



**NON-AUDITED INTERIM REPORT FOR THE PERIOD
JANUARY – MARCH 2010**

Gorenje Group and the main company Gorenje, d.d., in accordance with the International Financial Accounting Standards (IFRS)

The Management Board of the company Gorenje, d.d.

Velenje, May 2010

Contents

General information	3
BUSINESS REPORT	3
Organizational structure of the Gorenje Group	3
Operating conditions	3
Business performance of the Gorenje Group	4
Scope of business activities	4
Operating business performance	6
Financial performance	7
Performance analysis	8
Summary of business performance of Gorenje d.d.	9
Ownership and GRVG Share	10
Major events following the statement of financial position date	11
Important business events	12
Business outlook for 2010	12
ACCOUNTING REPORT	13
Applied accounting principles and important notes to financial statements	13
Changes of the Gorenje Group structure	13
Non-audited consolidated financial statements of the Gorenje Group	16
Consolidated statement of financial position of the Gorenje Group	16
Consolidated income statement of the Gorenje Group	17
Statement of comprehensive income of Gorenje Group	17
Consolidated cash flow statement of the Gorenje Group	18
Consolidated statement of changes in equity of the Gorenje Group	19
Business and geographical segments of Gorenje Group	21
Non-audited unconsolidated financial statements of Gorenje, d.d.	22
Statement of financial position of Gorenje, d.d.	22
Income statement of Gorenje, d.d.	23
Statement of comprehensive income of Gorenje, d.d.	23
Cash flow statement of Gorenje, d.d.	24
Statement of changes in equity of Gorenje, d.d.	25

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General information

The **Interim report of the non-audited non-consolidated Interim report of Gorenje, d. d., and non-audited consolidated Interim report of the Gorenje Group for the period January – March 2010** is published by the company Gorenje, d.d., Partizanska 12, SI-3503 Velenje, Slovenia, as provided by the Regulations of the Ljubljana Stock Exchange (Ljubljanska borza vrednostnih papirjev, d. d.), and the Securities Market Act. Major changes of data provided in the stock exchange listing prospectus are duly and regularly published in the Delo newspaper, on the Ljubljana Stock Exchange electronic information system SEOnet, and on the company website at www.gorenje.com. The non-audited Interim report was discussed and adopted by the Supervisory Board at its 40th meeting on 26th of May 2010. The Report can be viewed at the company headquarters at Partizanska 12, SI-3503 Velenje, Slovenia; as of 26th of May 2010, it has also been available on the Ljubljana Stock Exchange electronic information system and on www.gorenje.com web-site.

BUSINESS REPORT

Organizational structure of the Gorenje Group

- **Home appliances division**
Manufacture and sale of household appliances of own production, sale of products from the complementary programme comprising household appliances of other manufacturers, sale of supplementary programme comprising electronic and small household appliances, as well as the manufacture and sale of heating-thermic appliances, tool making, manufacture of industrial equipment and mechanical components.
- **Home interior division**
Manufacture and sale of kitchen and bathroom furnishings, sanitary equipment and ceramic tiles.
- **Ecology, energy and services division**
Energy management and environmental protection, trade, engineering, agency services, restaurant, catering and tourism.

Operating conditions

- In the first three months of the year, **consolidated sales revenue** of the **Gorenje Group** amounted to **EUR 290.95 million**, i.e. 1.5% more than in the first quarter of the previous year. The global economy has managed to emerge from the grip of recession, but despite optimism, we continue to operate in adverse market conditions that require continued measures which we have adopted in 2009 and the main objectives of which are the following: **(1)** market share growth, **(2)** generating positive free cash flow and **(3)** preservation of productive workplaces. Despite certain difficulties that have not yet been eliminated (insecurity in the labour market, increasing unemployment and difficult access to bank financing), customers have responded to improved conditions with greater demand for durable goods, which also includes our products. The Group estimates that the positive trend will continue and it will allow us to re-establish qualitative growth of the volume of business activities and to enhance their profitability.
- In February, **industrial production** in the euro area increased by 0.9% compared to January, which is significantly higher than previously predicted 0.1% growth. In March, industrial production in Slovenia increased by 3.1% compared to the previous month, and on a year-to-year level, it was higher by 6.5%.
- At the end of March, the **unemployment rate in the euro area** amounted to 10.0%, which is the highest rate since 1998 and by 0.9 percentage point higher than a year ago.
- In February this year, Slovenia **exported** goods worth EUR 1,319.6 m and **imported** goods worth EUR 1,407 m, thus reaching the import to export ratio of 93.8%. Compared to February 2009, the export in EUR was higher by 2.9% and the import in EUR was higher by 4.0%.
- In February, the **average monthly gross wage** in Slovenia amounted to EUR 1,431.45 and compared to January, it was lower by 1.2%; compared to February 2009, it was higher by 3.6%.
- In March, the **economic climate indicator** in Slovenia amounted to 12 p.p. and increased by 1 p.p. compared to February, resulting primarily from increased value of the confidence indicator in the processing industries.
- **Slovenian consumer confidence indicator** for March was lower by 2 p.p. in comparison to February, resulting from more pessimistic consumer forecasts regarding household savings in the following 12 months.
- In comparison to February, the **economic climate indicator** for EU rose in March by 2 p.p. to 99.6, primarily due to improved indicators of German industry. The consumer confidence index improved in March to the value of -15.2 p.p., while in February, the index value was -17.3 p.p..
- The characteristics of the operating circumstances of Gorenje remain unchanged in the first quarter of the year; in the segment of sales of **home appliances**, there has been a gradual downward trend in the sale of lower-priced products and sale in markets with lower profitability ratios (strengthening of the share of eastern and south-eastern markets).
- **Liquidity** in the area of production, sales and consumption still remains the key problem in the company's operations. It is due to the impaired consumer purchasing capacity, a decreased ability of the entities' cost recovery, lack of eligible financing sources (maturity, structure, price) as well as a very cautious lending attitude of banks.

Business performance of the Gorenje Group

in EUR thousand	Q1 2010	Plan 2010	Q1 2009	Change %	Plan track
Consolidated net sales	290,951	1,244,037	286,613	1.5%	23.4%
EBITDA	21,083	97,764	7,135	195.5%	21.6%
EBITDA Margin (%)	7.2%	7.9%	2.5%	/	/
EBIT	7,767	45,005	-7,029	210.5%	17.3%
EBIT Margin (%)	2.7%	3.6%	-2.5%	/	/
Total profit or loss	2,262	15,802	-13,403	116.9%	14.3%
Net profit or loss	517	10,086	-14,742	103.5%	5.1%
ROS (net return on sales)	0.2%	0.8%	-5.1%	/	/
ROA (net return on assets)	0.2%	0.9%	-4.8%	/	/
Net sales per employee	27.48	118.09	25.92	6.0%	23.3%
EBITDA per employee	1.99	9.28	0.65	208.6%	21.5%
EBIT per employee	0.73	4.27	-0.64	215.4%	17.2%
Net profit or loss per employee	0.05	0.96	-1.33	103.7%	5.1%
Employees / at the end of period	10,560	10,206	10,950	-3.6%	103.5%
Employees / average	10,587	10,535	11,056	-4.2%	100.5%
Capex	4,653	28,795	7,209	-35.5%	16.2%
Net current assets	231,923	231,036	246,662	-6.0%	100.4%
ROIC	3.0%	4.4%	-2.5%	/	/
D/E	1.29	1.17	1.37	/	/
Net cash flow	13,833	62,845	-578	/	22.0%
Free cash flow	-42,689	24,477	-43,888	2.7%	-174.4%
Total financial liabilities	471,039	441,685	515,825	-8.7%	106.6%
Net financial liabilities	399,015	367,330	444,252	-10.2%	108.6%

Scope of business activities

in EUR thousand	Q1 2010	Plan 2010	Q1 2009	Change %	Plan track
Home appliances division	214,877	968,594	219,721	-2.2%	22.2%
Home Interior division	8,148	43,773	10,008	-18.6%	18.6%
Ecology, energy and services division	67,926	231,670	56,884	19.4%	29.3%
Consolidated Revenue	290,951	1,244,037	286,613	1.5%	23.4%
Sales structure in terms of divisions	Q1 2010	Plan 2010	Q1 2009		
Home appliances division	73.9%		77.9%		76.7%
Home Interior division	2.8%		3.5%		3.5%
Ecology, energy and services division	23.3%		18.6%		19.8%
Consolidated Revenue	100.0%		100.0%		100.0%

- Compared to the same period last year, the **volume of business activities** of the Gorenje Group in the first quarter of the year has increased in the companies of the Ecology, Energy and Services Division, to the extent which has replaced the decrease in the volume in companies of the other two divisions. The largest share of this increase is attributable to the companies in the energy sector and the company Surovina, d.d. which is primarily active in the ecology sector.
- The **volume of industrial production** in Europe has continued the upward trend which began in the second half of the year 2009, resulting in weakening of

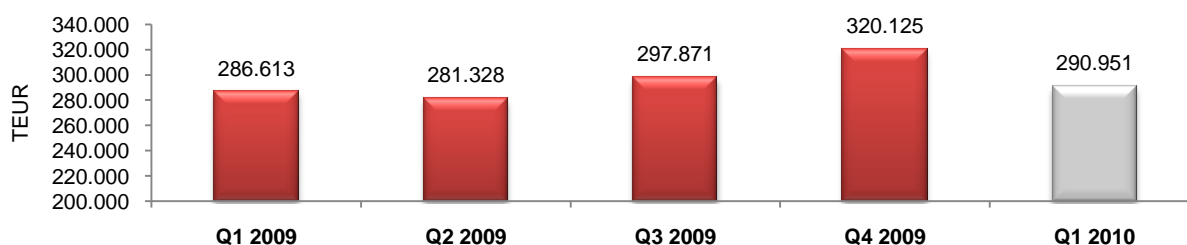
adverse effects within the financial sector and significantly improving the situation in the consumption segment. The **offer** continued to adapt to changes in consumption behaviour, i.e. by covering various segments and all price classes, however, the large **shifts in the market placement of important trademarks** that were initiated in the year 2009 have levelled off.

- Growth in sales volume of the Gorenje Group** cannot be considered uniformly for groups of countries of individual geographic areas, as crisis situations have caused great changes on the levels of individual countries and so there are no entirely

uniform consequences by geographic units comprised of groups of individual countries. In comparison with the first quarter of the previous year, the largest increase in the sales volume in the first quarter of the year was in some countries of the Eastern Europe and most countries of the South-Eastern Europe (with the exception of Slovenia and Croatia), with a beneficial impact on the improvement of sales profitability. In Western Europe we mostly managed maintain the upward trend from the second half of the previous year.

- In the first quarter of the observed period, the **Home Appliances Division** experienced a decrease in sales volume compared to the first quarter of the year 2009. The sales volume was behind schedule in Slovenia, Croatia, in Mediterranean countries (except Turkey and Greece), in Austria, in Eastern EU countries and in Russia. It is, however, important that despite decrease in volume of business activities, we have achieved a **significant improvement of net profitability of sales** due to improved sales structure both from the geographic aspect (market aspect) and the product aspect (product structure by programmes and price placement). Furthermore, the Home Appliances Division managed, to a significant extent, to maintain or in some cases even increase market shares both in the markets of Eastern and South-Eastern Europe as well as in the Western European markets. As for **individual programmes**, the largest decrease in sale revenue was generated by the washing appliances programme, while the programmes of cooking and freezing appliances experienced an upward trend. An increase of the cooking appliance programme was higher than the growth of freezing appliances, which was of great importance from the aspect of strengthening the net profitability of sales. The reason for decrease in the sales volume of the washing appliance programme is to be found in the relatively high growth in the year 2009 when the remaining two programmes were on a downward trend (representing a structural programme consolidation of sales markets of Gorenje). The specific area of sale i.e. **supplementary programme**, with the company Atag as the main holder, successfully continues with the realisation of planned sale volumes and profitability also in the beginning of this year.

- Due to **(1)** the circumstances of the branch business operation and **(2)** the activities of restructuring the production and sales from the product aspect and from the aspect of market structure, the **Home Interior Division** has achieved a significant decrease in the volume business activities at a simultaneous improvement of net profitability. In the year 2010, the Division continues the policy, initiated in the previous year, of consolidating and strengthening its sales position in the markets of Eastern and, primarily, Southeastern Europe.
- The **hedging in the trade receivables** segment still significantly limits the growth of sales volumes, as the terms of hedging are still far more rigid and limited and the sale above the hedged levels would result in direct risk of non-payment. In addition to that, as is understandable for such market situation, the quality of receivables is decreasing (both in terms of maturity structure and timely payment of receivables). Compared to the year 2009, the trend of decreasing quality of receivables has come to a stop.
- In the first quarter of the year, the **level of inventories** of finished products and merchandise in the home appliances segment was at the level of the comparable period of the previous year, which means that the structural changes in production and sales have not nullified the optimisation activities carried out in 2009.
- The companies of the **Ecology, Energy and Services Division** have in the first quarter of the year increased the volume of activities by EUR 11.0 million (in comparison to the first quarter of the year 2009), predominantly due to the already mentioned improvement of circumstances of business operations in the ecology field (waste management segment, primarily the company Surovina, d.d.) and due to the growth in the volume of activities in the entire energy segment. Considering the above-stated, the division has, from the point of view of the first quarter, compensated for the decrease in volume of activities of the Home Appliances Division and the Home Interior Division.



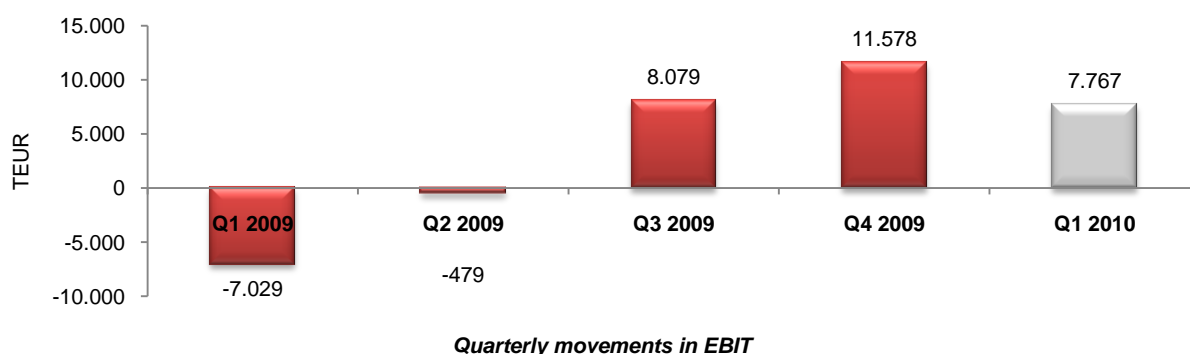
Quarterly movements in net sales revenues

Operating business performance

- Despite low growth in **volume of revenue from sales** in the first quarter in comparison to the same period of the previous year, the profitability of business operations was significantly improved at all its levels. The two main factors of improvement in profitability of business operations in the first three months of this year in comparison to the comparable period of the previous year were the product and geographic-market restructuring of the sales and thus an improvement of sales and price structure as described in the previous item of this report. In addition to trends in the quantity of **physical volume of business activities**, **structural changes** on both the **product** level (the segment or product aspect) and the **market** level (geographic aspect) had a key impact on maintaining the sales volume and growth of its profitability. This effect, in addition to problems of gradual **adaptation of costs to the lower sales volume**, had a key impact on weakening of the operating profit of loss (EBIT). Considering the low growth of sales volume, the **profit margin** at a level of difference between sales revenues and the cost of goods and materials (including the change in the value of inventories) was recorded at **40.9 %**, and exceeded the last year's level by 2.7 percentage points. It is the level higher than the level from the year before the crisis, i.e. from the year 2008. The **quality variance** was therefore positive, in the amount of EUR 7.9 million, primarily due to positive effects of sales restructuring and due to retaining the impacts of growth of prices for input raw materials and materials. Thus the **higher profit margin amounting to EUR 9.6 million** compared to the same period in the year 2009 refers to the **activity variance** (increase in volume of business activities) amounting to EUR +1.7 million and to the quality variance (improved profitability of the observed profit margin level) amounting to EUR +7.9 million.
- In the Home Appliances Division segment, profitability was strengthened primarily due to already described regional (market and geographical) and segment (product and programme) structural changes in the sales segment, together with successful retaining of negative price movements in the markets of raw materials and materials, as well as development and technical activities (adaptations of the existing products, introduction of new ones).
- As regards **costs of services**, we performed certain activities to optimise the reasons for their occurrence, i.e. processes/activities, and compared to the first quarter of the year 2009, we **qualitatively** decreased their volume by EUR 8.7 million, thus achieving the level of **EUR 43.0 million or a level which is by EUR 8.0 million (15.6 %) lower** than the level achieved in the year 2009. It is important that in the first quarter (compared to the first quarter of the year 2009), we have achieved a significant reduction of costs of services, despite the growth in the volume of business activities.
- Compared to the first quarter of the year 2009, the **labour costs** have **increased by EUR 3.0 million (to EUR 55.2 million, at a 5.8 % growth rate)**, with a number of employees lower by 390 (on 31st March 2010, the number of employees was 10,560). However, it should be taken into consideration that in the first quarter of the last year, we switched to a 36-hour working week (a 10 % decrease in labour costs) and to a limited extent, to a 32-hour working week as well. In the first quarter of this year, labour costs were increased due to (1) effects of the agreement concluded with the employees following the work interruption in September 2009 and (2) modifications of the Work Code in the segment of the minimum wage level (its rise). The effects of both last and this year have a direct impact on the labour cost growth rate. From the aspect of their effectiveness, their **share in the added value** has decreased (improved productivity) from 88.0 % to 72.4 %.

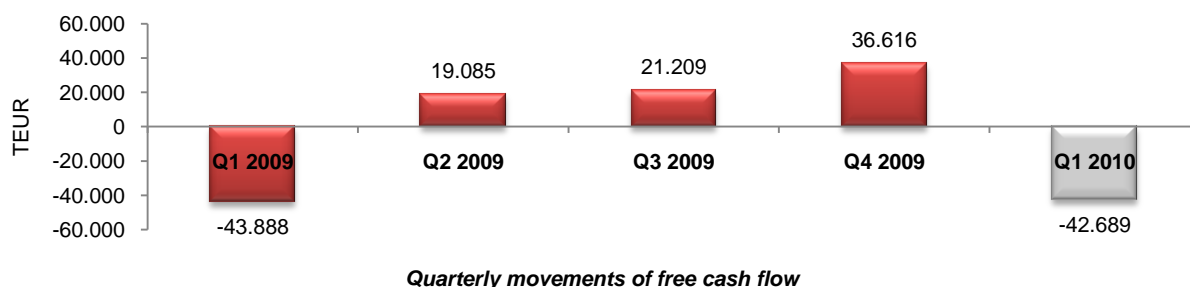
Based on the described circumstances of business operations, the Gorenje Group incurred an **operating profit (EBIT)** of **EUR 7.8 million** in the first quarter of this year, after generating an operating loss of EUR 7.0 million in the same period in 2009. The development of positive impacts is therefore the following:

- EUR 9.6 million of increase in the **profit margin** referring to costs of goods and materials resulting from higher volume of sales (increase of EUR 1.7 million) and increase in the profitability of sales (an increase by 2.7 percentage points, i.e. EUR 7.9 million),
- EUR 8.0 million of increase in the **service cost** segment (the effect of lower sales volume of medical equipment and the ecology and energy segment at the parent company),
- EUR 3.0 million of decrease in the **labour cost**,
- EUR 0.2 million of decrease in the segment of **other operating expenses/revenues**.



Financial performance

in EUR thousand	Q1 2010	Plan 2010	Q1 2009
Net profit or loss	517	10,086	-14,742
+ Amortisation /Depreciation	13,316	52,759	14,164
= Net cash flow	13,833	62,845	-578
- Capex	-4,653	-28,795	-7,209
- Investments in net current assets	-51,869	-9,573	-36,101
Changes in inventories	-19,441	7,407	13,337
Changes in trade receivables	-8,169	9,116	9,574
Changes in trade payables	-24,259	-26,096	-59,012
= Free cash flow	-42,689	24,477	-43,888

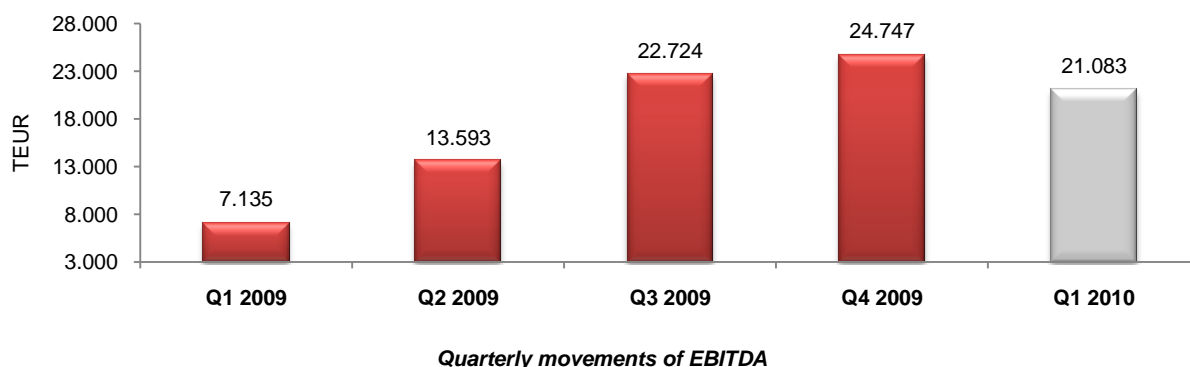


As for financial management, the Gorenje Group once again concentrated its endeavours mainly on activities hedging the risks associated with the financial crisis.

- As regards **financial risks**, the attention paid to effective management of **credit risks** has been concentrated due to the adverse macro-economic situation, i.e. by increased control over credit overdrafts granted by credit insurance companies and an intensified debt collection.
- Currency risks** to which the Gorenje Group is exposed are hedged and minimised by natural adjustment of cash flows in individual trading currencies, and derivatives are used as an upgrade of this type of hedging, mainly in the markets of Eastern and South-Eastern Europe.
- In the first quarter, the Group generated a negative free cash flow in the amount of EUR 42.7 million, resulting from the seasonal influence on movements in net operating current assets. Despite the negative cash flow, which is still within planned framework, the **short-term solvency risk** of the Group has been successfully managed by using the granted revolving credit lines. The unutilised part thereof amounted to EUR 103.7 million at the end of the first quarter.
- On 31st March 2010, total financial liabilities amounted to EUR 471.0 million or **EUR 18.8 million more than at the end of the previous year**, or EUR 44.8 million less than at the end of the same period last year.
- The activities for the restructuring of the maturity of financial liabilities planned in the second half of the previous year have been actively carried out in this year as well. Therefore, the structure of financial liabilities, despite their increase in the first quarter of 2010, was even more improved to the benefit of long-term liabilities, which at the end of the first quarter, thus represent 54.1 % of total financial obligations of the Gorenje Group. In order to reach the target **maturity structure of received financing sources** (60 percent of long-term and 40 percent of short-term financial liabilities) and to extend their average and final maturity, we have prepared, in cooperation with a member of the

World Bank Group, an appropriate basis for further restructuring of financing sources. The measures performed and planned in this area will significantly contribute to the stability and security of business operations of the Gorenje Group.

- Liquidity has been additionally improved by **appropriate and active relationships** with our bank partners. Hence all short-term credit lines in the Gorenje Group were successfully reprogrammed in this year and additional long-term and short-term loans were raised. A **liquidity reserve** comprising unused revolving lines and cash on the accounts of the Group's companies provided adequate short-term regulation of cash flows and reduced short-term liquidity risks.
- The majority of the **investments**, i.e. **EUR 3.5 million** corresponding to **15.8 percent of the total planned investments for the year**, was generated in the Home Appliances Division, the major portion in the amount of EUR 1.9 million thereof was utilised by the parent company for projects of the freezer appliance programme, heat pumps and solar power plants.
- Other investments primarily refer to the company Atag, in the amount of EUR 0.5 million (the major portion referring to development costs for new products).



Investments by divisions

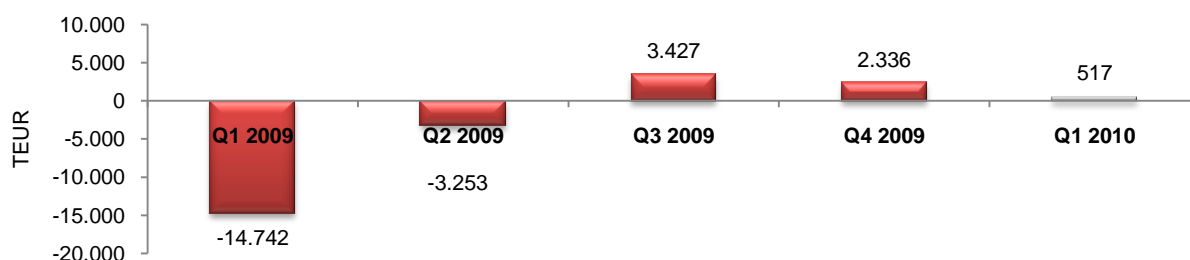
in EUR thousand	Q1 2010	Plan 2010	Q1 2009	Change %	Plan track
Home appliances division	3,461	21,924	5,802	-40.3%	15.8%
Home interior division	261	2,449	125	108.8%	10.7%
Ecology, energy and services division	931	4,422	1,282	-27.4%	21.1%
Total	4,653	28,795	7,209	-35.5%	16.2%

- The **Home Interior** Division has generated investments of **EUR 0.3 million**, thus achieving a **10.7 % percent of annual planned** values.
- The **Ecology, Energy and Services Division** recorded investments of **EUR 0.9 million**,

corresponding to **21.1 % of the annual plan**. The major portion of these investments was carried out in the company Publicus, d.o.o., for the project of installing the infrastructure for sorting and bio-stabilisation of waste.

Performance analysis

- In relation to the comparable period in the previous year, the **profitability of operations at the EBIT level** in the first quarter of the year was improved by EUR 14.8 million to the level of **EUR 7.8 million of profit**.
- **The surplus of financing expenses (costs)** over financing revenues in the amount of EUR 5.5 million decreased the first-quarter operating profit to the **total loss before tax** amounting to **EUR 2.3 million**.
- Compared to the same period of the previous year, the **negative financial result in the amount** of EUR 5.5 million generated in first quarter of this year resulted in a negative result from financial operations that was lower by EUR 0.9 million. On the income side, we increased revaluation revenue (EUR 0.8 million growth from exchange rate differences) and other financial revenues (EUR 1.2 million growth, predominantly from effects of forward agreements in the energy segment), and on the expense side, we decreased revaluation expenses (EUR 1.0 million from exchange rate differences), interest expenses (EUR 0.6 million) and increased other financial expenses (EUR 2.7 million, predominantly from the increased volume of value adjustments of receivables).
- Corporate **income tax** was recorded in the amount of EUR 1.7 million (EUR 1.3 million in the first quarter of 2009), thus decreasing the total operating **profit to EUR 0.5 million** of net profit for the year. Compared to the year 2009, the corporate income tax comprises the current tax in the amount of EUR 1.0 million (EUR 1.1 million last year) and the deferred tax amounting to EUR 0.7 million (EUR 0.2 million last year). Of the total value of the current tax, a significant share refers to the company Atag.



Quarterly movements in net profit/loss

Summary of business performance of Gorenje d.d.

in EUR thousand	Q1 2010	Plan 2010	Q1 2009	Change %	Plan track
Net sales	148,777	623,059	145,277	2.4%	23.9%
EBITDA	10,279	38,939	-47	/	26.4%
EBITDA Margin (%)	6.91%	6.25%	-0.03%	/	/
EBIT	2,853	10,866	-8,523	/	26.3%
EBIT Margin (%)	1.9%	1.7%	-5.9%	/	/
Total profit or loss	823	2,728	-11,758	/	30.2%
Net profit or loss	79	2,428	-11,995	/	3.3%
ROS (net return on sales)	0.1%	0.4%	-8.3%	/	/
ROA (net return on assets)	0.04%	0.32%	-5.62%	/	/
Net sales per employee	31.11	131.56	28.22	10.2%	23.6%
EBITDA per employee	2.15	8.22	-0.01	/	26.1%
EBIT per employee	0.60	2.29	-1.66	/	26.0%
Net profit or loss per employee	0.02	0.51	-2.33	/	3.2%
Employees / at the end of period	4,762	4,519	5,098	-6.6%	105.4%
Employees / average	4,783	4,736	5,148	-7.1%	101.0%
Capex	1,875	13,397	2,013	-6.9%	14.0%
Net current assets	87,914	91,672	117,778	-25.4%	95.9%
ROIC	1.6%	1.6%	-4.0%	/	/
D/E	0.93	0.83	1.25	-25.7%	111.5%
Net cash flow	7,505	30,501	-3,519	313.3%	24.6%
Free cash flow	-21,409	1,809	-36,518	-41.4%	-1.183.5%
Total financial liabilities	280,435	255,030	377,047	-25.6%	110.0%
Net financial liabilities	207,257	192,003	293,229	-29.3%	107.9%

- In comparison to the same period of the year 2009, the first-quarter sales **volume of sales** of the parent company in the **Home Appliances Division** segment **increased by 5.4 %** and the sales in other production segments other than those included in the Home Appliances Division **decreased by 20.2 %** (lower sales volume in the ecology and energy segment). The total increase of sales volume therefore amounted to **2.4 %**.
- Due to a **significant improvement of the profit margin (profitability)** referring to the costs of goods and materials resulting from the improvement of the sales structure from the market aspect enhancement of the sales share in South-Eastern and Eastern European markets) and from the product aspect (improvement of the structure for the benefit of higher

profitability of programmes and introduction of new products), the **Home Appliances Division** at the parent company generated, in the first quarter, **EUR 5.2 million of positive effects**, i.e. a profit margin improvement by **3.8 percentage points**. It is a **quality variance** representing an **increase** in the profit margin rate (the total growth of profit margin, resulting also from the increased sales volume, amounted to EUR 7.6 million).

- Due to a **significant improvement in the profit margin** in the sale of **products other than those included in the Home Appliances Division**, the company generated a EUR 1.3 million of qualitative profit (increased profit margin rate) in comparison to the first quarter of the last year, and the total of EUR

0.9 million (a decreased volume of sales of coal, which has low profitability).

- It follows from the above description that the parent company has, in the first quarter of this year, compared to the same period of the last year, **increased the profit margin by 18.6 %** (EUR 8.5 million), with a qualitative **improvement of margin by 4.9 percentage points** or **EUR 7.3 million**.
- We managed to lower **other costs of raw materials and materials** (-5.8 % or EUR 0.3 million), **costs of services** (-3.0 % or EUR 0.5 million) and **other operating expenses** (attained at the level of comparable level of the previous year) in total by 3.6 % or EUR 0.8 million, which means a positive trend of such costs compared to the dynamics of the trend in volume of business activities.
- Compared to the first quarter of the year 2009, **labour costs** are higher by 8.4 % or EUR 2.0 million; by taking into account the state subsidies for salaries, which were received in the first quarter of the year 2009 and accounted for under other operating revenue, they are **higher by 11.0 % or EUR 2.6 million**. In the compared periods of the years 2010 and 2009, the number of employees was lowered by 336 persons (to the number of 4,762 employees). The

reasons for the achieved increase of labour costs have been explained in the chapter on the operating business performance of the Gorenje Group.

From the aspect of effectiveness of labour costs, their share in the added value has decreased (improved productivity) from 97.1 % to 71.0 %.

- **Positive disproportionate increase** in the volume of all business activities (+2.4 % or EUR 3.5 million) considering the decrease of all operating expenses/costs (-5.1 % or EUR 7.9 million) has caused an increase of **EBIT by EUR 11.4 million** compared to the first quarter of the year 2009, resulting in a profit of EUR 2.8 million.
- Compared to 2009, the **financial result** has improved mostly in the segment of interests and revaluation (exchange rate differences; **the total result is positive, in the amount of EUR 1.2 million**, and with EUR 2.0 million of negative balance, it decreases the total profit before tax to EUR 0.8 million.
- Considering the deferred tax liabilities in the amount of EUR 0.7 million, **net operating profit** is recorded at **EUR 0.1 million**.

Ownership and GRVG Share

- There are no provisions in the Articles of Incorporation of Gorenje, d.d., that would invalidate the proportionality of rights arising from share ownership, such as the rights of minority shareholders or restrictions of voting rights.
- As of 31 March 2010 the number of recorded shareholders amounted to 21,397 which is a decrease of 1% when compared to 31 December 2009 (21,623).

Ten major shareholders as of 31 March 2010	No. of shares	%
KAPITALSKA DRUŽBA, D.D.	3,534,615	25.1933
HOME PRODUCTS EUROPE B.V.	1,070,000	7.6265
INGOR, d.o.o., & co. k.d.	794,473	5.6627
KD GALILEO, FLEKSIBILNA STRUKTURA NALOŽB	564,984	4.0270
RAIFFEISEN ZENTRALBANK AG - FIDUCIARNI RAČUN	470,566	3.3540
PROBANKA, d.d.	412,276	2.9385
EECF AG	411,727	2.9346
KD ID, delniška ID, d.d.	333,957	2.3803
TRIGLAV VZAJEMNI SKLADI - DELNIŠKI TRIGLAV	322,090	2.2957
KD RASTKO, DELNIŠKI	232,593	1.6578
TOTAL TEN MAJOR SHAREHOLDERS:	8,147,281	58.0704
OTHER SHAREHOLDERS:	5,882,719	41.9296
TOTAL:	14,030,000	100

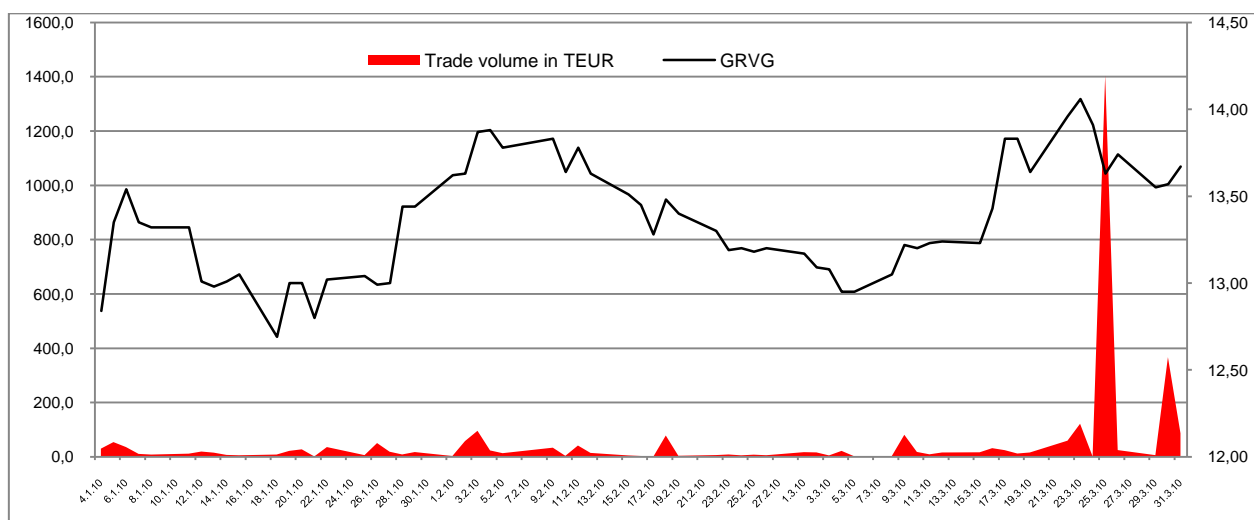
- The number of own shares is as of 31 March 2010 unchanged compared to the year end 2009, namely 121,311 **own shares**, which accounts for 0.8647 % in share capital.
- No. of shares owned by the members of the supervisory and the management boards has not been changed, as of 31 December 2009.
- A uniform price of a GRVG share amounted to EUR 13.67 on 31 March 2010 and was higher by 10.2% when compared to the last trading day in the year

2009 (EUR 12.41); The LJSEX stock exchange index decreased by 3.7% in the same period.

- **EPS** calculated as the ratio between the net profit (12-months level) and the number of shares issued minus the average number of own shares (13,908,689), amounted to EUR 0.02 (EUR -0.44 in 2009).
- **The book value of a share** is calculated as the ratio between the total company equity at 31 March 2010, and the number of shares issued minus the number of

own shares (13,908,689) as 31 March 2010 amounted to EUR 21.69 (EUR 21.87 at 31 December 2009).

- **Market to book value ratio** is 0.63 (0.57 at 31 December 2009).
- **Dividend policy** of the Gorenje Group for the period 2010-2013 is defining, that up to one third of Gorenje Group net income (profit) for each year will be allocated for dividend payment.



Movement of the uniform price of the GRVG share and daily turnover in the period January – March 2010

Major events following the statement of financial position date

- With a contract dated 1st April 2010, the company ISTRABENZ GORENJE ENERGETSKI SISTEMI, energetske storitve, d.o.o., sold its entire share, which represented 50 % participation in the share capital of the company ISTRABENZ GORENJE PROJEKT, svetovanje, projektiranje, inženiring, d.o.o., to the latter which changed its name to IG PROJEKT, inženiring, gradnja d.o.o., and is therefore, from 1st April onwards, no longer a partner in the said company.
- On 26th April 2010, the Management Board of Gorenje, d.d., convened the 14th General Meeting of Shareholders which will be held on Friday, 28th May 2010.
- On 3rd May 2010, the Management Board of Gorenje, d.d., received a notice from IFC stating that their credit committee approved an investment in equity and debt capital of Gorenje, however, the final approval of the investment must be given by their Management Board at its meeting on 20th May 2010. IFC expressed satisfaction that the Supervisory Board of Gorenje, d. d., approved, at its meeting held on 16th April 2010, a capital increase by issuing 2,252,252 new shares with the total value of just less than EUR 30 million, which would be subscribed and paid by IFC. In order to carry out the planned two phases of capital increase within the stipulated timeframe and scope, IFC proposes to participate in the first part of the share capital increase by paying EUR 25 million, and in the second part with the remaining EUR 5 million. Both subscriptions must be finally confirmed by the IFC Management Board.

There were no other major events following the statement of financial position date on the 31st of March 2010.

Important business events

- On 5th April 2010, Gorenje entered its sixtieth year of operation.
- At the Milan Design Week, Gorenje made the premiere presentation of the new Gorenje Ora-Īto Carbon collection, which is currently still a prototype, but designed to be the successor to the two successful collections Gorenje Ora-Īto in black and white colour.
- On 21st April 2010, an Agreement for cooperation in the joint project "The lakes of the Šaleška dolina valley - water source and development challenge of the Valley" was signed by the Mayor of the Municipality of Velenje, Mr Srečko Meh, the Mayor of the Municipality of Šoštanj, Mr Darko Menih, the Director of the Šoštanj Thermal Power Plant, dr. Uroš Rotnik and the Director of Velenje Coal Mine, dr. Milan Medved. The project will be carried out by a subsidiary company of the Gorenje Group, the Environmental Research and Industrial Co-operation Institute, ERICo Velenje.
- The company Gorenje Notranja oprema, which manufactures and sells kitchens under the brand names Gorenje and Marles, participated at Gorenje Trade Show @ Home Interior, making a premiere presentation of completely redesigned kitchens of both brand lines, which will be available to customers in June this year.

Business outlook for 2010

In the first quarter of this year, the Gorenje Group achieved in its business operations a significant degree of expected operational ranges and performance, so by the end of the financial year, we can expect to reach the goals planned for the year 2010.

ACCOUNTING REPORT

Applied accounting principles and important notes to financial statements

- The non-audited consolidated financial statements of the Gorenje Group for the period January – March 2010 have been prepared in accordance with the provisions of the Corporations Act and the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), and the interpretations of the International Financial Reports Interpretation Committee (IFRIC) as adopted by the European Union.
- The non-audited financial statements of Gorenje, d.d., for the period January – March 2010 have been prepared in accordance with the provisions of the Corporations Act and the IFRS. The transition to IFRS was approved by the AGM of Gorenje, d.d., at its 9th Meeting held on 29 June 2006.
- In compliance with the accounting principles, Gorenje, d.d., is not subject to segment reporting as the latter is included in consolidated financial statements of the Gorenje Group.
- Comparative information has been mainly harmonised with the presentation of information in the current year. Where required, adjustment of comparative data was carried out in order to comply with the presentation of information in the current year.

Gorenje Group has been from the period January – March 2010 consists of the main company Gorenje, d.d., and 67 subsidiaries, operating in Slovenia and abroad and 22 Joint Venture companies.

Changes of the Gorenje Group structure

The changes of the Gorenje Group structure till the 31 March 2010 were as follows:

- At the end of January the company EKOGOR družba za predelavo in obdelavo odpadkov, d.o.o., Jesenice in Slovenia has been established. The company is in the 51% stake of the company Publicus, d.o.o., Ljubljana, Slovenia.

In addition to the main company, the Gorenje Group was comprised of the following subsidiary and jointly controlled companies:

Companies operating in Slovenia		Ownership share (%)	Division
1.	Gorenje I.P.C., d.o.o., Velenje	100.00	HA
2.	Gorenje Tiki, d.o.o., Ljubljana	99.982	HA
3.	Gorenje GTI, d.o.o., Velenje	100.00	EES
4.	Gorenje Notranja oprema, d.o.o., Velenje	99.98	HI
5.	Gorenje Gostinstvo, d.o.o., Velenje	100.00	EES
6.	ENERGYGOR, d.o.o., Velenje	100.00	EES
7.	KEMIS, d.o.o., Vrhnika	100.00	EES
8.	Gorenje Orodjarna, d.o.o., Velenje	100.00	HA
9.	ZEOS, d.o.o., Ljubljana	51.00	EES
10.	ISTRABENZ GORENJE, d.o.o., Nova Gorica	49.344	EES
11.	GEN-I, d.o.o., Krško	24.67	EES
12.	Istrabenz investicijski inženiring, d.o.o., Nova Gorica	49.344	EES
13.	SUROVINA, d.d., Maribor	78.29	EES
14.	Indop, d.o.o., Šoštanj	100.00	EES
15.	ERICo, d.o.o., Velenje	51.00	EES
16.	Istrabenz Gorenje inženiring, d.o.o., Ljubljana	49.344	EES
17.	Gorenje Projekt, d.o.o., Ljubljana	100.00	EES
18.	Gorenje design studio, d.o.o., Velenje	52.00	HA
19.	Vitales Nova Gorica, d.o.o., Nova Gorica	49.344	EES
20.	PUBLICUS, d.o.o., Ljubljana	51.00	EES
21.	IG AP, d.o.o., Kisovec	49.344	EES
22.	Istrabenz Gorenje Projekt, d.o.o., Trbovlje	24.67	EES
23.	EKOGOR, d.o.o., Jesenice	26.00	EES

Companies operating abroad		Ownership share (%)	Division
24.	Gorenje Beteiligungsgesellschaft m.b.H., Austria	100.00	HA
25.	Gorenje Austria Handelsgesellschaft m.b.H., Austria	100.00	HA
26.	Gorenje Vertriebsgesellschaft m.b.H., Germany	100.00	HA
27.	Gorenje Kórting Italia S.r.l., Italy	100.00	HA
28.	Gorenje France S.A.S., France	100.00	HA
29.	Gorenje BELUX S.a.r.l., Belgium	100.00	HA
30.	Gorenje Espana, S.L., Spain	100.00	HA
31.	Gorenje UK Ltd., Great Britain	100.00	HA
32.	Gorenje Skandinavien A/S, Denmark	100.00	HA
33.	Gorenje AB, Sweden	100.00	HA
34.	Gorenje OY, Finland	100.00	HA
35.	Gorenje AS, Norway	100.00	HA
36.	Gorenje spol. s r.o., Czech Republic	100.00	HA
37.	Gorenje real spol. s r.o., Czech Republic	100.00	HA
38.	Gorenje Slovakia s.r.o., Slovakia	100.00	HA
39.	Gorenje Budapest Kft., Hungary	100.00	HA
40.	Gorenje Polska Sp. z o.o., Poland	100.00	HA
41.	Gorenje Bulgaria EOOD, Bulgaria	100.00	HA
42.	Gorenje Zagreb, d.o.o., Croatia	100.00	HA
43.	Gorenje Skopje, d.o.o., Macedonia	100.00	HA
44.	Gorenje Commerce, d.o.o., Bosnia and Herzegovina	100.00	HA
45.	Gorenje, d.o.o., Serbia	100.00	HA
46.	Gorenje Podgorica, d.o.o., Montenegro	99.972	HA
47.	Gorenje Romania S.R.L., Romania	100.00	HA
48.	Gorenje aparati za domaćinstvo, d.o.o., Serbia	100.00	HA
49.	Mora Moravia s r.o., Czech Republic	100.00	HA
50.	Gorenje - kuchyně spol. s r.o., Czech Republic	99.98	HI
51.	Kemis-Termoclean, d.o.o., Croatia	100.00	EES
52.	Kemis - BH, d.o.o., Bosnia and Herzegovina	100.00	EES
53.	Gorenje Invest, d.o.o., Serbia	100.00	HA
54.	Gorenje Gulf FZE, United Arab Emirates	100.00	HA
55.	Gorenje Tiki, d.o.o., Serbia	99.982	HA
56.	GEN-I Zagreb, d.o.o., Croatia	24.67	EES
57.	Intrade energija, d.o.o., Bosnia and Herzegovina	25.17	EES
58.	Vitales, d.o.o., Nova Bila, Bosnia and Herzegovina	49.344	EES
59.	Gorenje Istanbul Ltd., Turkey	100.00	HA
60.	Sirovina d.o.o., Bačka Palanka u likvidaciji, Serbia	51.00	EES
61.	Gorenje TOV, Ukraine	100.00	HA
62.	Vitales, d.o.o., Bihać, Bosnia and Herzegovina	49.344	EES
63.	GEN-I, d.o.o., Serbia	24.67	EES
64.	Vitales, d.o.o., Sokolac, Bosnia and Herzegovina	24.67	EES
65.	ST Bana Nekretnine, d.o.o., Serbia	100.00	EES
66.	GEN-I Budapest, Kft., Hungary	24.67	EES
67.	Kemis d.o.o. Valjevo, Serbia	100.00	EES
68.	Kemis – SRS d.o.o., Bosnia and Herzegovina	100.00	EES

69.	ATAG Europe BV, the Netherlands	100.00	HA
70.	ATAG Nederland BV, the Netherlands	100.00	HA
71.	ATAG België NV, Belgium	100.00	HA
72.	ATAG Financiele Diensten BV, the Netherlands	100.00	HA
73.	ATAG Financial Solutions BV, the Netherlands	100.00	HA
74.	Intell Properties BV, the Netherlands	100.00	HA
75.	ATAG Special Product BV, the Netherlands	100.00	HA
76.	Gorenje Nederland B.V., the Netherlands	100.00	HA
77.	Gorenje Kazakhstan, TOO, Kazakhstan	100.00	HA
78.	Gorenje kuhinje, d.o.o., Ukraine	69.986	HI
79.	Vitales Energie Biomasse S.R.L., Italy	25.17	EES
80.	Vitales Čakovec d.o.o., Croatia	49.344	EES
81.	: »Euro Lumi & Surovina« SH.P.K., Kosovo	26.01	EES
82.	GEN-I d.o.o., Sarajevo, Bosnia and Herzegovina	24.67	EES
83.	GEN-I DOOEL Skopje, Macedonia	24.67	EES
84.	GEN-I Athens, Greece	24.67	EES
85.	GEN-I Tirana, Albania	24.67	EES
86.	OOO Gorenje BT, Russia	100.00	HA
87.	Vitales inženjering, d.o.o., Prijedor, Bosnia and Herzegovina	24.67	EES
88.	GEN-I Bucharest, Romania	24.67	EES
89.	Gorenje GTI, d.o.o., Serbia	100.00	EES

HA - home appliances

HI - home interior

EES - ecology, energy and services

Representatives offices of Gorenje, d.d. abroad:

- Moscow (Russian Federation),
- Krasnoyarsk (Russian Federation),
- Kiev (Ukraine),
- Athens (Greece),
- Shanghai (China), and
- Almaty (Kazakhstan).

Non-audited consolidated financial statements of the Gorenje Group

Consolidated statement of financial position of the Gorenje Group

in EUR thousand	31 Mar 2010	%	31 Mar 2009	%	31 Dec 2009	%
ASSETS	1,174,848	100.0%	1,201,751	100.0%	1,178,677	100.0%
Non-current assets	565,530	48.1%	592,987	49.3%	574,307	48.7%
Intangible assets	160,523	13.6%	161,881	13.5%	161,560	13.7%
Property, plant and equipment	375,797	32.0%	399,185	33.2%	382,801	32.5%
Investment property	7,848	0.7%	9,742	0.8%	7,802	0.7%
Investments in subsidiaries	6,495	0.5%	12,622	1.0%	6,614	0.5%
Other non-current investments	14,867	1.3%	9,557	0.8%	15,530	1.3%
Deferred tax assets	609,318	51.9%	608,764	50.7%	604,370	51.3%
Current assets	1,099	0.1%	954	0.1%	1,137	0.1%
Inventories	237,422	20.2%	239,667	19.9%	217,981	18.5%
Current investments	53,999	4.6%	61,974	5.2%	68,218	5.8%
Trade receivables	259,909	22.1%	252,443	21.0%	251,740	21.4%
Other current assets	38,864	3.3%	44,127	3.7%	38,164	3.2%
Cash and cash equivalents	18,025	1.6%	9,599	0.8%	27,130	2.3%
EQUITY AND LIABILITIES	1,174,848	100.0%	1,201,751	100.0%	1,178,677	100.0%
Equity	365,546	31.1%	376,241	31.3%	369,644	31.4%
Share capital	58,546	5.0%	58,546	4.9%	58,546	5.0%
Capital surplus (share premium)	158,487	13.5%	158,487	13.2%	158,487	13.5%
Legal and statutory reserves	21,697	1.8%	21,697	1.8%	21,697	1.8%
Retained earnings	98,202	8.4%	96,131	8.0%	97,788	8.3%
Own shares	-3,170	-0.3%	-3,170	-0.3%	-3,170	-0.3%
Translation reserve	15,432	1.3%	15,822	1.3%	17,405	1.5%
Fair value reserve	10,168	0.9%	16,145	1.4%	12,822	1.1%
Equity attributable to equity holders of the parent	359,362	30.6%	363,658	30.3%	363,575	30.9%
Minority interest	6,184	0.5%	12,583	1.0%	6,069	0.5%
Non-current liabilities	326,118	27.8%	296,117	24.6%	311,313	26.4%
Provisions	64,801	5.5%	55,003	4.6%	62,158	5.3%
Provisions from government grant	1,195	0.1%	8,761	0.7%	1,211	0.1%
Deferred tax liabilities	5,269	0.5%	6,162	0.5%	5,585	0.5%
Non-current borrowings	254,853	21.7%	226,191	18.8%	242,359	20.5%
Current liabilities	483,184	41.1%	529,393	44.1%	497,720	42.2%
Current borrowings	216,186	18.4%	289,634	24.1%	209,883	17.8%
Trade payables	172,037	14.6%	164,648	13.7%	196,296	16.6%
Other liabilities	94,961	8.1%	75,111	6.3%	91,541	7.8%

Consolidated income statement of the Gorenje Group

in EUR thousand	Q1 2010	%	Plan 2010	%	Q1 2009	%	Change %	Plan track
Revenue	290,951	93.0%	1,244,037	99.5%	286,613	101.0%	1.5%	23.4%
Changes in inventories	18,008	5.7%	-9,211	-0.7%	-7,108	-2.5%	353.3%	-195.5%
Other operating income	3,987	1.3%	14,454	1.2%	4,181	1.5%	-4.6%	27.6%
Gross revenue	312,946	100.0%	1,249,280	100.0%	283,686	100.0%	10.3%	25.1%
Cost of goods, materials and services	-232,980	-74.4%	-908,807	-72.8%	-221,076	-77.9%	5.4%	25.6%
Other operating expenses	-3,690	-1.2%	-14,903	-1.2%	-3,302	-1.2%	11.8%	24.8%
ADDED VALUE	76,276	24.4%	325,570	26.0%	59,308	20.9%	28.6%	23.4%
Employee benefits expense	-55,193	-17.6%	-227,806	-18.2%	-52,173	-18.4%	5.8%	24.2%
EBITDA	21,083	6.8%	97,764	7.8%	7,135	2.5%	195.5%	21.6%
Amortisation and depreciation expense	-13,316	-4.3%	-52,759	-4.2%	-14,164	-5.0%	-6.0%	25.2%
EBIT	7,767	2.5%	45,005	3.6%	-7,029	-2.5%	210.5%	17.3%
Finance income	4,263	1.3%	6,514	0.5%	2,352	0.9%	81.3%	65.4%
Finance expenses	-9,768	-3.1%	-35,717	-2.8%	-8,726	-3.1%	11.9%	27.3%
Profit before tax	2,262	0.7%	15,802	1.3%	-13,403	-4.7%	116.9%	14.3%
Income tax expense	-1,745	-0.5%	-5,716	-0.5%	-1,339	-0.5%	30.3%	30.5%
Profit for the period	517	0.2%	10,086	0.8%	-14,742	-5.2%	103.5%	5.1%
Attributable to minority interest	103	0.0%	302	0.0%	-549	-0.2%	118.8%	34.1%
Attributable to equity holders of the parent	414	0.2%	9,784	0.8%	-14,193	-5.0%	102.9%	4.2%
Basic and diluted earnings per share (in EUR)	0.12		0.70		-4.08		102.9%	17.1%

Statement of comprehensive income of Gorenje Group

in EUR thousand	Q1 2010	Q1 2009
Net profit for the period	517	-14,742
Other comprehensive income		
Change in fair value of lands		
Net change in fair value of available-for-sales financial instruments	-82	-163
Net change in fair value of available-for-sales financial instruments, transferred in profit		
Effective portion of changes in profit/loss on cash flow hedge	-3,201	1,454
Effective portion of changes in profit/loss on cash flow hedge, transferred in profit		-483
Income tax on other comprehensive income	629	129
Translation reserve	-1,973	-4,365
Other comprehensive profit for the period	-4,627	-3,428
Total comprehensive profit for the period	-4,110	-18,170
Attributable to equity holders of the parent	-4,213	-17,621
Attributable to minority interest	103	-549

Consolidated cash flow statement of the Gorenje Group

in EUR thousand	Q1 2010	Q1 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	517	-14,742
Adjustments for:		
Depreciation of property, plant and equipment	11,578	12,530
Amortisation of intangible assets	1,738	1,634
Investment income	-4,263	-2,352
Finance expenses	9,768	8,726
Gain on sale of property, plant and equipment	-152	-148
Revenues from sales of PPE	1,745	1,339
Outcome tax expense	20,931	6,987
Operating profit before changes in net operating current assets and provisions	-12,775	13,312
Change in trade and other receivables	-19,441	13,337
Change in inventories	2,627	-538
Change in provisions	-20,839	-65,192
Change in trade and other liabilities	-50,428	-39,081
Cash generated from operations	-5,060	-5,310
Interest paid	-1,745	-1,339
Income taxes paid	-36,302	-38,743
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	167	177
Proceeds from sale of investments	1,140	0
Interest received	683	797
Dividends received	8	0
Acquisition of property, plant and equipment	-3,908	-6,548
Other investments	11,055	2,432
Acquisition of intangible assets	-745	-661
Net cash used in investing activities	8,400	-3,803
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings / Repayment of borrowings	18,797	28,030
Net cash used in financing activities	18,797	28,030
CASH AND CASH EQUIVALENTS		
Net increase/decrease in cash and cash equivalents	-9,105	-14,516
Cash and cash equivalents at beginning of period	27,130	24,115
Cash and cash equivalents at end of period	18,025	9,599

Consolidated statement of changes in equity of the Gorenje Group

in EUR thousand	Share capital	Capital surplus (share premium)	Legal and statutory reserves	Retained earnings	Own shares	Translation reserve	Fair value reserve	Equity attributable to equity holders of the parent	Minority interest	Total
Opening balance at 1 Jan 2010	58,546	158,487	21,697	97,788	-3,170	17,405	12,822	363,575	6,069	369,644
Total comprehensive income for the period								0		0
Net profit or loss for the period				414				414	103	517
Total other comprehensive income						-1,973	-2,654	-4,627		-4,627
Total comprehensive income for the period	0	0	0	414	0	-1,973	-2,654	-4,213	103	-4,110
Transactions with owners (when acting as owners) recognised directly in equity								0		0
Contributions by owners and distributions to owners								0		0
Payment of dividends								0	0	0
Total contributions by owners and distributions to owners	0	0	0	0	0	0	0			0
Changes in ownership interests in subsidiaries that do not result in a loss of control										
Acquisition of non-controlling interests									12	12
Total changes in ownership interests in subsidiaries	0	0	0	0	0	0	0	0	12	12
Total transactions with owners	0	0	0	0	0	0	0	0	12	12
Closing balance at 31 Mar 2010	58,546	158,487	21,697	98,202	-3,170	15,432	10,168	359,362	6,184	365,546

in EUR thousand	Share capital	Capital surplus (share premium)	Legal and statutory reserves	Retained earnings	Own shares	Translation reserve	Fair value reserve	Equity attributable to equity holders of the parent	Minority interest	Total
Opening balance at 1 Jan 2009	58,546	158,487	21,697	110,324	-3,170	20,308	15,087	381,279	13,243	394,522
Total comprehensive income for the period								0		0
Net profit or loss for the period				-14,193				-14,193	-549	-14,742
Total other comprehensive income						-4,365	937	-3,428		-3,428
Total comprehensive income for the period	0	0	0	-14,193	0	-4,365	937	-17,621	-549	-18,170
Transactions with owners (when acting as owners) recognised directly in equity								0		0
Contributions by owners and distributions to owners								0		0
Payment of dividends								0	0	0
Total contributions by owners and distributions to owners	0	0	0	0	0	0	0	0		0
Changes in ownership interests in subsidiaries that do not result in a loss of control									-111	-111
Acquisition of non-controlling interests								0		0
Total changes in ownership interests in subsidiaries	0	0	0	0	0	0	0	0	-111	-111
Total transactions with owners	0	0	0	0	0	0	0	0	-111	-111
Closing balance at 31 Mar 2009	58,546	158,487	21,697	96,131	-3,170	15,943	16,024	363,658	12,583	376,241

Business and geographical segments of Gorenje Group

in EUR thousand	Home appliances		Home interior		Ecology, Energy and Services		Group	
	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009
Revenue from the sale to third parties	214,877	219,721	8,148	10,008	67,926	56,884	290,951	286,613
Inter-segment revenue	879	2,254	2,702	4,159	1,507	2,217	5,088	8,630
Interest income	762	881	7	26	104	90	873	997
Interest expenses	4,830	5,528	25	19	415	353	5,270	5,900
Amortisation and depreciation expense	-11,484	-12,412	-458	-539	-1,374	-1,213	-13,316	-14,164
Operating profit or loss	8,096	-5,526	-1,793	-1,580	1,464	77	7,767	-7,029
Income tax							-1,745	-1,339
Net profit or loss for the period							517	-14,742

in EUR thousand	West		East		Rest of the World		Group	
	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009
Revenue from the sale to third parties	107,213	111,580	171,981	163,578	11,757	11,455	290,951	286,613

Non-audited unconsolidated financial statements of Gorenje, d.d.

Statement of financial position of Gorenje, d.d.

in EUR thousand	31 Mar 2010	%	31 Mar 2009	%	31 Dec 2009	%
ASSETS	766,412	100.0%	833,984	100.0%	775,820	100.0%
Non-current assets	430,886	56.2%	482,159	57.8%	436,865	56.3%
Intangible assets	15,385	2.0%	16,748	2.0%	15,999	2.1%
Property, plant and equipment	167,271	21.8%	189,753	22.8%	172,267	22.2%
Investment property	4,462	0.6%	4,462	0.5%	4,462	0.5%
Investments in subsidiaries	232,375	30.3%	258,830	31.0%	232,375	30.0%
Other non-current investments	1,607	0.2%	7,332	0.9%	1,773	0.2%
Deferred tax assets	9,786	1.3%	5,034	0.6%	9,989	1.3%
Current assets	335,526	43.8%	351,825	42.2%	338,955	43.7%
Inventories	87,772	11.5%	95,386	11.4%	75,215	9.7%
Current investments	73,042	9.5%	83,651	10.0%	87,684	11.3%
Trade receivables	161,801	21.1%	158,336	19.0%	165,181	21.3%
Other current assets	12,775	1.6%	14,285	1.7%	10,789	1.3%
Cash and cash equivalents	136	0.1%	167	0.1%	86	0.1%
EQUITY AND LIABILITIES	766,412	100.0%	833,984	100.0%	775,820	100.0%
Equity	301,621	39.4%	301,507	36.1%	304,196	39.2%
Share capital	58,546	7.6%	58,546	7.0%	58,546	7.5%
Share premium	140,624	18.3%	140,624	16.9%	140,624	18.1%
Legal reserves and statutory reserves	21,697	2.8%	21,697	2.6%	21,697	2.8%
Retained earnings	88,054	11.6%	82,064	9.8%	87,975	11.4%
Own shares	-3,170	-0.4%	-3,170	-0.4%	-3,170	-0.4%
Fair value reserve	-4,130	-0.5%	1,746	0.2%	-1,476	-0.2%
Non-current liabilities	185,534	24.2%	218,199	26.2%	171,783	22.2%
Provisions	26,961	3.5%	23,940	2.9%	26,113	3.4%
Deferred tax liabilities	1,393	0.2%	1,958	0.2%	1,480	0.2%
Non-current financial liabilities	157,180	20.5%	192,301	23.1%	144,190	18.6%
Current liabilities	279,257	36.4%	314,278	37.7%	299,841	38.6%
Current financial liabilities	123,255	16.1%	184,746	22.2%	136,792	17.6%
Trade payables	126,056	16.4%	105,153	12.6%	143,918	18.6%
Other current liabilities	29,946	3.9%	24,379	2.9%	19,131	2.4%

Income statement of Gorenje, d.d.

in EUR thousand	Q1 2010	%	Plan 2010	%	Q1 2009	%	Change %	Plan track
Revenue	148,777	94.9%	623,059	99.0%	145,277	101.6%	2.4%	23.9%
Changes in inventories	6,396	4.1%	0	0.0%	-4,528	-3.2%	241.3%	
Other operating income	1,607	1.0%	6,327	1.0%	2,173	1.6%	-26.0%	25.4%
Gross revenue	156,780	100.0%	629,386	100.0%	142,922	100.0%	9.7%	24.9%
Cost of goods, materials and services	-120,445	-76.8%	-483,093	-76.8%	-118,814	-83.1%	1.4%	24.9%
Other operating expenses	-641	-0.4%	-3,279	-0.5%	-705	-0.5%	-9.1%	19.5%
ADDED VALUE	35,694	22.8%	143,014	22.7%	23,403	16.4%	52.5%	25.0%
Employee benefits expense	-25,415	-16.2%	-104,075	-16.5%	-23,450	-16.4%	8.4%	24.4%
EBITDA	10,279	6.6%	38,939	6.2%	-47	0.0%		26.4%
Amortisation and depreciation expense	-7,426	-4.7%	-28,073	-4.5%	-8,476	-5.9%	-12.4%	26.5%
EBIT	2,853	1.9%	10,866	1.7%	-8,523	-5.9%	133.5%	26.3%
Finance income	1,861	1.2%	11,400	1.8%	2,476	1.7%	-24.8%	16.3%
Finance expenses	-3,891	-2.5%	-19,538	-3.1%	-5,711	-4.0%	-31.9%	19.9%
Profit before tax	823	0.6%	2,728	0.4%	-11,758	-8.2%	107.0%	30.2%
Income tax expense	-744	-0.5%	-300	0.0%	-237	-0.2%	213.9%	248.0%
Profit for the period	79	0.1%	2,428	0.4%	-11,995	-8.4%	100.7%	3.3%
Basic and diluted earnings per share (in EUR)	0.02		0.17		-3.45		100.7%	11.8%

Statement of comprehensive income of Gorenje, d.d.

in EUR thousand	Q1 2010	Q1 2009
Net profit or loss for the period	79	-11,995
Other comprehensive income		
Net change in fair value of available-for-sale financial assets	-82	-163
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge	-3,201	1,453
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge, transferred to profit or loss	0	-483
Income tax on other comprehensive income	629	129
Other comprehensive income for the period	-2,654	936
Total comprehensive income for the period	-2,575	-11,059

Cash flow statement of Gorenje, d.d.

in EUR thousand	Q1 2010	Q1 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	79	-11,995
Adjustments for:		
Depreciation of property, plant and equipment	6,597	7,631
Amortisation of intangible assets	829	845
Investment income	-1,861	-2,476
Finance expenses	3,891	5,711
Gain on sale of property, plant and equipment	-14	-63
Income tax expense	744	237
Operating profit before changes in net operating current assets and provisions	10,265	-110
Change in trade and other receivables	254	19,624
Change in inventories	-12,557	10,562
Change in provisions	848	-247
Change in trade and other liabilities	-7,047	-46,577
Cash generated from operations	-18,502	-16,638
Interest paid	-2,248	-3,510
Income taxes paid	0	-385
Net cash from operating activities	-10,485	-20,643
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	508	85
Dividends received	4	
Disposal of available-for-sale investments	1,140	0
Interest received	766	694
Acquisition of property, plant and equipment	-1,657	-1,869
Other investments	13,816	2,075
Acquisition of intangible assets	-218	-144
Net cash used in investing activities	14,359	841
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings / Repayment of borrowings	-3,824	19,895
Net cash used in financing activities	-3,824	19,895
CASH AND CASH EQUIVALENTS		
Net increase in cash and cash equivalents	50	93
Cash and cash equivalents at beginning of period	86	74
Cash and cash equivalents at end of period	136	167

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

in EUR thousand	Share capital	Share premium	Legal and statutory reserves	Retained earnings	Own shares	Fair value reserve	Total
Opening balance at 1 Jan 2010	58,546	140,624	21,697	87,975	-3,170	-1,476	304,196
Total comprehensive income for the period							0
Net profit or loss for the period				79			79
Total other comprehensive income						-2,654	-2,654
Total comprehensive income for the period	0	0	0	79	0	-2,654	-2,575
Transactions with owners (when acting as owners) recognised directly in equity							0
Contributions by owners and distributions to owners							0
Payment of dividends							0
Total contributions by owners and distributions to owners	0	0	0	0	0	0	0
Total transactions with owners	0	0	0	0	0	0	0
Closing balance at 31 Mar 2010	58,546	140,624	21,697	88,054	-3,170	-4,130	301,621

in EUR thousand	Share capital	Share premium	Legal and statutory reserves	Retained earnings	Own shares	Fair value reserve	Total
Opening balance at 1 Jan 2009	58,546	140,624	21,697	94,059	-3,170	810	312,566
Total comprehensive income for the period							0
Net profit or loss for the period				-11,995			-11,995
Total other comprehensive income						936	936
Total comprehensive income for the period	0	0	0	-11,995	0	936	-11,059
Transactions with owners (when acting as owners) recognised directly in equity							0
Contributions by owners and distributions to owners							0
Payment of dividends							0
Total contributions by owners and distributions to owners	0	0	0	0	0	0	0
Total transactions with owners	0	0	0	0	0	0	0
Closing balance at 31 Mar 2009	58,546	140,624	21,697	82,064	-3,170	1,746	301,507

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