comparable financial statements of Gorenje, d.d., for January – March 2007, for 31 March 2007 and for 31 December 2006 have been prepared in accordance with IFRS. Also included in the non-audited financial statements of Gorenje, d.d., are the operations of its subsidiary Gorenje Indop, d.o.o

Group Structure

In accordance with International Financial Reporting Standards, the consolidated financial statements of the Gorenje Group include the financial statements of the parent company Gorenje, d.d., and the financial statements of **54 subsidiaries** operating in Slovenia and abroad and **7 joint venture** companies:

The changes of the Gorenje Group structure in the year 2007 were as follows:

- The transfer of business activities (cooling and heating program) from the company Gorenje GTI, d.o.o., to the company Gorenje Tiki, d.o.o., on 1 January 2007 was realized.
- On 31 January 2007, Gorenje, d.d., purchased from Probanka, d.d., a 23.4 % share in the company Surovina, d.d., Maribor, that effectively translates into 51 % of all shares in Surovina, d.d. With this transaction the company Gorenje, d.d., became a 51- percentage stakeholder of Surovina, d.d., subsidiaries: RVT tehnologija predelave ostankov, d.o.o., Maribor (58.8%), Slovenia and Sirovina, a.d., Serbia (61.7%).
- On 31 January 2007, the Gorenje company Kemis, d.o.o., Zagreb, Croatia, signed the purchase agreement of 100% share in Termoclean-Zg, d.o.o., Zagreb, Croatia.
- On 8 January 2007 the representative office of Gorenje, d.d., in Kazakhstan was established.

The list of the Gorenje Group companies on 31 March 2007:

#	Subsidiaries operating in Slovenia:	Share in equity (in %)
1.	Gorenje I.P.C., d.o.o., Velenje	100.00
2.	Gorenje Tiki d.o.o., Ljubljana	99.982
3.	Gorenje GTI, d.o.o., Velenje	100.00
4.	Gorenje Notranja oprema, d.o.o., Velenje	99.60
5.	Gorenje Gostinstvo, d.o.o., Velenje	100.00
6.	LINEA SP, d.o.o., Velenje	100.00
7.	Energygor, d.o.o., Velenje	100.00
8.	Opte Ptuj, d.o.o., Ptuj	100.00
9.	Kemis, d.o.o., Radomlje	100.00
10.	Gorenje Orodjarna, d.o.o., Velenje	100.00
11.	ZEOS, d.o.o., Ljubljana	51.00
12.	Istrabenz Gorenje energetski sistemi, d.o.o., Nova Gorica	49.95
13.	GEN-I, d.o.o., Krško	24.98
14.	BIOTOPLOTA, d.o.o., Nova Gorica	49.95
15.	Surovina, d.d., Maribor	51.00
16.	RVT, d.o.o., Maribor	29.99

#	Subsidiaries operating abroad	Share in equity (in %)
17.	Gorenje Beteiligungsgesellschaft m.b.H., Austria	100.00
18.	Gorenje Austria Handelsgesellschaft m.b.H., Austria	100.00
19.	Gorenje Vertriebsgesellschaft m.b.H., Germany	100.00
20.	Gorenje Körting Italia S.r.l., Italy	100.00
21.	Gorenje France S.A.S., France	100.00
22.	Gorenje BELUX S.a.r.l., Belgium	100.00
23.	Gorenje Espana, S.L., Spain	100.00
24.	Gorenje UK Ltd., Great Britain	100.00
25.	Gorenje Skandinavien A/S, Denmark	100.00
26.	Gorenje AB, Sweden	100.00
27.	Gorenje OY, Finland	100.00
28.	Gorenje AS, Norway	100.00
29.	OÜ Gorenje, Estonia	100.00
30.	SIA Gorenje, Latvia	100.00
31.	Gorenje spol. s r.o., Czech Republic	100.00
32.	Gorenje real spol. s r.o., Czech Republic	100.00
33.	Gorenje Slovakia s. r.o., Slovak Republic	100.00
34.	Gorenje Budapest Kft., Hungary	100.00
35.	Gorenje Polska Sp. z o.o., Poland	100.00
36.	Gorenje Bulgaria EOOD, Bulgaria	100.00
37.	Gorenje Zagreb, d.o.o., Croatia	100.00
38.	Gorenje Skopje, d.o.o., Macedonia	100.00
39.	Gorenje Commerce, d.o.o., Bosnia and Herzegovina	100.00
40.	Gorenje, d.o.o., Serbia	100.00
41.	Gorenje Podgorica, d.o.o., Montenegro	99.972
42.	Gorenje Romania S.R.L., Romania	100.00
43.	Gorenje aparati za domačinstvo, d.o.o., Serbia	100.00
44.	Mora Moravia s r.o., Czech Republic	100.00
45.	Gorenje Küchen GmbH, Austria	99.60
46.	Gorenje - kuchyne spol. s r.o., Czech Republic	99.60
47.	Gorenje Imobilia, d.o.o., Serbia	100.00
48.	Gorenje Adria Nekretnine, d.o.o., Croatia	100.00

49.	Kemis, d.o.o., Croatia	100.00
50.	Kemis BiH, d.o.o., Bosnia and Herzegovina	100.00
51.	Kemis Valjevo, d.o.o., Serbia	100.00
52.	Gorenje Invest, d.o.o., Serbia	100.00
53.	Gorenje Gulf FZE, Združeni arabski emirati	100.00
54.	Gorenje Tiki, d.o.o., Serbia	99.982
55.	Istrabenz-Gorenje, d.o.o., Croatia	24.98
56.	Austrian Power Vertriebs, GmbH, Austria	49.95
57.	Intrade energija, d.o.o., Bosnia and Herzegovina	25.48
58.	Vitales, d.o.o., Bosnia and Herzegovina	49.95
59.	Gorenje Istanbul Ltd., Turkey	100.00
60.	Sirovina, a.d., Serbia	31.47
61.	Termoclean-Zg, d.o.o., Croatia	100.00

Non-audited consolidated financial statements of Gorenje Group, according to IFRS

Income Statement of Gorenje Group

	in EUR thousand	1Q 2006	Plan 2007	1Q 2007	07/ Plan07	07/ 06
1.	Revenue	230,816	1,201,170	313,331	26.1	135.7
2.	Changes in inventories	6,624	10,340	10,798	104.4	163.0
3.	Other operating income	2,568	11,905	5,176	43.5	201.6
4.	Gross operating yield	240,008	1,223,415	329,305	26.9	137.2
5.	Cost of goods, materials and services	-175,086	-915,474	-252,257	27.6	144.1
6.	Employee benefits expense	-44,008	-197,543	-48,350	24.5	109.9
7.	Amortisation and depreciation expense	-12,142	-53,122	-13,227	24.9	108.9
8.	Other operating expenses	-2,344	-13,168	-4,820	36.6	205.6
9.	Operating profit (EBIT)	6,428	44,108	10,651	24.1	165.7
10.	Finance income	3,911	7,605	3,334	43.8	85.2
11.	Finance expenses	-4,978	-22,154	-7,798	35.2	156.6
12.	Profit before tax	5,361	29,559	6,187	20.9	115.4
13.	Income tax expense	-999	-6,524	-1,782	27.3	178.4
14.	Profit for the period	4,362	23,035	4,405	19.1	101.0
15.	Attributable to minority interest	15	4	681	/	/
16.	Attributable to equity holders of the parent	4,347	23,031	3,724	16.2	85.7
17.	Earnings per share basic/diluted (in EUR)	1,54	1,70	1,60	94.1	103.9

Balance sheet of Gorenje Group

	In EUR thousand	31 March 2006	31 March 2007	07/ 3-06	31 Dec. 2006	07/ 12-06
	ASSETS	818,643	967,574	118.2	904,610	107.0
A.	Non-current assets	383,757	419,285	109.3	408,971	102.5
I.	Intangible assets	23,210	24,206	104.3	22,833	106.0
II.	Property, plant and equipment	326,528	365,066	111.8	352,636	103.5
III.	Investment property	888	1,336	150.5	984	135.8
IV.	Non-current investments	25,088	19,916	79.4	17,229	115.6
V.	Investments in associates	0	0	/	6,280	/
VI.	Deferred tax assets	8,043	8,761	108.9	9,009	97.2
B.	Current assets	434,886	548,289	126.1	495,639	110.6
I.	Assets classified as held for sale	2	640	/	423	151.3
II.	Inventories	181,294	214,921	118.5	192,702	111.5
III.	Current investments	15,634	21,889	140.0	21,621	101.2
IV.	Trade and other receivables	206,680	264,266	127.9	242,865	108.8
V.	Other current assets	21,017	36,600	174.1	28,982	126.3
VI.	Cash and cash equivalents	10,259	9,973	97.2	9,046	110.2
	EQUITY AND LIABILITIES	818,643	967,574	118.2	904,610	107.0
A.	Equity	243,544	270,319	111.0	254,433	106.2
I.	Share capital	50,921	50,910	100.0	50,910	100.0
II.	Share premium	96,471	96,450	100.0	96,450	100.0
III.	Legal reserves, statutory reserves, and reserves for own shares	31,283	43,713	139.7	43,713	100.0
IV.	Retained earnings	66,763	71,353	106.9	67,629	105.5
V.	Own shares	-21,409	-27,693	129.4	-27,693	100.0
VI.	Equity revaluation and translation adjustments	18,641	24,862	133.4	23,175	107.3
A1.	Equity attributable to equity holders of the parent	242,670	259,595	107.0	254,184	102.1
A2.	Minority interest	874	10,724	/	249	/
B.	Non-current liabilities	185,147	220,486	119.1	200,247	110.1
I.	Provisions	48,906	51,562	105.4	48,460	106.4
II.	Provisions set up from government grants	7,556	8,221	108.8	7,901	104.1
III.	Deferred tax liabilities	678	1,761	259.7	2,471	71.3
IV.	Non-current financial liabilities	127,826	156,991	122.8	141,122	111.2
V.	Other non-current liabilities	181	1,951	/	293	665.9
C.	Current liabilities	389,952	476,769	122.3	449,930	106.0
I.	Current financial liabilities	196,978	220,937	112.2	173,561	127.3
II.	Trade and other payables	137,876	191,633	139.0	227,526	84.2
III.	Other current liabilities	55,098	64,199	116.5	48,843	131.4

Cash flow Statement of Gorenje Group

	In EUR thousand	1Q 2006	1Q 2007
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit for the period	4,362	4,405
	Adjustments for:		
	Depreciation of property, plant and equipment	11,011	12,134
	Amortisation of intangible assets	1,131	1,093
	Loss from impairment	0	838
	Foreign exchange loss	1,730	3,828
	Investment income	-3,911	-3,334
	Finance expenses	3,248	3,970
	Gain on sale of property, plant and equipment	-220	-366
	Income tax expense	999	1,782
	Operating profit before changes in net operating current assets and provisions	18,350	24,350
	Increase in trade and other receivables	0	-18,698
	Increase in inventories	-11,206	-18,573
	Decrease in trade and other receivables	5,637	0
	Decrease in provisions	-872	0
	Increase in provisions	0	2,502
	Decrease in trade and other payables	-60,096	-28,609
	Cash generated from operations	-66,537	-63,378
	Interest paid	-4,979	-5,459
	Income taxes paid	-999	-1,279
	Indemnification received	0	1,001
	Net cash from operating activities	-54,165	-44,765
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Proceeds from sale of property, plant and equipment	378	915
	Interest received	2,737	3,168
	Dividends received	45	0
	Acquisition of subsidiary, net of cash not acquired		-5,099
	Acquisition of property, plant and equipment	-5,514	-6,908
	Other investments	-196	-612
	Acquisition of intangible assets	-2,640	-799
	Net cash used in investing activities	-5,190	-9,335
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Repurchase of own shares	-6,151	0
	Proceeds from borrowings	65,127	54,526
	Net cash used in financing activities	58,976	54,526
D.	CASH AND CASH EQUIVALENTS		
	Net increase/decrease in cash and cash equivalents	-379	426
	Cash and cash equivalents at beginning of period	10,638	9,547
	Cash and cash equivalents at end of period	10,259	9,973

Statement of changes in Equity of Gorenje Group

In EUR thousand	Share capital	Share premium	Legal, statutory and reserves for own shares	Retained Earnings	Own shares	Equity Translation adjustments	Equity Revaluation adjustments	Equity attributable to equity holders of the parent	Minority interest	Total
Balance at 1 January 2007	50,910	96,450	43,713	67,629	-27,693	16,405	6,770	254,184	249	254,433
Net profit for the period				3,724				3,724	681	4,405
Increase in equity revaluation adjustments taken to equity						109		109		109
Equity revaluation adjustments in respect of investments taken to equity							284	284		284
Equity revaluation adjustments in respect of land taken to equity							1,294	1,294		1,294
Increase in minority interest								0	9,794	9,794
Balance at 31 March 2007	50,910	96,450	43,713	71,353	-27,693	16,514	8,348	259,595	10,724	270,319

In EUR thousand	Share capital	Share premium	Legal, statutory and reserves for own shares	Retained Earnings	Own shares	Equity Translation adjustments	Equity Revaluation adjustments	Equity attributable to equity holders of the parent	Minority interest	Total
Balance at 1 January 2006	50,921	96,471	31,283	62,416	-15,259	16,176	2,241	244,249	840	245,089
Net profit for the period				4,347				4,347	15	4,362
Increase in equity revaluation adjustments taken to equity						224		224		224
Increase of own shares					-6,150			-6,150		-6,150
Increase in minority interest								0	19	19
Balance at 31 March 2006	50,921	96,471	31,283	66,763	-21,409	16,400	2,241	242,670	874	243,544

Non-audited non-consolidated financial statements of Gorenje, d.d., in accordance with the International Financial Reporting Standards (IFRS)

Income statement of Gorenje, d.d.

	In EUR thousand	1Q 2006	Adjusted* 1Q 2006	Plan 2007	1Q 2007	2007/ Plan 07	07/ 06
1.	Revenue	154,536	155,843	842,264	205,745	24.4	132.0
2.	Changes in inventories of finished goods and work in progress	4,760	5,170	4,000	7,427	185.7	143.7
3.	Other operating income	1,256	1,260	6,561	1,720	26.2	136.5
4.	Gross operating yield	160,552	162,273	852,825	214,892	25.2	132.4
5.	Cost of goods, materials and services	-122,244	-123,694	-681,637	-174,209	25.6	140.8
6.	Employee benefits expense	-22,882	-23,643	-106,739	-24,419	22.9	103.3
7.	Amortisation and depreciation expense	-8,367	-8,481	-35,021	-8,644	24.7	101.9
8.	Other operating expenses	-1,613	-1,005	-5,835	-1,771	30.3	176.2
9.	Operating profit	5,446	5,450	23,593	5,849	24.8	107.3
10.	Finance income	2,119	2,099	7,080	1,536	21.7	73.2
11.	Finance expenses	-2,593	-2,597	-11,370	-3,427	30.1	131.9
12.	Profit before tax	4,972	4,952	19,303	3,958	20.5	79.9
13.	Income tax expense	-599	-599	-3,900	-376	9.6	62.8
14.	Profit for the period	4,373	4,353	15,403	3,582	23.3	82.3

* Due to items comparability the subsidiary company Gorenje Indop, d.o.o., is included into Adjusted financial statements (both P&L and Balance sheet) for the 1Q 2006 and 31 March 2006.

Balance Sheet of Gorenje, d.d.

	In EUR thousand	31 March 2006	Adjusted 31 March 2006	31 March 2007	07/ 3-06	31 Dec. 2006	07/ 12-06
	ASSETS	567,933	570,628	651,245	114.1	629,431	103.5
A.	Non-current assets	313,259	315,123	321,372	102.0	318,710	100.8
I.	Property, plant and equipment	198,219	200,223	188,436	94.1	193,910	97.2
II.	Intangible assets	14,362	14,587	17,366	119.1	17,350	100.1
III.	Investment property	797	797	614	77.0	614	100.0
IV.	Investments in subsidiaries	79,731	79,366	102,008	128.5	89,679	113.7
V.	Investments in associates	5,623	5,623	0	/	5,621	/
VI.	Other non-current assets	8,985	8,985	7,686	85.5	6,274	122.5
VII.	Deferred tax assets	5,542	5,542	5,262	94.9	5,262	100.0
B.	Current assets	254,674	255,505	329,873	129.1	310,721	106.2
I.	Non-current assets held for sale	0	0	93	/	93	100.0
II.	Inventories	78,681	80,260	96,726	120.5	88,328	109.5
III.	Current investments	8,048	5,756	16,682	289.8	13,981	119.3
IV.	Trade and other receivables	157,480	158,885	200,436	126.1	194,420	103.1
V.	Other current assets	10,415	10,552	15,918	150.8	13,371	119.0
VI.	Cash and cash equivalents	50	52	18	34.6	528	3.4
	EQUITY AND LIABILITIES	567,933	570,628	651,245	114.1	629,431	103.5
A.	Equity	208,770	208,750	213,096	102.1	209,230	101.8
I.	Share capital	50,921	50,921	50,910	100.0	50,910	100.0
II.	Share premium	78,604	78,604	78,587	100.0	78,587	100.0
III.	Legal, statutory and reserves for own shares	31,283	31,283	43,713	139.7	43,713	100.0
IV.	Retained earnings	67,130	67,110	61,306	91.4	57,724	106.2
V.	Equity revaluation adjustments	2,241	2,241	6,273	279.9	5,989	104.8
VI.	Own shares	-21,409	-21,409	-27,693	129.3	-27,693	100.0
B.	Non-current liabilities	131,516	131,808	152,817	115.9	138,040	110.7
I.	Provisions	27,373	27,394	26,838	98.0	26,661	100.7
II.	Deferred tax liabilities	0	0	1,062	/	1,062	100.0
III.	Non-current financial liabilities	104,143	104,414	124,917	119.6	110,317	113.2
C.	Current liabilities	227,647	230,070	285,332	124.0	282,161	101.1
I.	Current financial liabilities	104,182	104,460	118,700	113.6	75,477	157.3
II.	Trade and other payables	102,473	103,565	141,869	137.0	190,883	74.3
III.	Other current liabilities	20,992	22,045	24,763	112.3	15,801	156.7

Cash flow statement of Gorenje, d.d.

In EUR thousand		1Q 2006	1Q 2007
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit for the period	4,373	3,582
	Adjustments for:		
	Depreciation of property, plant and equipment	7,565	7,939
	Amortisation of intangible assets	802	705
	Foreign exchange loss	1,035	910
	Investment income	-2,449	-1,536
	Finance expenses	1,558	2,517
	Gain on sale of property, plant and equipment	0	-195
	Income tax expense	599	376
	Operating profit before changes in net operating current assets and provisions	13,483	14,298
	Increase in trade and other receivables	-2,473	-8,563
	Increase in inventories	-4,065	-8,398
	Increase in provisions	310	177
	Increase in trade and other payables	-55,344	-40,051
	Cash generated from operations	-61,572	-56,835
	Interest paid	-2,593	-3,407
	Income taxes paid	0	-412
	Net cash from operating activities	-50,682	-46,356
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Proceeds from sale of property, plant and equipment	0	1,718
	Interest received	2,449	365
	Acquisition of subsidiary net of cash not acquired	0	-6,698
	Acquisition of property, plant and equipment	-3,507	-2,869
	Acquisition of other investments	4,582	-3,774
	Acquisition of intangible assets	-1,359	-720
	Net cash used in investing activities	2,165	-11,978
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Repurchase of own shares	-6,150	0
	Proceeds from borrowings	54,676	57,824
	Net cash used in financing activities	48,526	57,824
D.	CASH AND CASH EQUIVALENTS		
	Net increase/decrease in cash and cash equivalents	9	-510
	Cash and cash equivalents at beginning of period	41	528
	Cash and cash equivalents at end of period	50	18

Statement of changes in equity of Gorenje, d.d.

In EUR thousand	Share Capital	Share Premium	Legal, statutory and reserves for own shares	Retained Earnings	Own shares	Equity revaluation adjustments	Total
Balance at 1 January 2007	50,910	78,587	43,713	57,724	-27,693	5,989	209,230
Net profit for the period				3,582			3,582
Equity revaluation adjustments in respect of investments taken to equity						284	284
Balance at 31 March 2007	50,910	78,587	43,713	61,306	-27,693	6,273	213,096

In EUR thousand	Share Capital	Share Premium	Legal, statutory and reserves for own shares	Retained Earnings	Own shares	Equity revaluation adjustments	Total
Balance at 1 January 2006	50,921	78,604	31,283	62,757	-15,259	2,241	210,547
Net profit for the period				4,373			4,373
Purchase of own shares					-6,150		-6,150
Balance at 31 March 2006	50,921	78,604	31,283	67,130	-21,409	2,241	208,770

FINANCIAL HIGHLIGHTS AND ACHIEVEMENTS OF GORENJE GROUP

1Q 2006	Plan 2007	1Q 2007	1Q 2007/ Plan 07	1Q 07 / 1Q 06
Consolidated Revenue (in EUR thousand)				
230,816	1,201,170	313,331	26.1%	+ 35.7%
EBITDA (in EUR thousand)				
18,570	97,230	23,878	24.6%	+ 28.6%
EBIT (in EUR thousand)				
6,428	44,108	10,651	24.1%	+ 65.7%
Net profit (in EUR thousand)				
4,362	23,035	4,405	19.1%	+ 1.0%
Added Value (in EUR thousand)				
63,212	299,501	74,577	24.9%	+ 18.0%
Number of employees at the end of period				
10,265	10,853	11,477	105.7%	+ 11.8%
Average number of employees				
10,337	10,736	11,293	105.2%	+ 9.2%
Gross operating Yield per Employee (in EUR thousand)				
23,218	113,954	29,160	25.6%	+ 25.6%
Added Value per Employee (in EUR thousand)				
6,115	27,897	6,604	23.7%	+ 8.0%
EBITDA Margin (as % from Gross operating yield)				
7.7%	7.9%	7.3%	/	/
Net ROE				
7.1%	7.8%	6.6%	/	/
Assets (in EUR thousand)				
818,643	928,144	967,574	104.2%	+ 18.2%
Investments in fixed assets (in EUR thousand)				
8,154	47,836	7,707	16.1%	- 5.5%
Equity (in EUR thousand)				
243,544	337,058	270,319	80.2%	+ 11.0%
Equity / Assets				
29.8%	36.3%	27.9%	/	/
Long-term Provisions (in EUR thousand)				
56,462	63,787	59,783	93.7%	+ 5.9%
Financial liabilities (in EUR thousand)				
324,804	267,685	377,928	141.2%	+ 16.4%

Gorenje, d.d.,
The Management Board