
**Unaudited
Consolidated
Financial Statements**

January – December 2014

Gorenje Group and the parent company Gorenje, d. d., prepared pursuant to International Financial Reporting Standards – IFRSs

Management Board of Gorenje, d. d.
Velenje, March 2015

Table of Contents

<u>PERFORMANCE HIGHLIGHTS OF THE GORENJE GROUP</u>	3
<u>MANAGEMENT REPORT</u>	6
Operating Performance of the Gorenje Group	6
Financial Performance of the Gorenje Group	12
Summary of the Operating Performance of Gorenje, d.d.	16
Ownership Structure and GRVG Shares	17
Significant Events after the Balance Sheet Date	20
Significant Business Events in 2014	20
<u>ACCOUNTING REPORT</u>	24
Fundamental Accounting Policies and Significant Notes to the Financial Statements	24
Changes in the Composition of the Gorenje Group	24
Unaudited Consolidated Financial Statements of the Gorenje Group	28
Consolidated Balance Sheet of the Gorenje Group	28
Consolidated Income Statement of the Gorenje Group	29
Consolidated Statement of Comprehensive Income of the Gorenje Group	30
Consolidated Statement of Cash Flows of the Gorenje Group	31
Consolidated Statement of Changes in Equity of the Gorenje Group	32
Unaudited Financial Statements of Gorenje, d.d.	34
Balance Sheet of Gorenje, d.d.	34
Income Statement of Gorenje, d.d.	35
Statement of Comprehensive Income of Gorenje, d.d.	36
Statement of Cash Flows of Gorenje, d.d.	37
Statement of Changes in Equity of Gorenje, d.d.	38
Information Regarding the Report and its Public Announcement	40

Performance Highlights of the Gorenje Group

CORE FINANCIAL INDICATORS FOR 2014

- The Group generated revenue in the amount of EUR 1,245.6m indicating a growth of 0.4% over the period of 2013. Both the Business Segment Home and the Business Segment Portfolio Investments recorded a growth in revenue.
- Revenue generated through the Home segment's core activity amounted to EUR 1,065.9m (0.1% more if compared to previous year's figures). If the impact of exchange rate fluctuations is not taken into account, the Home segment's organic growth in revenue amounted to 3.8%.
- EBITDA was recorded at EUR 86.5m (an improvement of 10.6% compared to 2013). The Group EBITDA margin improved to 6.9%, representing a 0.6 p.p. increase.
- EBIT was EUR 43.5m and shows growth of 19.8% compared to the year 2013. The Group's EBIT margin improved as well to 3.5%, which is 0.6 p.p. higher than in 2013.
- Profit for the period amounted to EUR 1.2m and shows an increase of EUR 26.2m, whereas the Group disclosed loss for 2013 in the amount of EUR -25.0m.
- Group's financial liabilities were as at year-end recorded at EUR 367.6m and indicate a decrease of EUR 29.8m if compared to the 2013 balance. Net financial liabilities amounted to EUR 331.8m and declined over the previous year by EUR 27.1m.
- Given the improved EBITDA and lower net financial liabilities, the Group's financial stability essentially improved. The net financial liabilities / EBITDA ratio amounted as at the year-end of 2014 to 3.8 or 0.8 less than in 2013.

CORE FINANCIAL INDICATORS FOR Q4 2014

- Group's revenue amounted to EUR 336.4m or 2.0% less than in the same period of 2013.
- Revenue generated through the Home segment's core activity amounted to EUR 289.1m (0.4% less if compared to the equivalent period in 2013; if the impact of exchange rate fluctuations is not taken into account, the Home segment's organic growth in revenue amounted to 5.2% with respect to Q4 2013).
- Operations in Q4 2014 were heavily impacted by the macroeconomic circumstances in Russia and the Russian rouble volatility, which was reflected also in lower sales than those expected in euro, as well as in deterioration of the Group's profitability.
- EBITDA amounted to EUR 21.7m (5.2% less if compared to the same period in 2013). Group's EBITDA margin declined and amounted to 6.4%, which is 0.2 p.p. less than in Q4 2013.
- EBIT was EUR 10.8m and shows a decrease of 14.4% over the equivalent period in 2013. Group's EBIT margin was 3.2% or 0.5 p.p. less than in Q4 2013.
- The Group recorded a negative result in Q4 2014 by incurring a net loss of EUR -2.8m.
- In Q4 2014, the Group generated positive cash flows from operating and investment activities in the amount of EUR 62.6m, which is EUR 9.9m more than in the same period in 2013.

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January – December 2014

EURm	Q4 2013	Q4 2014	Index	2013	2014	Index
Revenue	343.4	336.4	98.0	1,240.5	1,245.6	100.4
EBITDA	22.8	21.7	94.8	78.2	86.5	110.6
<i>EBITDA margin (%)</i>	6.6%	6.4%	/	6.3%	6.9%	/
EBIT	12.7	10.8	85.6	36.3	43.5	119.8
<i>EBIT margin (%)</i>	3.7%	3.2%	/	2.9%	3.5%	/
Profit or loss before tax	-11.8	-2.8	24.0	-18.6	4.9	/
Profit or loss without discontinued operation	-5.1	-2.8	54.6	-14.4	2.2	/
Profit or loss of discontinued operation	-1.7	0.0	/	-10.6	-1.0	9.4
Profit or loss for the period	-6.8	-2.8	40.7	-25.0	1.2	/
<i>ROS (%)</i>	-2.0%	-0.8%	/	-2.0%	0.1%	/
<i>ROA (%)</i>	-2.3%	-1.0%	/	-2.1%	0.1%	/
<i>ROE (%)</i>	-7.3%	-2.9%	/	-6.5%	0.3%	/
Financial debt	397.4	367.6	92.5	397.4	367.6	92.5
Net financial debt¹	358.8	331.8	92.5	358.8	331.8	92.5
Net financial debt / EBITDA	4.6	3.8	/	4.6	3.8	/

MARKETS

- Sales growth within the Business Segment Home was compared to 2013 achieved in the markets of Germany, Austria, the Czech Republic, Slovakia, Hungary, Slovenia, Bosnia and Herzegovina, Romania, Bulgaria, Caucasus, Australia and North America. In Russia, which is deemed as one of Group's key markets, the upward trend in volume and value in foreign currency has been continued in 2014 regardless of events in Q4. As a result of rouble's strong devaluation in the last quarter of the year, the sales growth expressed in euro lagged behind the planned growth. Lower sales volume than in 2013 were recorded in the markets of Ukraine, Scandinavia, Greece, Belgium, France and Kazakhstan.
- In the markets outside Europe, the Business Segment Home achieved sales growth of 10.7%, which is in accordance with one of the key strategic goals. Within the Home segment's sales structure, sales made outside European markets account for 10.2% of total sales indicating an increase of 1.0 p.p. over the year 2013.
- The Group improved its sales structure as a result of higher sales of premium appliances². In view of the sales volume of large household appliances, this accounted for a 16.4 percent share (2.0 p.p. more than in 2013).
- Sales of small household appliances under our own brands reached sales growth of 4.3 percent.

COST MANAGEMENT

- Costs of services were compared to the previous year lower by 5.1% or EUR 11.1m. Cost reductions were achieved through the systematic implementation and monitoring of preventive and curative measures to achieve cost-efficiency.
- Employee benefits expense declined by 4.3% or EUR 10.3m, which is attributable to both the successful completion of production relocation and the restructuring process of the sales network in 2013. We have continued with restructuring the sales network also in 2014. Compared to the period prior to production relocations, the total effect of employee benefits expense complies, however, with the planned effects in the amount of EUR 20m.
- The successful implementation of production relocation also improved fuel cost management.

¹ Financial debt - cash

² Premium appliances: Atag and Asko brands, appliances from the Gorenje Design lines (Gorenje Simplicity, Gorenje Ora Ito, Gorenje Pininfarina, Gorenje Classico, Gorenje One, Gorenje Karim Rashid, Gorenje Color edition, Gorenje +, Gorenje Retro) .

- Higher sales and modified transportation routes increased logistics costs, which were planned within the production relocation project. Logistics costs relating to the ecology activity have gone up as well due to new projects that generate additional revenue. Logistics cost have in a less extent grown also due to the parity, the warehousing and distributions models, and the modified geographical sales structure.
- The Group effectively managed the purchase prices of material and raw materials, which is attributable not only to lower raw material prices on global markets, but also to optimisation of the purchasing chain.

INDEBTEDNESS

- Compared to the year-end balance of 2013, the Group reduced gross indebtedness by EUR 29.8m. This decline is attributable to improved cash flows from operating activities, lower volumes of investments, and the lower level of working capital. Net financial debt³ decreased by EUR 27.1m, thus resulting in a financial debt/EBIDTA ratio of 3.8 and showing a 0.8 improvement over the previous year.
- EUR 29.4m of positive cash flows from operating and investment activities was generated in 2014 representing an improvement of EUR 42.7m over the previous year. Q4 2014 reflects positive cash flows from operating and investment activities in the amount of EUR 62.6m.
- The improved managing of current operating assets (inventories and receivables) has mostly contributed to positive cash flows from operating and investment activities, in spite of the net loss incurred in Q4 (changed macroeconomic circumstances of operations in Russia) and the higher investment activity.
- Lower indebtedness is also attributable to successful share capital increases in the total amount of EUR 36.7m that the Group conducted in the period from September 2013 to August 2014. The third round of the capital increase in the form of a debt-to-equity conversion was carried out in 2014 in the amount of EUR 10.0m and equals the amount allowed pursuant to the resolution adopted by the Shareholders' Meeting on 23 August 2013.

DEVELOPMENT AND NEW PRODUCTS

- In accordance with set strategic goals, we have increased investments in development costs accounting for 2.9% in the Home segment's revenue structure (0.4 p.p. more than in 2013).
- Key innovations that were launched in 2014 include:
 - a new generation of premium built-in ovens that were developed for various own brands;
 - expansions to the Asko product range with the Asko ProSeries™ cooking line that premiered during the Eurocucina Milan design week in April 2014; in addition, Asko washing machines with capacities of 11 kg were launched for sale in markets;
 - an innovative A+++ class dryer under the Gorenje brand;
 - freestanding fridge-freezers (600mm/2000mm) that were introduced at the largest fair of consumer electronics and household appliances in Berlin IFA (Internationale Funkausstellung). Additionally, we also presented the upgraded oven designed by Karim Rashid.
 - the new Magna premium collection of household appliance, which was exhibited at the household fair hosted by our subsidiary ATAG in Duiven in Q3 2014. Sales of the appliances are to be launched in the beginning of 2015.
 - whereas those launched in Q4 2014 comprise: new generation of the hoods, the refurbished 600mm cookers, and a new line of the induction and hi-light built-in hobs.

³ Sum of the Group's current and non-current financial liabilities less cash and cash equivalents as at the end of the reporting period.

MANAGEMENT REPORT

Operating Performance of the Gorenje Group

EURm	Q4 2013	Q4 2014	Index	2013	2014	Index
Revenue	343.4	336.4	98.0	1.240,5	1.245.6	100.4
CM ⁴	132.7	133.9	100.9	520.7	519.7	99.8
CM (%)	38.6%	39.8%	/	42.0%	41.7%	/
EBIT	12.7	10.8	85.6	36.3	43.5	119.8
EBIT margin (%)	3.7%	3.2%	/	2.9%	3.5%	/
Profit or loss for the period	-6.8	-2.8	40.7	-25.0	1.2	/
ROS (%)	-2.0%	-0.8%	/	-2.0%	0.1%	/

We generated in 2014 EUR 1,245.6m of **revenue** indicating an increase of 0.4% over the 31 December 2013 balance. The Portfolio Investments segment recorded the largest share of growth (+2.4%). Despite the rouble depreciation's impact on sales, mostly in Q4 2014, and the complex circumstance in Ukraine, the Home segment achieved and recorded 0.1 percent growth in revenue. If the impact of exchange rate fluctuations is not taken into account, the Home segment's organic growth amounts to 3.8%. Notwithstanding, we have maintained the same level of contribution margin by means of an improved sales structure and a partial price increase in individual markets.

Foreign currency fluctuations significantly impacted sales mostly in the markets of Eastern Europe and the markets outside of Europe. Without considering other categories (i.e. exchange rate hedging, adjusting prices to markets, product structure, etc.), the impact of foreign currency fluctuations⁵ on the Group's organic growth in revenue in key markets was as follows:

HOME	Currency impact on revenue	Actual revenue 2014	Actual revenue 2014 valued at exchange rate 2013	Actual revenue 2013	Actual growth (%)	Organic Growth (%)
EURm						
West	-1.0	449.6	450.5	459.9	-2.3	-2.0
East	-36.1	507.3	543.4	506.7	+0.1	+7.2
Other	-2.5	109.0	111.5	98.5	+10.7	+13.2
TOTAL	-39.6	1,065.9	1,105.4	1,065.1	+0.1	+3.8

The Group applies a centralised policy of exchange rate hedging within the policy of its currency risk management. The Group is exposed to changes in local currencies against EUR, which is the Group's functional currency. The respective exposure is measured and managed in connection with cash flows planned in the annual period, and the revaluation of balance sheet items expressed in local currencies. The fundamental goal of currency risk management lies in hedging against the business plan's exposure by minimising the adversely impact of exchange rate fluctuations on the Group's

⁴ Contribution margin at the level of difference between revenue and cost of goods and material.

⁵ While calculating the impacts of foreign currency fluctuations on the sale's organic growth, we take into account revenue generated in the local currency in 2014, which are evaluated with the achieved average exchange rates in each currency in 2013. The calculated revenue in EUR is thereupon compared with the actual generated revenue in EUR recorded in the observed period.

operating result and cash flows. In order to hedge against currency risks, we primarily apply internal methods of currency risk management (balancing of cash flows and balance sheet) and embedded derivatives (particularly forward exchange contracts) for currencies to which the Group is exposed to.

Sales growth within the Home segment was generated in the markets of Germany, Austria, the Czech Republic, Slovakia, Hungary, Slovenia, Bosnia and Herzegovina, Romania, Bulgaria, Caucasus, Australia, and North America. A sales growth was recorded also in Russia regardless of the changed macroeconomic circumstances.

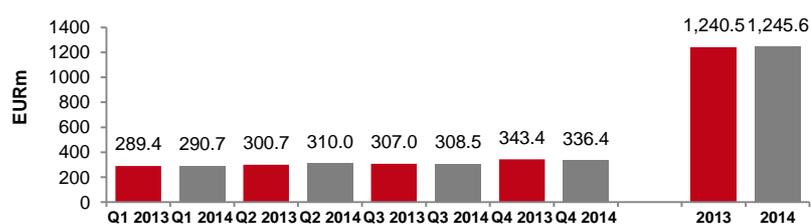
Lower sales volume, compared to 2013, was recorded in the markets of Ukraine, Scandinavia, Greece, Belgium, France and Kazakhstan. Sales in Ukraine declined due to the political situation. We have maintained our market position in Ukraine and simultaneously limited operating expenses and reduced the volume of operating receivables; all this shall provide a good platform for the future when the market recovers.

With respect to Scandinavia, we have lost 0.9% of the market share⁶ in Denmark and Sweden due to distribution concentration in the market and related competition pressure. Operating expenses were adjusted to lower sales volumes. We have already in the second half of 2014 succeeded in improving sales volumes on these markets by means of measures implemented.

The deteriorating macroeconomic situation in Russia (impacted particularly in Q4 2014 by the sharp depreciation of the Russian rouble) significantly affected Gorenje's sales activities in that market. The sales prices were in December 2014 additionally adjusted with respect to the exchange rate movement of rouble. Sales increase and revenue growth in local currency was recorded in spite of price increases. We have also generated a revenue growth in EUR, although significantly below plans. The expansion of the sales programme (i.e. sale of all product groups) enabled the annual growth in revenue. Furthermore, we have adopted numerous measures for adjusting expenses of sale organisation. Most of the cash flows in roubles was hedged by means of forward contracts.

As for the markets outside Europe, we have generated 10.7 percent growth in sales. The largest growth was achieved in the markets of North America, Australia (sale of appliances under the own Asko premium trademark), and Caucasus.

Revenue of the Gorenje Group



⁶ Source: CECED Q1-Q4/14 (European Committee of Domestic Equipment Manufacturers)

Unaudited Consolidated Financial Statements
January – December 2014

Revenue by geographical segments

EURm	Q4 2013	%	Q4 2014	%	Change (%)	2013	%	2014	%	Change (%)
Western Europe	120.0	34.9	117.6	34.9	-2.0	465.9	37.6	459.1	36.9	-1.5
Eastern Europe	196.4	57.2	191.9	57.1	-2.3	676.1	54.5	677.5	54.4	+0.2
Other	27.0	7.9	26.9	8.0	-0.4	98.5	7.9	109.0	8.7	+10.7
Total Group	343.4	100.0	336.4	100.0	-2.0	1,240.5	100.0	1,245.6	100.0	+0.4
Western Europe	118.0	40.6	114.4	39.6	-3.1	459.9	43.2	449.6	42.2	-2.3
Eastern Europe	145.4	50.1	147.8	51.1	+1.7	506.7	47.6	507.3	47.6	+0.1
Other	26.9	9.3	26.9	9.3	-0.4	98.5	9.2	109.0	10.2	+10.7
Total Home	290.3	100.0	289.1	100.0	-0.4	1,065.1	100.0	1,065.9	100.0	+0.1

- **Western Europe** includes Austria, Germany, Italy, France, Denmark, Sweden, Belgium, Finland, Great Britain, Greece, Norway, the Netherlands, Spain, Switzerland, Ireland, Luxembourg, Malta, Portugal;
- **Eastern Europe** includes Ukraine, Russia, Macedonia, Croatia, Serbia, Montenegro, Albania, Bosnia and Herzegovina, Belarus, Kosovo, Moldova, Latvia, Lithuania, Estonia, Slovenia, Czech Republic, Hungary, Poland, Bulgaria, Romania, Slovakia;
- **Other** refers to all other countries outside of Europe.

Geographical sales structure of the Business Segment Home shows that:

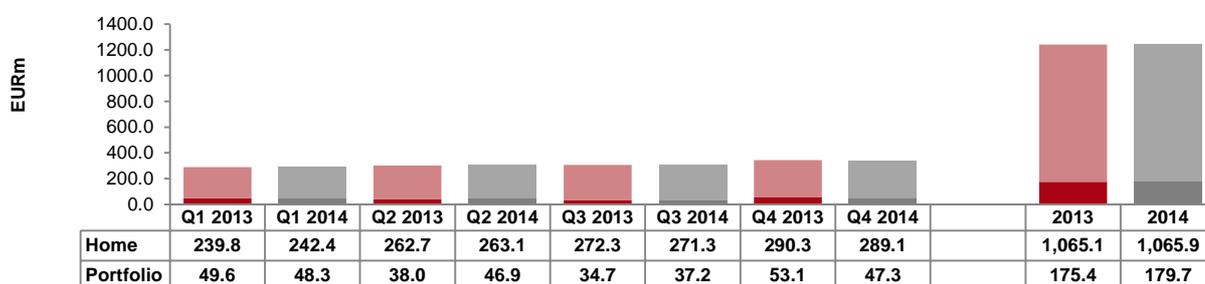
- our sales in markets of Western Europe declined by 2.3% compared to the 2013 balance. Less revenue was generated in Scandinavia, France, Belgium, Great Britain and Greece, whereas in Germany and Austria an increase in revenue was recorded;
- revenue from sales in EUR generated in Eastern Europe equals the figures recorded in 2013. If the impact of exchange rate fluctuations is not taken into account, our organic growth in revenue amounts to 7.2%. Sales growth was generated in the markets of the Czech Republic, Slovakia, Hungary, Bosnia and Herzegovina, Romania, Bulgaria, and Russia; lower sales volume was noted in Ukraine, Macedonia, and Poland. It is significant that the sales growth in Q4 2014 exceeded the one generated in the first nine months of 2014. Higher sales growth on other European markets compensated for the sales shortfall in Ukraine.
- an essential 10.7 percent sales growth was generated outside of Europe compared to the year 2013. If the impact of the exchange rate fluctuations is not taken into account, our organic growth in sales almost achieved a 13.2%. Most of the relevant growth was recorded in the markets of North America. An increase in sales of large household appliances under own brands was achieved in Australia. Our sales volume has also grown in markets of the Far East. Sales recorded in Q4 2014 on markets outside Europe remained on the level of the equivalent period in 2013.

The recorded **revenue structure by business segment** indicates that the Home segment generated 85.6% of the Group's total revenue (0.3 p.p. less than in 2013, which is attributable to higher growth in the revenue generated through portfolio-related activities).

Group's revenue structure by business segment



Revenue by business segment



EUR 1,065.9m of revenue was generated in 2014 within the **Business Segment Home** and shows a 0.1 percent growth compared to the 2013 balance.

We generated EUR 179.7m of revenue in the **Business Segment Portfolio Investments**, denoting an increase of 2.4% or EUR 4.3m compared to 2013. The increase in revenue is attributable to higher sales of medical equipment and metallurgic products. Larger sales volume was also noted in machine and tool manufacturing and ecology.

Movement of profitability of the Group at the EBIT level:

EURm	Development
EBIT 2013	36.3
Contribution margin at the level of cost of goods and material	-0.9
Cost of services	11.1
Employee benefits expense	10.3
Amortisation and depreciation expense	-1.1
Other operating expenses	0.8
Other operating income	-13.0
EBIT 2014	43.5

Earnings before interest and taxes (EBIT): we have achieved positive EBIT in the amount of EUR 43.5m. Compared to the 2013 balance, EBIT grew by EUR 7.2m or 19.8%. Improved EBIT is the result of:

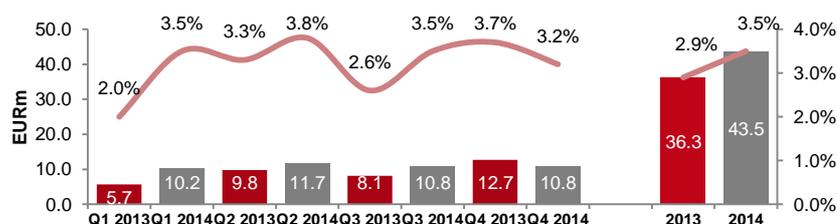
- successful management of purchase costs of material and raw materials,
- successful management of fuel costs (also as a result of relocating production processes),

- reduced cost of services, which declined by EUR 11.1m over the comparable period of 2013, and
- reduced employee benefits expense, which declined by EUR 10.3m over the comparable period of 2013.

The contribution margin at the level of cost of goods and material was negatively impacted by the changed business circumstances relating to Russia and Ukraine, the effects of exchange rate fluctuations, and the market pressures for price decreases. The aforesaid effects were mitigated by means of selective price increases and an improved appliances-related sales structure as well as regional sales structure. We have improved our sales structure by increasing the sales of premium appliances⁷, which in view of the sales volume of large appliances accounted for a 16.4 percent share (2.0 p.p.). The regional sales structure was improved by means of a higher sales share recorded outside of Europe, where primarily premium appliances and premium trademarks are being sold. In addition, sales of small household appliances increased and recorded good margins (revenue from sales of small household appliances accounts for nearly 4% in the total sales structure of the Business Segment Home; the relevant share grew by 0.2. p.p. if compared to 2013).

Other operating income in 2014 was lower due to profit generated through the disposal of non-operating and unnecessary assets (properties), the received subsidies, compensations relating to the fire in 2013, and lower income on attribution of value to investment property.

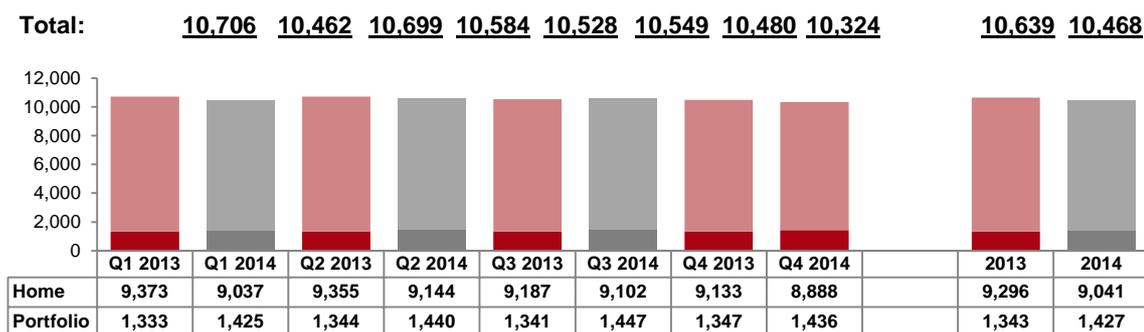
EBIT and EBIT margin



Our average number of employees at the Group level in 2014 was 10,468 and 171 employees less than in the previous year. Most of the decline is attributable to the company Asko Appliances AB Sweden (production relocation from Sweden to Slovenia in 2013) and partly also to Gorenje, d.d. However, the number of employees grew at the facility in Valjevo (Serbia) as a result of a higher volume of production since the freestanding refrigerator production was relocated. The sales network restructuring activities in 2013 and 2014 resulted in reducing the number of employees in the sales network (Turkey, France, Slovakia, the Czech Republic, Scandinavia, and North America). The number of employees in the Business Segment Portfolio Investments increased as business activities of ecology and tool manufacture were expanded to new markets (Serbia).

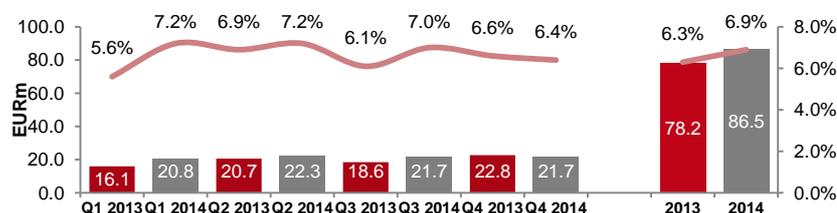
⁷ Premium appliances: Atag and Asko brands, appliances from the Gorenje design lines (Gorenje Simplicity, Gorenje Ora Ito, Gorenje Pininfarina, Gorenje Classico, Gorenje One, Gorenje Karim Rashid, Gorenje Color edition, Gorenje +, Gorenje Retro).

Average number of employees by business segment



In 2014, the Group generated **earnings before interest, taxes, depreciation and amortisation (EBITDA)** in the amount of EUR 86.5m, which is EUR 8.3m or 10.6% more than in the previous year.

EBITDA and EBITDA margin

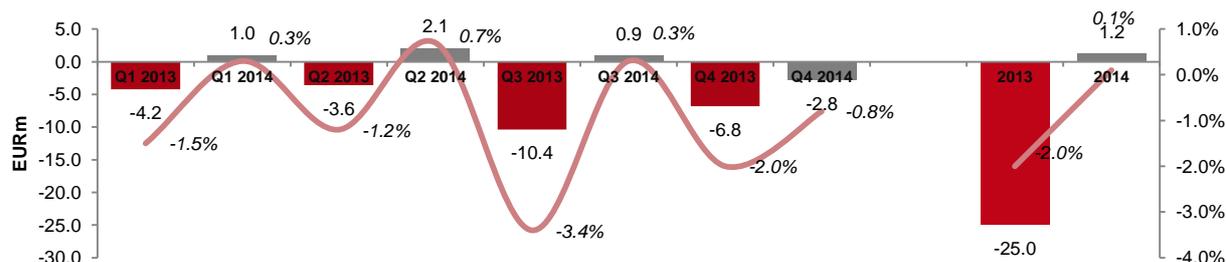


In 2014, we have recorded a negative result from financing activities in the amount of EUR 38.7m. The aforesaid result signifies an improvement of EUR 15.7m if compared to the figures recorded as at 31 December 2013. The improvement of the result from financing activities is attributable to the lower write-off of investments in 2013.

Income tax expense disclosed at EUR 2.6m includes current and deferred income tax. Current tax refers to the tax that will be paid on profit for the period per individual Group companies. Deferred tax is disclosed upon accounting of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts for tax reporting purposes. Temporary differences, which generally have the biggest impact on deferred taxes, are tax relief amounts in connection with investments, investments relating to research and development, and amounts of tax losses from previous periods, which to a large extent refer to the parent company.

The Group's **profit for the period** amounted to EUR 1.2m and thus improved the profitability by EUR 26.2m. The Group recorded a negative result solely in Q4 2014, when a net loss was incurred in the amount of EUR -2.8m. The net loss for the last quarter is the result of poor general and macroeconomic circumstances in Russia and Ukraine.

Profit for the period and ROS



Financial Performance of the Gorenje Group

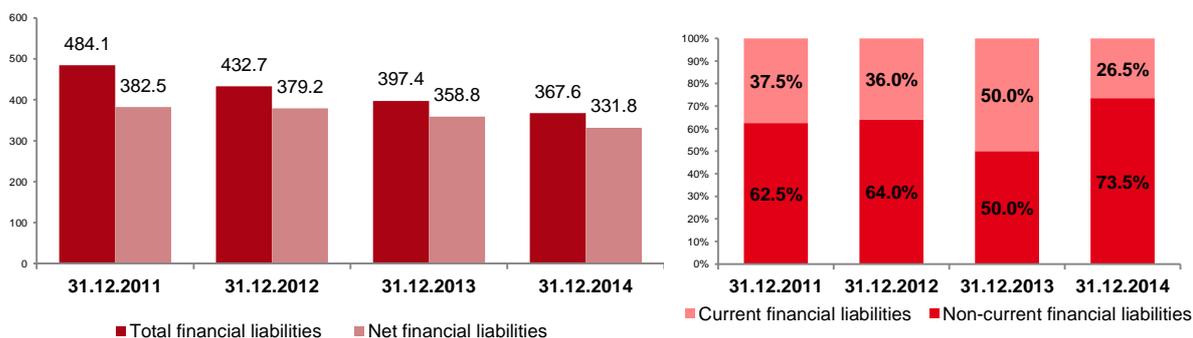
Group's financial operations

The primary sources of liquidity are provided through operative sales activities in the segments Home and Portfolio Investments, and within these also the free cash flow generated. Within the aforesaid, the optimisation of net working capital is of particular importance. Additional sources of financing include inflows from divestment and new non-current borrowings for partly refinancing existing long-term borrowings and permanently renewing current borrowings, revolving loans, and bank overdrafts. In compliance with the financial plan for 2014, most of our activities focused on refinancing currently due long-term financial liabilities and renewing current credit lines. Non-current borrowings are thereby repaid on a regular basis and are in part also refinanced, whereas current borrowings are renewed continuously.

In Q4 2014, the Group repaid EUR 25.7m of currently due long-term borrowings and a total of EUR 150.3 in 2014.

At the start of October, Gorenje, d.d. issued 5-year bonds in the total par value of EUR 73m, and the considerable interest of investors exceeded our expectations. Financial assets obtained therefrom were earmarked for additionally bolstering the debt maturity structure and dispersing long-term sources of financing that are currently limited almost entirely to banks. Operations and activities carried out in 2014 led to a considerable lower level of required replacement indebtedness in 2015 and to maintaining the achieved stable maturity structure of financial liabilities.

Movement of total and net financial liabilities in the 2011-2014 period (EURm⁸) and movement of the related maturity structure



⁸ Accounting aspect

Total financial liabilities amounted as at 31 December 2014 to EUR 367.6m and indicate a decline by EUR 29.8m if compared to the 2013 balance. Movements in financial liabilities comply with interim seasonal dynamics as the Group generates most of positive cash flows from operating and investment activities in the last three months of the fiscal year. The dynamics in Q4 2014 was more favourable than in the equivalent period in 2013.

As for the **maturity structure of financial liabilities**, 73.5% refer to non-current sources whereby the remaining share denotes current sources. Compared to the 31 December 2013 balance, the maturity structure improved by 23.5 p.p. The latter was achieved by means of replacing a part of the current borrowing with a non-current borrowing.

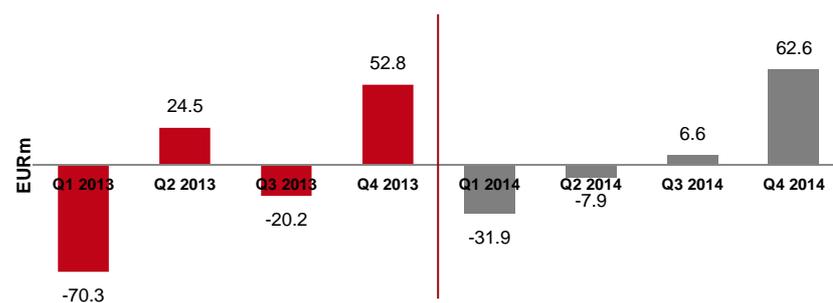
By the end of 2014, **net financial liabilities** (measured as the difference between total financial liabilities and cash and cash equivalents) amounted to EUR 331.8m and declined by EUR 27.1m compared to the year-end of 2013.

As at 31 December 2014, the Group disclosed a liquidity reserves in the amount of EUR 109.5m in form of undrawn borrowings and bank balances, which may also be used to bridge payments on currently due liabilities. The Group is together with existing and new bank partners engaged in activities to future servicing of due liabilities and optimisation of costs of financing, additional improvement of the loans' maturity structure and balancing the amount of the liquidity reserve. The aforesaid activities already at present significantly ensure sources for servicing currently due long-term borrowings for the entire year 2015 and current balancing of cash flow requirements.

Cash flows of the Gorenje Group

In Q4 2014, the Group recorded positive cash flows from operating and investing activities in the amount of EUR 62.6m, which indicates an improvement of EUR 9.9m over the equivalent period in 2013. This is a typical interim dynamics, as the Group generates most of positive free cash flows in the last quarter. The dynamics was in 2014 slightly more favourable than in previous year's equivalent period. In 2014, the Group generated EUR 29.4m of positive free cash flows from operating and investing activities and shows an improvement over the previous year by EUR 42.7m. This result is primarily attributable to the improved operating profit for the period and the additional optimisation of net current operating assets.

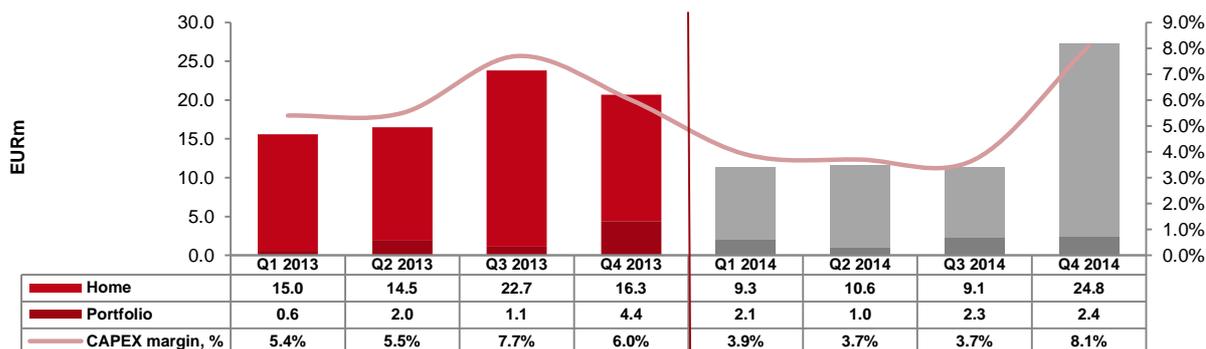
Cash flows from operating and investing activities



Investments amounted to EUR 61.6m in 2014 and indicate a decline by EUR 15m if compared to the 2013 balance. Investments in Q4 were recorded at EUR 27.2m and are by EUR 6.5m higher than in the equivalent period in 2013. Most investments refer to the completion of projects underway, to the development of new. The largest portion in the amount of EUR 24.8m relates to the Home segment. Approximately EUR 15m were invested in new products i.e. the new generation of washing machines, completing the new generation of the built-in ovens, a face-lift of freestanding cookers (60 cm) and

the upgrade of the existing generation of dish washers. Other major investments were made in the technological equipment (replacement of equipment, bigger automation, investment maintenance). A major portion of investments (approximately worth EUR 3m) was earmarked also for supporting activities (e.g. opening of new retail shops, showrooms, etc.). In view of the time-schedule, major projects are subject to completion at the end of 2014 and in the first quarter of 2015. Investments recorded in Q4 2014 by the segment Portfolio Investments amounted to EUR 2.4m. The largest portion thereof was invested in ecology, tool manufacturing and the production of ceramic tiles. The relevant segment is in the process of completing a major project of renewing the format of tiles, which is linked to the company Gorenje Keramika, whereby other companies started with projects relating to the increase of sales volume.

Investments by business segment



The total value of implemented divestment of unnecessary and non-operating assets was in Q4 2014 recorded at a book value of EUR 5.4m and shows an increase of EUR 4.0m compared to the divestment activity in the last year's same period. At the annual level, the divestment amounted to EUR 8.5m and indicates a decline of EUR 10.4m if compared to the equivalent period in 2013.

As at 31 December 2014, the Group's investments in net working capital amounted to EUR 177.5m and signify a decrease over the Q3 2014 balance by EUR 71.8m; they declined by EUR 31.1m if compared to the year-end balance of 2013. The amount of investments made in net working capital was partly impacted by changes in other current assets and liabilities. Within investments made in net working capital, the narrow net operating assets (inventories, trade receivables, and trade payables) have dropped by EUR 95.3m compared to the Q3 2014, and by EUR 30.2m compared to Q4 2013.

Trade receivables amounted to EUR 180.4m as at 31 December 2014 and were EUR 45.8m lower compared to the Q3 2014 balance, and lower by EUR 25.2m over the Q4 2013 balance. The average turnover of receivables was 56 days, which is shorter from the average turnover of receivables in 2013 by 6 days. The decline in receivables is the result of the common annual dynamics as well as the appropriate credit risk management.

In Q4 2014, **inventories** were recorded at EUR 219.4m and indicate a decrease over the Q3 balance by EUR 29.7m. If compared to the year-end balance of 2013, inventories declined by EUR 16.4m, whereby inventory turnover dropped from 70 to 66 days. In 2014, the Group implemented more projects that focus on an efficient inventory management with the purpose to reduce on long term the required volume of inventories for ensuring sales securities. Within these activities, special attention was given to optimise and lower:

- slow-moving inventories of finished products and merchandise (the balance of said inventories was reduced by 25% if compared to the year-end balance of 2013),

- inventories of suspended codes in warehouses of production and merchandise sites of the Home segment,
- the complexity of number of codes of finished products and merchandise.

Group was successful also at reducing the balance of inventories of material and raw materials. With respect to material and raw materials, special attention is also given to reducing inventories of slow-moving materials, raw materials and semi-finished products, and lowering the related complexity.

Trade payables amounted to EUR 202.5m at the end of Q4 2014 and indicate an increase of EUR 19.8m over the Q3 balance. If compared to the year-end of 2013, trade payables declined by EUR 11.3m. The balance is in accordance with ordinary annual dynamics.

Certain financial risks have a significant impact on the Group's cash flow management

With regard to **financial risks**, the severe macroeconomic situation and political risks in certain markets led the Group to pay special attention to efficient **credit risk** management. Credit risk is balanced through the on-going control of credit limits approved by credit insurance companies, intensified collection of receivables, and regular communication with credit insurance companies and business partners. The balance of bad debts is reviewed and analysed on an on-going basis and proper measures are implemented (e.g. collection, mortgage collections, suspension of supplies to critical customers, etc.). We have a strict set of rules on both what is deemed suitable collateral for the sale of goods and the maximum exposure allowed by individual companies, customers, etc.

Currency risks are to the widest possible extent hedged and minimised by natural cash flow balancing for each currency that, mostly in case of sales companies, is almost impossible to be fully implemented. The Group selectively applies forward exchange contracts for most of the currencies that are not part of the euro zone in order to hedge against currency risk. In addition, we are seeking additional possibilities for increasing the scope of natural hedging, which is to a great extent applied in hedging against the US dollar. Exchange losses were recorded in 2014 as a result of the sharp devaluation of the Ukrainian hryvnia and the Russian rouble. In the medium term, we hedge against currency risk by adjusting sales prices on an on-going basis, by applying cost optimisation and by means of increasing natural hedging on the purchase/sale side.

Group's operations and transaction carried out in volatile currencies is materially significant, hence hedge accounting rules are in the process to be launched.

We are managing the **risk of short-term liquidity** by means of approved revolving credit lines per Group companies, approved bank account overdrafts, and bank balances. As at 31 December 2014, the undrawn part of current and non-current credit lines amounted to EUR 73.9m, and bank balances amounted to an additional EUR 35.8m. With the issue of bonds at the beginning of October in the amount of EUR 73m, the Group additionally lowered the risk of short-term as well as long-term liquidity.

Summary of the Operating Performance of Gorenje, d.d.

Operating performance of Gorenje, d.d.

EURm	Q4 2013	Q4 2014	Index	2013	2014	Index
Revenue	192.8	182.5	94.7	664.6	687.2	103.4
CM ⁹	59.3	55.4	93.4	207.8	218.6	105.2
CM (%)	30.8%	30.4%	/	31.3%	31.8%	/
EBITDA	14.7	10.2	69.4	33.4	39.6	118.6
EBITDA margin (%)	7.6%	5.6%	/	5.0%	5.8%	/
EBIT	9.8	4.5	45.9	15.0	18.0	120.0
EBIT margin (%)	5.1%	2.5%	/	2.3%	2.6%	/
Profit or loss before tax	-0.9	0.7	/	-5.3	5.9	/
Profit or loss for the period	6.7	0.8	11.9	2.7	6.3	233.3
ROS (%)	3.5%	0.4%	/	0.4%	0.9%	/
ROA (%)	3.0%	0.3%	/	0.3%	0.7%	/
ROE (%)	8.0%	0.8%	/	0.8%	1.8%	/
Employee / end of period	4.112	4.081	99.2	4.112	4.081	99.2
Employee / average	4.198	4.094	97.5	4.186	4.139	98.9

Revenue recorded by the parent company in 2014 amounted to EUR 687.2m, which shows a growth of EUR 22.6m or 3.4% compared to the previous year.

The Business Segment Home recorded revenue in the amount of EUR 642.5m, which is 3.8% more than in 2013 and is primarily the result of:

- higher revenue from the sale of products manufactured in-house by 7.7% (higher utilisation of production capacities for dryers and washing machines, whose production was in 2013 shifted from Sweden to Slovenia), and
- higher revenue from the sale of household appliances via dealers by 1.1%, primarily appliances from the Valjevo programme (by 8.9%), the supplementary programme (by 9.1%), and the complementary programme (by 5.8%).

Revenue generated in sales beyond the Business Segment Home amounted to EUR 39.0m and denote a decline over the 2013 balance by 2.3%, which is attributable mostly to lower income from sale of coal.

The contribution margin (gross margin) at the level of the difference between revenue, cost of raw materials, material, and purchase cost of goods sold, including related change in inventories, grew by EUR 10.7m over the previous year. The respective increase was positively impacted by the movement of input prices of material and raw materials. The strengthening of the contribution margin is also attributable to the improved sales structure as the result of shifting the production from Sweden (hereunder, mostly innovative and premium appliances with higher value added are deemed).

Employee benefits expense increased by 4.6% compared to the previous year and is the result of adjusting the said expenses with the collective agreement and the employment legislation, and of removing a measure that decreased the wages of higher-paid employees that applied in H1 2013. The total number of employees was reduced.

⁹ Contribution margin at the level of difference between revenue and cost of goods and material

In respect to 2013, amortisation and depreciation expenses increased by 17.9% as a result of relocating the equipment for manufacturing dishwashers and dryers (Asko) that was completed in the second half-year of 2013.

Compared to previous year, the parent company's result from financing activities improved by 41.0% or by EUR 8,360k, which is mostly attributable to lower costs from impairment of investments.

The improvement in **EBIT** is attributable largely to:

- improved utilisation of production capacities and higher business activities arising on additional production transferred from Sweden;
- improved product and geographical structure of sales;
- successful management of purchase prices of material and raw materials;
- and slower growth of operating expenses than the growth of gross profit or loss by 0.4 p.p.

Movement of the parent company's profitability at the level of profit or loss for the period:

EURm	Development
Profit for the financial year 2013	2.7
Contribution margin at the level of cost of goods and material	11.3
Cost of services	3.3
Employee benefits expense	-4.2
Amortisation and depreciation expense	-3.3
Other operating expenses	2.7
Other operating income	-7.0
Financial result	8.4
Income tax expense and deferred taxes	-7.6
Profit for the financial year 2014	6.3

Ownership Structure and GRVG Shares

Third round of share capital increase was completed in 2014

In accordance with the resolution adopted by the 20th Shareholders' Meeting on 23 August 2013 regarding the issue of a maximum 2,320,186 ordinary, freely transferable, no par value shares for non-cash contributions, we successfully completed the third stage of the share capital increase at the end of July 2014. Financial institutions that also acted as creditors of Gorenje d.d. on the date of the 20th Shareholders' Meeting were entitled to participate in the relevant capital increase. Two institutions decided to participate, namely the International Financial Corporation (IFC), which paid in 1,005,020 new shares, and Gorenjska banka, which paid in 1,315,166 new shares. The price per share was EUR 4.31, thus equalling the share price in the first two capital increases that were carried out in 2013. Gorenjska banka offered the acquired shares for further sale to investors.

Upon completing the third increase, the share capital of Gorenje, d.d. was fully increased, and as at the date of this report amounts to EUR 101,922,103.97 and is divided into 24,424,613 ordinary, freely transferable, registered shares.

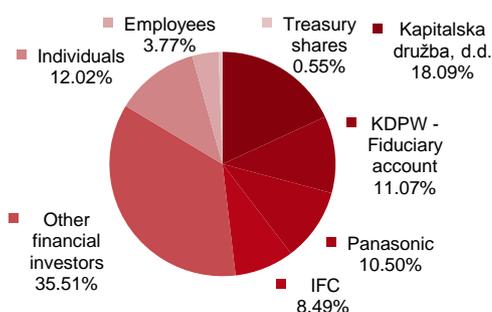
Ownership structure

As of **31 December 2014**, **17,000 shareholders** were entered in the share register indicating that the number of shareholders declined by 2.5% over the year-end balance of 2013 (17,438).

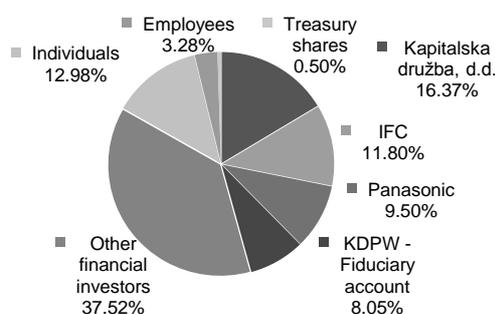
Gorenje's ten major shareholders and owners

Ten major shareholders	No. of shares (31 Dec 2013)	Equity interest in %	No. of shares (31 Dec 2014)	Equity interest in %
KAPITALSKA DRUŽBA, D.D.	3,998,653	18.09%	3,998,653	16.37%
KDPW – FIDUCIARY ACCOUNT ¹⁰	2,446,603	11.07%	1,965,628	8.05%
PANASONIC CORPORATION	2,320,186	10.50%	2,320,186	9.50%
IFC	1,876,876	8.49%	2,881,896	11.80%
NFD 1, mixed flexible subfund – South / Alpen.SI, mixed flexible subfund	1,125,802	5.09%	1,179,102	4.83%
HOME PRODUCTS EUROPE B.V.	1,070,000	4.84%	1,070,000	4.38%
ZAGREBAČKA BANKA D.D. – FIDUCIARY ACCOUNT	/	/	456,399	1.87%
BNP PARIBAS SECURITIES SERVICES S.C.A. -	/	/	464,732	1.90%
INGOR, d.o.o., & co. k.d.	794,473	3.59%	/	/
CONSEQ INVEST PUBLIC LIMITED COMPANY	464,732	2.10%	/	/
EECF AG	411,727	1.86%	411,727	1.69%
RAIFFEISEN BANK AUSTRIA D.D. – FIDUCIARY ACCOUNT	325,260	1.47%	395,944	1.62%
Total major shareholders	14,834,312	67.11%	15,144,267	62.00%
Other shareholders	7,270,115	32.89%	9,280,346	38.00%
Total	22,104,427	100%	24,424,613	100%

Ownership structure at 31 December 2013



Ownership structure at 31 December 2014



The number of own shares or treasury shares equals the 2013 year-end balance i.e. at **121,311 treasury shares**, which as at 31 December 2014 accounted for **0.4967%** of total share capital.

The number of shares held by Supervisory Board and Management Board members

Supervisory Board	31 Dec 2013		31 Dec 2014	
Total:	3,508	0.0159%	3,508	0.0144%
Peter Kobal	1,355	0.0061%	1,355	0.0055%
Krešimir Martinjak	115	0.0005%	115	0.0005%
Jurij Slemenik	2,038	0.0092%	2,038	0.0083%

Management Board	31 Dec 2013		31 Dec 2014	
Total:	18,894	0.0855%	21,394	0.0876%
Franc Bobinac	4,096	0.0185%	4,096	0.0168%
Branko Apat	626	0.0028%	626	0.0026%
Drago Bahun	9,082	0.0411%	9,082	0.0372%
Marko Mrzel	450	0.0020%	450	0.0018%
Peter Groznik	4,640	0.0210%	7,140	0.0292%

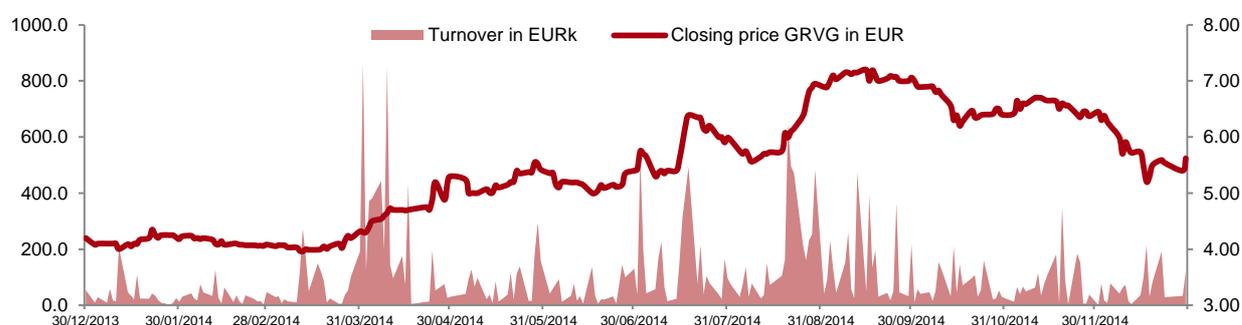
¹⁰ KDPW fiduciary account comprises shares that were registered during the second share capital increase and paid up in Poland.

The number of company's shares held by Supervisory Board and Management Board members has not changed in the period from 31 December 2014 to the date of this public announcement.

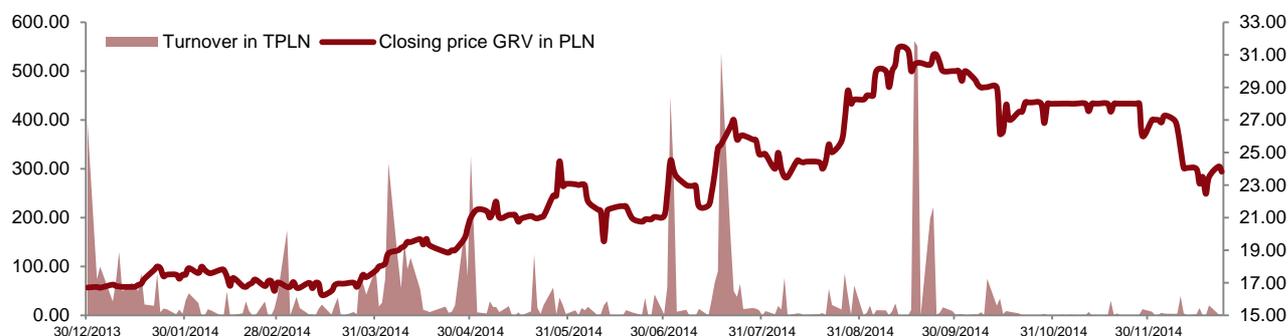
GRVG share

As at the last trading day in December 2014, the **closing price per share** on the Ljubljana Stock Exchange as the primary market was recorded at EUR 5.62 and shows an increase of 33.8% if compared to the last trading day in 2013 (EUR 4.20). The prime market index SBITOP increased in the same period by 19.6%. As at 31 December 2014, total turnover on the Ljubljana and Warsaw Stock Exchange was recorded at 5,039,393 shares, indicating that the average daily turnover on the Ljubljana Stock Exchange was 18,691 shares (GRVG) and 1,560 shares on the Warsaw Stock Exchange. Compared to the year-end balance of 2013 when shares were merely listed, the closing price per share grew by 42.5% (from PLN 16.71/EUR 4.31 to PLN 23.82/EUR 5.58).

Movement of the GRVG share and daily turnover on the Ljubljana Stock Exchange in 2014



Movement of the GRV share and daily turnover on the Warsaw Stock Exchange in 2014



Basic and diluted earnings per share are calculated as the ratio between the profit or loss of the parent company's owners and the average number of shares issued, less the average balance of treasury shares (22,949,860 shares) amounts to EUR 0.04 (2013: EUR -1.51).

Book value of the GRVG share as at 31 December 2014 amounted to EUR 15.65 (EUR 17.32 as at 31 December 2013). It is calculated as the ratio between the book value of the Group's ordinary share capital and the number of issued shares, less the number of treasury shares as at 31 December 2014 (24,303,302 shares).

The ratio between the market value and the book value of the GRVG share is recorded at 0.36 (0.24 as at 31 December 2013).

Dividend policy

Due to the onset of the economic crisis that had a major impact on Gorenje's operations since the last quarter of 2008, no dividends were paid out for the years 2008, 2009, 2010, 2012 and 2013. A dividend pay-out in the amount of EUR 0.15 gross per share was carried out for the financial year 2011.

Significant Events after the Balance Sheet Date

As of 20 February 2015, Gorenje, d.d., issued 10-month commercial papers bearing an interest rate of 2.20% p.a., with the total value of EUR 27m or 35% more than initially planned. Sizeable interest in third issue of commercial papers is proof of investor confidence in the Gorenje Group.

With the last year's issue of 5-year bonds and the issue of 10-month commercial papers, Gorenje has raised EUR 100m in capital markets in no more than four months. Thus, Gorenje is sourcing over a quarter of its financing through capital markets, which is providing for an appropriate stability and competitiveness at provision of sources of finance.

No other significant events occurred after the date of compiling the balance sheet as of 31 December 2014.

Significant Business Events in 2014

JANUARY

Symbolic launch of dishwasher production in Velenje

With the symbolic launch of a five-station sheet metal processing conveyor line, we have celebrated the transfer of the production programme from Sweden to Velenje. The dishwasher production programme was relocated as a part of the large-scale strategic production restructuring programme and is carried out in Velenje since September 2013.

FEBRUARY

Gorenje Group and the American manufacturer of premium home appliances Sub-Zero Group Inc. sign a distribution agreement

We have concluded with the Sub-Zero Group Inc., as a leading American manufacturer of premium home appliances, a long-term agreement for the distribution of Gorenje's premium brand Asko. Accordingly, Sub-Zero Group Inc. will as of 1 April 2014 act as the exclusive distributor of Asko washing machines, dryers, and dishwashers in North America. This partnership constitutes a part of our strategic activities aimed at boosting Gorenje's presence beyond Europe and promoting the sale of its premium products.

Superbrand for Gorenje kitchens in the Czech Republic



Gorenje Kitchens brand received the prestigious Superbrand 2014 award and thereby officially joined the club of excellent brands in the Czech Republic.

MARCH

»Red Dots« for the Gorenje Group



reddot award 2014
winner

Gorenje design was also awarded the international Red Dot award this year for best product design. The 40-member expert jury was impressed by two of Gorenje Group's designs, namely the built-in oven with interactive colour touch display of the Gorenje brand, and the built-in oven of the Pro Series™ line of the Asko brand. The awards ceremony was held on 7 July 2014.

Successful issue of commercial papers in the total par value of EUR 35m

On 25 March 2014 we successfully issued 9-month commercial papers in the total par value of EUR 35m bearing an interest rate of 4%.

APRIL

Premier of Asko Pro Series™ products at the Design Week in Milan



The Asko Pro Series™ was launched as the new line of kitchen products during the Design Week in Milan from 8 through 13 April 2014. We expanded our existing Asko brand offer that is recognisable primarily by washing machines, dishwashers, and dryers.

MAY

Gorenje among the most trustworthy brands for the 8th consecutive year

Gorenje is the most trustworthy brand in the category of home appliances in Slovenia. Subscribers to Reader's Digest magazine in Slovenia have chosen Gorenje for the eighth consecutive year. Reader's Digest magazine has conducted their Trust Brand survey in various categories throughout the world for 14 years and for 8 years in Slovenia.

JUNE

Gorenje wins the Plus X Award for the 11th consecutive year



The former German parliamentary building in Bonn hosted the festive Plus X Award ceremony on 5 June 2014. Gorenje was among the award winners for the eleventh consecutive year. The expert jury, consisting of representatives from 25 different industries, was impressed by the latest combined steam oven of the Gorenje⁺ line, which won awards in the categories of quality,

design, user-friendliness, and functionality.

JULY

Completion of the third stage of share capital increase

The last stage of the share capital increase was conducted in July. The contract on converting debt into 1,005,020 of newly issued shares was concluded with the International Financial Corporation - IFC. Prior to this event, Gorenjska banka converted its receivables into 1,315,166 shares.

50 years of the cooking appliances facility

On 3 July 1964, Gorenje opened an existing production facility for cooking appliance in Velenje. The first production of cooking appliances was otherwise recorded in 1958 in the village Gorenje, and after 1960, the production continued in the rented premises in Velenje. More than 30 million of cooking appliance were manufactured up to the present in Velenje.

Asko's 2nd place at dishwasher testing in Australia and a French award for innovation

The Asko D5894 dishwasher came in second during the latest testing carried out by the Choice independent institution in Australia.

The Asko brand also received a French award for its Asko IQ Cook in the category innovation. The prize was awarded at the Foire de Paris fair.

Simplicity collection premièred in Asia



In addition to the already well-established Ora-Ito line in Asia, our Thai business partner Hafele premiered the new Simplicity line during the 28th Architect Exhibition in Bangkok. The fair attracted more than 173,000 visitors.

AUGUST

Gorenje's appliances make ethical best buy

Gorenje has taken home three Best Buy recommendations from the leading environmental advice provider Ethical Consumer in the United Kingdom. Gorenje's fridge-freezers, microwaves, ovens, and washing machines have all been tipped as top ethical buys in the recently published home appliances guide.

SEPTEMBER

IFA – opportunity to showcase novelties from around the world



Gorenje showcased this year at the IFA tradeshow, the largest international event dedicated to consumer electronics and home appliances in Berlin celebrating its 90th anniversary. Exhibitors use the fair, which takes place prior to the start of the sales' strongest quarter for our industry as well as the consumer electronics industry, to debut

novelties. According to the fair's organisers, a record number of products were premiered this year. Gorenje presented visitors and business partners its new generation of HomeMade personal kitchen assistants that simplify cooking, and also showcased the new generation of Asko high-performance kitchen appliances and other novelties.

New generation of fridges awarded for innovativeness

The Slovenian Chamber of Commerce and Industry conferred on 17 September 2014 national awards for the 12th year running for the most innovative companies and innovators at enterprises and public research institutes. Gorenje innovators received a golden award for its new generation of fridge-freezers.

European Works Council established

Gorenje Group is the first international enterprise headquartered in Slovenia to have established a European Works Council consisting of employees working in European Union member states. The Gorenje European Works Council consists of 17 employees working at Gorenje's major companies in Slovenia, other European Union member states (Germany, Austria, the Czech Republic, the Netherlands, Denmark, Sweden, and Croatia), and one employee from Serbia. The constitutional session of the European Council of Gorenje's workers took place on 25 September in Velenje.

OCTOBER

First issue of bonds successful

As of 10 October 2014, Gorenje issued 5-year corporate bonds (GV01) in the total face value of EUR 73m. Funds raised by the sale of bonds were used to improve the maturity structure of Gorenje's debt and for partial deleveraging. It is Gorenje's first issue of bonds since its transformation into a public limited (joint-stock) company. The bonds are listed on the Ljubljana Stock Exchange.

Design-related events in Belgrade and Prague

Gorenje participated in the event held in Serbia and known as the Belgrade Design Week, whereas in Prague it took part in the so-called Designblok, which is deemed the most important design festival in the Czech Republic and Central Europe.

NOVEMBER

Gorenje's financial report comes out on top again

Gorenje's financial report wins the annual report contest again. Such was the decision of an expert jury of the Finance daily paper evaluating the annual reports submitted for the best 2013 annual report contest. Gorenje is a perennial winner of the best annual report award, whereby its financial report was declared the best already at the contest in 2013.

Gorenje's appliances awarded in Hungary

The company E.ON hosted in Hungary the energy efficiency contest in which Gorenje won the E.ON Energy Saving Award 2014 for its W8824I and W7543L washing machines, its RK6193KX fridge-freezer, and its VCK1622AP-ECO vacuum cleaner as the most energy-efficient models. These appliances were thereby elected as bringing most savings to energy users.

DECEMBER

Gorenje awarded for innovation and sustainability

Gorenje's RK6193 fridge-freezer has won a Designer Kitchen & Bathroom Award for Innovation in Sustainability. The panel, made up of 12 industry experts, awarded the appliance manufacturer at the ceremony on 12th November held in London.

40 years of ceramic tiles in Gorenje

By holding an open-door day on 29 November 2014, the subsidiary Gorenje Keramika marked its 40th anniversary of business operations.

ACCOUNTING REPORT

Fundamental Accounting Policies and Significant Notes to the Financial Statements

Unaudited consolidated financial statements of the Gorenje Group for the period January-December 2014 have been prepared in accordance with provisions of the Companies Act, the International Financial Reporting Standards (IFRSs) as announced by the International Accounting Standards Boards, and interpretations by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union.

Unaudited financial statements of Gorenje, d.d. for the period January-December 2014 have been prepared in accordance with provisions of the Companies Act and the International Financial Reporting Standards (IFRSs). Transition to and implementation of IFRSs was confirmed by Gorenje's Shareholders' Meeting at its 9th regular session held on 29 June 2006.

In accordance with accounting policies, Gorenje, d.d. does not report by business segments as these are outlined and reported in the consolidated report of the Gorenje Group.

Comparable information is in a material scope harmonised with the presentation of information during the current year. Where necessary, comparable information was adjusted in such a way that it matched the presentation of information for the current year.

Changes in the Composition of the Gorenje Group

Changes that occurred in the composition of the Gorenje Group up to and including 31 December 2014 were as follows:

- Pursuant to the consolidation policy for companies in the ecology segment, the parent company Gorenje, d.d. sold its equity interests in the companies Erico, d.o.o. and Econo, d.o.o. to the company Gorenje Surovina d.o.o. in February.
- As of 27 March 2014, a contract on assigning total interest (100%) in the company GORENJE – kuchyne spol. s.r.o. was concluded in Olomouc (Czech Republic) in the form of a notarial record between the assignor VARIO 2000, proizvodnja pohištva, d.o.o. – in liquidation and Gorenje gospodinjski aparati, d.d., Velenje as the assignee.
- Pursuant to the entry in the register of companies dated 8 April 2014, the company Gorenje projekt, d.o.o., which is classified as an associate and where the parent company holds a 50% equity interest, has acquired a 51.17% interest in the company Tosidos, d.o.o.
- By means of a decision adopted by the municipal council in March, the Municipality Šentjur, as the owner of a 0.0155% equity interest in Gorenje Surovina confirmed the sale of its non-controlling interest in Gorenje Surovina, d.o.o., to Gorenje, d.d. The transfer of the equity interest to Gorenje, d.d. was carried out in April, with the relevant agreement being signed on 16 April 2014. Hence, Gorenje, d.d. became the owner of an 85.80% interest in Gorenje Surovina, whereas the residual interest of 14.20% shall remain as treasury shares owned by Gorenje Surovina. Gorenje, d.d. is thereby indirectly becoming the sole owner (100%) of Gorenje Surovina.
- As of 14 April 2014, Gorenje, d.d. sold its equity interest in the company Gorenje kuhinje, d.o.o., Kiev.
- As of 25 June 2014, Atag Nederland BV merged with Atag Special Products BV and with Atag Europe BV on 26 June 2014.

Unaudited Consolidated Financial Statements
January – December 2014

- The company Atag Financiele Diensten BV changed its corporate name to Supportive Retail Services BV and was liquidated on 27 June 2014.
- As of 30 June 2014, the company Asko Appliances, Inc. changed its corporate name to Gorenje North America, Inc.
- As of 18 July 2014, the share capital increase of Gorenje, d.d. was entered into the Companies' Register. Thus, the share capital of Gorenje, d.d. is recorded at EUR 101,922,103.97.
- As of 9 September 2014, the company Cleaning System S acquired a 24% equity interest from Mikica Vasić.
- As of 11 November 2014, PUBLICUS, d.o.o. acquired from the company Gorenje Surovina, d.o.o. an equity interest in EKOGOR, d.o.o.

In addition to the parent company Gorenje, d.d., the following companies were included in the consolidated financial statements of the Gorenje Group:

Companies operating in Slovenia		Equity interest in %	Business segment
1.	Gorenje I.P.C., d.o.o., Velenje	100.00	BSH
2.	Gorenje GTI, d.o.o., Velenje	100.00	BSPI
3.	Gorenje Gostinstvo, d.o.o., Velenje	100.00	BSPI
4.	Energygor, d.o.o., Velenje	100.00	BSPI
5.	Kemis, d.o.o., Vrhnika	100.00	BSPI
6.	Gorenje Orodjarna, d.o.o., Velenje	100.00	BSPI
7.	ZEOS, d.o.o., Ljubljana	51.00	BSPI
8.	Gorenje Surovina, d.o.o., Maribor	100.00	BSPI
9.	Indop, d.o.o., Šoštanj	100.00	BSPI
10.	ERICo, d.o.o., Velenje	51.00	BSPI
11.	Gorenje design studio, d.o.o., Velenje	52.00	BSH
12.	PUBLICUS, d.o.o., Ljubljana	51.00	BSPI
13.	EKOGOR, d.o.o., Jesenice	51.00	BSPI
14.	Gorenje GAIO, d.o.o., Šoštanj	100.00	BSPI
15.	Gorenje GSI, d.o.o., Ljubljana	100.00	BSH
16.	Gorenje Keramika, d.o.o., Velenje	100.00	BSPI
17.	Gorenje Surovina Fotoreciklaža, d.o.o., Maribor	51.00	BSPI
18.	Gorenje Studio, d.o.o., Ljubljana	100.00	BSH

Foreign operations		Equity interest in %	Business segment
1.	Gorenje Beteiligungs GmbH, Austria	100.00	BSH
2.	Gorenje Austria Handels GmbH, Austria	100.00	BSH
3.	Gorenje Vertriebs GmbH, Germany	100.00	BSH
4.	Gorenje Körting Italia S.r.l., Italy	100.00	BSH
5.	Gorenje France S.A.S., France	100.00	BSH
6.	Gorenje Belux S.a.r.l., Belgium	100.00	BSH
7.	Gorenje Espana, S.L., Spain	100.00	BSH
8.	Gorenje UK Ltd., Great Britain	100.00	BSH
9.	Gorenje Group Nordic A/S, Denmark	100.00	BSH
10.	Gorenje AB, Sweden	100.00	BSH

Unaudited Consolidated Financial Statements
January – December 2014

11.	Gorenje OY, Finland	100.00	BSH
12.	Gorenje AS, Norway	100.00	BSH
13.	Gorenje spol. s r.o., Czech Republic	100.00	BSH
14.	Gorenje real spol. s r.o., Czech Republic	100.00	BSH
15.	Gorenje Slovakia s.r.o., Slovakia	100.00	BSH
16.	Gorenje Magyarország Kft., Hungary	100.00	BSH
17.	Gorenje Polska Sp. z o.o., Poland	100.00	BSH
18.	Gorenje Bulgaria EOOD, Bulgaria	100.00	BSH
19.	Gorenje Zagreb, d.o.o., Croatia	100.00	BSH
20.	Gorenje Skopje, d.o.o., Macedonia	100.00	BSH
21.	Gorenje Commerce, d.o.o., Bosnia and Herzegovina	100.00	BSH
22.	Gorenje, d.o.o., Serbia	100.00	BSH
23.	Gorenje Podgorica, d.o.o., Montenegro	99.975	BSH
24.	Gorenje Romania S.r.l., Romania	100.00	BSH
25.	Gorenje aparati za domaćinstvo, d.o.o., Serbia	100.00	BSH
26.	Mora Moravia s r.o., Czech Republic	100.00	BSH
27.	Gorenje - kuchyně spol. s r.o., Czech Republic	100.00	BSH
28.	KEMIS-Termoclean, d.o.o., Croatia	100.00	BSPI
29.	Kemis - BH, d.o.o., Bosnia and Herzegovina	100.00	BSPI
30.	Gorenje Studio, d.o.o., Serbia	100.00	BSH
31.	Gorenje Gulf FZE, United Arab Emirates	100.00	BSH
32.	Gorenje Tiki, d.o.o., Serbia	100.00	BSH
33.	Gorenje Istanbul Ltd., Turkey	100.00	BSH
34.	Gorenje TOV, Ukraine	100.00	BSH
35.	ST Bana Nekretnine, d.o.o., Serbia	100.00	BSPI
36.	Kemis Valjevo, d.o.o., Serbia	100.00	BSPI
37.	Kemis – SRS, d.o.o., Bosnia and Herzegovina	100.00	BSPI
38.	ATAG Nederland BV, the Netherlands	100.00	BSH
39.	ATAG België NV, Belgium	100.00	BSH
40.	Intell Properties BV, the Netherlands	100.00	BSH
41.	Gorenje Nederland BV, the Netherlands	100.00	BSH
42.	Gorenje Kazakhstan, TOO, Kazakhstan	100.00	BSH
43.	»Euro Lumi & Surovina« SH.P.K., Kosovo	51.00	BSPI
44.	OOO Gorenje BT, Russia	100.00	BSH
45.	Gorenje GTI, d.o.o., Beograd, Serbia	100.00	BSPI
46.	Asko Appliances AB, Sweden	100.00	BSH
47.	Gorenje North America, Inc., USA	100.00	BSH
48.	Asko Appliances Pty, Australia	100.00	BSH
49.	Asko Appliances OOO, Russia	100.00	BSH
50.	»Gorenje Albania« SHPK, Albania	100.00	BSH
51.	Gorenje Home d.o.o., Zaječar, Serbia	100.00	BSH
52.	ORSES d.o.o., Beograd, Serbia	100.00	BSPI
53.	Gorenje Ekologija, d.o.o., Stara Pazova, Serbia	100.00	BSPI
54.	Gorenje Corporate GmbH, Austria	100.00	BSH

Unaudited Consolidated Financial Statements
January – December 2014

55.	Cleaning system S, d.o.o., Serbia	100.00	BSPI
56.	ZEOS eko-sistem d.o.o., Bosnia and Hezegovina	49.45	BSPI
57.	Gorenje Solarna energija Solago, d.o.o., Serbia	100.00	BSPI
58.	Gorenje Sola - Home, d.o.o., Serbia	100.00	BSPI
59.	Gorenje do Brasil Ltda., Brasil	100.00	BSH
60.	Gorenje Asia Ltd., China	100.00	BSH
61.	Gorenje MDM d.o.o. Kragujevac, Serbia	100.00	BSPI

BSH – Business Segment Home
BSPI – Business Segment Portfolio Investments

Associates:

- Gorenje Projekt, d.o.o., Velenje
- GGE družba za izvajanje energetske storitve, d.o.o. (GGE d.o.o.), Ljubljana
- RCE – Razvojni center energija d.o.o. (RCE d.o.o.), Velenje
- Econo Projektiranje d.o.o., Ljubljana
- ENVITECH D.O.O., Belgrade
- Gorenje Electronics Trading LLC, Dubai
- Gorenje Projekt, d.o.o., Belgrade
- Tosidos, d.o.o., Ljubljana

Representative offices of Gorenje, d.d. abroad:

- in Kiev (Ukraine),
- in Athens (Greece),
- in Shanghai (China),
- in Almaty (Kazakhstan), and
- in Kishinev (Moldova).

Unaudited Consolidated Financial Statements of the Gorenje Group

Consolidated Balance Sheet of the Gorenje Group

EURk	Balance at 31 Dec 2013	%	Balance at 31 Dec 2014	%
ASSETS	1,148,065	100.0%	1,102,398	100.0%
Non-current assets	593,890	51.7%	593,281	53.8%
Intangible assets	167,882	14.6%	181,597	16.5%
Property, plant and equipment	356,552	31.1%	355,962	32.3%
Investment property	28,129	2.5%	18,931	1.7%
Non-current investments	5,527	0.5%	4,145	0.4%
Investments in associates	711	0.1%	1,122	0.1%
Non-current trade receivables	10,559	0.9%	6,801	0.6%
Deferred tax assets	24,530	2.1%	24,723	2.2%
Current assets	554,175	48.3%	509,117	46.2%
Non-current assets held for sale	1,655	0.1%	1,648	0.1%
Inventories	235,767	20.5%	219,389	19.9%
Current investments	17,202	1.5%	18,898	1.7%
Trade receivables	205,581	17.9%	180,380	16.4%
Other current assets	48,615	4.2%	47,813	4.3%
Cash and cash equivalents	38,589	3.4%	35,843	3.3%
Assets included in disposal groups	6,766	0.6%	5,146	0.5%
EQUITY AND LIABILITIES	1,148,065	100.0%	1,102,398	100.0%
Equity	380,670	33.2%	380,267	34.5%
Share capital	92,240	8.0%	101,922	9.2%
Share premium	175,568	15.3%	175,698	15.9%
Revenue reserves	95,818	8.3%	95,818	8.7%
Treasury shares	-3,170	-0.2%	-3,170	-0.3%
Retained earnings	12,829	1.1%	13,848	1.3%
Translation reserve	-4,435	-0.4%	-17,600	-1.6%
Fair value reserve	9,007	0.8%	10,912	1.0%
Equity of holders of the parent	377,857	32.9%	377,428	34.2%
Equity of non-controlling interests	2,813	0.2%	2,839	0.3%
Non-current liabilities	278,973	24.3%	347,693	31.5%
Provisions	66,671	5.8%	63,453	5.8%
Deferred income	5,081	0.4%	5,270	0.5%
Non-current operating liabilities	5,773	0.5%	5,912	0.5%
Deferred tax liabilities	2,694	0.2%	2,988	0.3%
Non-current financial liabilities	198,754	17.3%	270,070	24.5%
Current liabilities	488,422	42.5%	374,438	34.0%
Current financial liabilities	198,659	17.3%	97,536	8.8%
Trade payables	213,820	18.6%	202,473	18.4%
Other current liabilities	72,244	6.3%	72,316	6.6%
Liabilities included in disposal groups	3,699	0.3%	2,113	0.2%

Unaudited Consolidated Financial Statements
January – December 2014

Consolidated Income Statement of the Gorenje Group

EURk	Q4		Q4		Jan - Dec		Jan - Dec		2014/2013
	2013	%	2014	%	2013	%	2014	%	
Revenue	343,362	102.3%	336,340	105.0%	1,240,482	99.3%	1,245,553	99.3%	100.4
Change in inventories	-24,124	-7.2%	-22,678	-7.1%	-26,122	-2.1%	-12,042	-1.0%	46.1
Other operating income	16,548	4.9%	6,684	2.1%	34,517	2.8%	21,468	1.7%	62.2
Gross profit	335,786	100.0%	320,346	100.0%	1,248,877	100.0%	1,254,979	100.0%	100.5
Cost of goods, materials and services	-248,111	-73.9%	-233,901	-73.0%	-910,516	-72.9%	-919,501	-73.3%	101.0
Employee benefits expense	-57,393	-17.1%	-58,076	-18.1%	-237,914	-19.1%	-227,586	-18.1%	95.7
Amortisation and depreciation expense	-10,135	-3.0%	-10,788	-3.4%	-41,875	-3.3%	-42,989	-3.4%	102.7
Other operating expenses	-7,461	-2.2%	-6,725	-2.1%	-22,242	-1.8%	-21,396	-1.7%	96.2
Operating profit	12,686	3.8%	10,856	3.4%	36,330	2.9%	43,507	3.5%	119.8
Finance income	3,632	1.1%	3,244	1.0%	7,547	0.6%	7,538	0.6%	84.2
Finance expenses	-27,470	-8.2%	-17,132	-5.3%	-61,929	-5.0%	-46,251	-3.7%	72.8
Net finance expenses	-23,838	-7.1%	-13,888	-4.3%	-54,382	-4.4%	-38,713	-3.1%	71.2
Share in profits or losses in associates	-654	-0.2%	197	0.1%	-592	0.0%	65	0.0%	/
Profit or loss before tax	-11,806	-3.5%	-2,835	-0.9%	-18,644	-1.5%	4,859	0.4%	/
Income tax expense	6,689	2.0%	42	0.0%	4,219	0.3%	-2,624	-0.2%	-62.2
Profit or loss without discontinued operation	-5,117	-1.5%	-2,793	-0.9%	-14,425	-1.2%	2,235	0.2%	/
Profit or loss from discontinued operation	-1,701	-0.5%	19	0.0%	-10,574	-0.8%	-996	-0.1%	9.4
Profit or loss for the period	-6,818	-2.0%	-2,774	-0.9%	-24,999	-2.0%	1,239	0.1%	/
Attributable to non-controlling interests	53	0.0%	-1	0.0%	225	0.0%	220	0.0%	97.8
Attributable to equity holders of the parent	-6,871	-2.0%	-2,773	-0.9%	-25,224	-2.0%	1,019	0.1%	/
Basic and diluted earnings per share without discontinued operation (in EUR)	-0.27	/	-0.11	/	-0.88	/	0.09	/	/
Basic and diluted earnings per share (in EUR)	-0.35	/	-0.11	/	-1.51	/	0.04	/	/

**Consolidated Statement of Comprehensive Income of the
Gorenje Group**

EURk	Jan - Dec 2013	Jan - Dec 2014
Profit or loss for the period	-24,999	1,239
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	-1,262	0
Change in fair value of land	-1,262	0
Items that may be reclassified subsequently to profit or loss	-9,003	-11,260
Net change in fair value of available-for-sale financial assets	-153	-41
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge	-72	-145
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge, reclassified to profit or loss	2,465	2,472
Net change in exchange differences from investments in subsidiaries, reclassified to profit or loss	-711	0
Income tax on other comprehensive income	-236	-381
Translation reserve	-10,296	-13,165
Other comprehensive income for the period	-10,265	-11,260
Total comprehensive income for the period	-35,264	-10,021
Attributable to equity holders of the parent	-35,489	-10,241
Attributable to non-controlling interests	225	220

Consolidated Statement of Cash Flows of the Gorenje Group

EURk	2013	2014
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit or loss for the period	-24,998	1,239
Adjustments for:		
-Depreciation of property, plant and equipment	35,436	35,950
-Amortisation of intangible assets	6,705	7,069
-Investment income	-7,571	-7,620
-Finance expenses	68,832	46,292
-Gain on sale of property, plant and equipment	-4,859	-288
-Gain on sale of investment property	-51	-83
-Revaluation operating income	-6,851	0
-Income tax expense	-4,219	2,624
Operating profit before changes in net operating current assets and provisions	62,424	85,183
Change in trade and other receivables	5,620	18,633
Change in inventories	12,642	16,552
Change in provisions	3,786	-4,452
Change in trade and other payables	-8,716	-19,483
Cash generated from operations	13,332	11,250
Interest paid	-21,574	-21,526
Income tax paid	-3,437	-4,048
Net cash from operating activities	50,745	70,859
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	14,482	5,477
Proceeds from sale of investment property	9,250	3,274
Interest received	2,547	1,793
Dividends received	-495	120
Sale of subsidiary	0	10
Acquisition of property, plant and equipment	-60,928	-40,371
Acquisition of investment property	-7,304	-9
Other investments	-432	-1,695
Acquisition of intangible assets	-15,678	-21,264
Net cash used in investing activities	-58,558	-52,665
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Capital increase	25,855	9,812
Borrowings / Repayment of borrowings	-33,130	-31,444
Net cash used in financing activities	-7,275	-21,632
Net change in cash and cash equivalents	-15,088	-3,438
Cash and cash equivalents at beginning of period	54,588	39,500
Cash and cash equivalents at end of period	39,500	36,062

Consolidated Statement of Changes in Equity of the Gorenje Group

EUR	Share capital	Share premium	Revenue reserves				Treasury shares	Retained earnings		Translation reserve	Fair value reserve	Equity holders of the parent	Non-controlling interests	Total
			Legal reserves	Statutory reserves	Treasury share reserve	Other revenue reserves		Profit or loss from previous periods	Profit or loss for the period					
Opening balance at 1 Jan 2013	66,378	175,575	12,896	6,653	3,170	71,612	-3,170	25,395	14,145	5,861	8,976	387,491	2,352	389,843
Total comprehensive income for the period														
Profit or loss for the period									-25,224			-25,224	225	-24,999
Total other comprehensive income										-10,296	31	-10,265	0	-10,265
Total comprehensive income for the period	0	0	0	0	0	0	0	0	-25,224	-10,296	31	-35,489	225	-35,264
Transactions with owners (when acting as owners) recognised directly in equity														
Contributions by owners and distribution to owners														
Capital increase	25,862	849										26,711		26,711
Costs of capital increase		-856										-856		-856
Creation of statutory reserves				270					-270			0		0
Transfer of profit or loss from previous period to retained earnings or losses								14,145	-14,145			0		0
Transfer of portion of profit for 2013 to other reserves						1,217			-1,217			0		0
Total contributions by owners and distributions to owners	25,862	-7	0	270	0	1,217	0	14,145	-15,632	0	0	25,855	0	25,855
Change in equity interests in subsidiaries that do not result in a loss of control														
Change in equity interests												0	236	236
Total changes in equity interests in subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	236	236
Total transactions with owners	25,862	-7	0	270	0	1,217	0	14,145	-15,632	0	0	25,855	236	26,091
Closing balance at 31 Dec 2013	92,240	175,568	12,896	6,923	3,170	72,829	-3,170	39,540	-26,711	-4,435	9,007	377,857	2,813	380,670

Unaudited Consolidated Financial Statements
January – December 2014

EUR	Share capital	Share premium	Revenue reserves				Treasury shares	Retained earnings		Translation reserve	Fair value reserve	Equity holders of the parent	Non-controlling interests	Total
			Legal reserves	Statutory reserves	Treasury share reserve	Other revenue reserves		Profit or loss from previous periods	Profit or loss for the period					
Opening balance at 1 Jan 2014	92,240	175,568	12,896	6,923	3,170	72,829	-3,170	39,540	-26,711	-4,435	9,007	377,857	2,813	380,670
Total comprehensive income for the period														
Profit or loss for the period									1,019			1,019	220	1,239
Total other comprehensive income										-13,165	1,905	-11,260	0	-11,260
Total comprehensive income for the period	0	0	0	0	0	0	0	0	1,019	-13,165	1,905	-10,241	220	-10,021
Transactions with owners (when acting as owners) recognised directly in equity														
Contributions by owners and distribution to owners														
Capital increase	9,682	318										10,000		10,000
Costs of capital increase		-188										-188		-188
Transfer of profit or loss from previous period to retained earnings or losses								-26,711	26,711			0		
Total contributions by owners and distributions to owners	9,682	130	0	0	0	0	0	-26,711	26,711	0	0	9,812	0	9,812
Change in equity interests in subsidiaries that do not result in a loss of control														
Change in equity interests												0	-194	-194
Total changes in equity interests in subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	-194	-194
Total transactions with owners	9,682	130	0	0	0	0	0	-26,711	26,711	0	0	9,812	-194	9,618
Closing balance at 31 Dec 2014	101,922	175,698	12,896	6,923	3,170	72,829	-3,170	12,829	1,019	-17,600	10,912	377,428	2,839	380,267

Unaudited Financial Statements of Gorenje, d.d.

Balance Sheet of Gorenje, d.d.

EURk	Balance at 31 Dec 2013	%	Balance at 31 Dec 2014	%
ASSETS	885,588	100.0%	910,137	100.0%
Non-current assets	472,935	53.5%	487,383	53.6%
Intangible assets	21,651	2.4%	33,246	3.7%
Property, plant and equipment	170,668	19.3%	180,660	19.8%
Investment property	25,361	2.9%	16,729	1.8%
Investments in subsidiaries	236,245	26.7%	238,363	26.2%
Investments in associates	976	0.1%	341	0.1%
Other non-current investments	690	0.1%	689	0.1%
Deferred tax assets	17,344	2.0%	17,355	1.9%
Current assets	412,653	46.5%	422,754	46.4%
Inventories	95,811	10.8%	96,138	10.6%
Current investments	90,626	10.2%	137,280	15.1%
Trade receivables	195,935	22.1%	167,714	18.4%
Other current assets	15,377	1.7%	11,368	1.2%
Cash and cash equivalents	14,904	1.7%	10,254	1.1%
EQUITY AND LIABILITIES	885,588	100.0%	910,137	100.0%
Equity	347,907	39.3%	365,910	40.2%
Share capital	92,240	10.4%	101,922	11.2%
Share premium	157,705	17.8%	157,835	17.3%
Revenue reserves	95,818	10.8%	95,818	10.5%
Treasury shares	-3,170	-0.4%	-3,170	-0.3%
Retained earnings	1,369	0.2%	7,703	0.9%
Fair value reserve	3,945	0.5%	5,802	0.6%
Non-current liabilities	193,601	21.8%	256,032	28.1%
Provisions	23,185	2.6%	21,929	2.4%
Non-current financial liabilities	170,416	19.2%	234,103	25.7%
Current liabilities	344,080	38.9%	288,195	31.7%
Current financial liabilities	157,461	17.8%	113,990	12.5%
Trade payables	169,476	19.1%	154,786	17.0%
Other current liabilities	17,143	2.0%	19,419	2.2%

Unaudited Consolidated Financial Statements
January – December 2014

Income Statement of Gorenje, d.d.

EURk	Q4 2013	%	Q4 2014	%	2013	%	2014	%	2014/ 2013
Revenue	192,842	97.6%	182,461	101.3%	664,644	98.5%	687,210	98.5%	103.4
Change in inventories	-5,613	-2.8%	-5,653	-3.1%	-7,296	-1.1%	-95	0.1%	1.3
Other operating income	10,247	5.2%	3,361	1.8%	17,219	2.6%	10,252	1.4%	59.5
Gross profit	197,476	100.0%	180,169	100.0%	674,567	100.0%	697,367	100.0%	103.4
Cost of goods, materials and services	-158,436	-80.2%	-143,234	-79.5%	-542,718	-80.5%	-555,271	-79.7%	102.3
Employee benefits expense	-22,389	-11.3%	-24,905	-13.8%	-92,675	-13.7%	-96,898	-13.9%	104.6
Amortisation and depreciation expense	-4,895	-2.5%	-5,736	-3.2%	-18,335	-2.7%	-21,618	-3.1%	117.9
Other operating expenses	-1,906	-1.0%	-1,821	-1.0%	-5,793	-0.9%	-5,631	-0.8%	97.2
Operating profit	9,850	5.0%	4,473	2.5%	15,046	2.2%	17,949	2.5%	119.3
Finance income	3,065	1.5%	3,433	1.9%	18,290	2.7%	16,578	2.4%	90.6
Finance expenses	-13,859	-7.0%	-7,250	-4.0%	-38,657	-5.7%	-28,585	-4.1%	73.9
Net finance expenses	-10,794	-5.5%	-3,817	-2.1%	-20,367	-3.0%	-12,007	-1.7%	59.0
Profit or loss before tax	-944	-0.5%	656	0.4%	-5,321	-0.8%	5,942	0.8%	/
Income tax expense	7,628	3.9%	114	0.1%	8,026	1.2%	392	0.1%	4.9
Profit for the period	6,684	3.4%	770	0.5%	2,705	0.4%	6,334	0.9%	234.2
Basic and diluted earnings per share (in EUR)	0.40		0.03		0.16		0.28		

Statement of Comprehensive Income of Gorenje, d.d.

EURk	2013	2014
Profit or loss for the period	2,705	6,334
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	0	0
Change in fair value of land	0	0
Items that may be reclassified subsequently to profit or loss	1,330	1,857
Net change in fair value of available-for-sale financial assets	-1	-41
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge	-5	-192
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge, reclassified to profit or loss	2,466	2,472
Net change in fair value arising on exchange differences from investments in subsidiaries, reclassified to profit or loss	-713	0
Income tax on other comprehensive income	-417	-382
Other comprehensive income for the period	1,330	1,857
Total comprehensive income for the period	4,035	8,191

Statement of Cash Flows of Gorenje, d.d.

EURk	2013	2014
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit or loss for the period	2,705	6,334
Adjustments for:		
-Depreciation of property, plant and equipment	15,411	18,446
-Amortisation of intangible assets	2,924	3,172
-Investment income	-18,290	-16,578
-Finance expenses	38,657	28,585
-Gain on sale of property, plant and equipment	-506	-36
-Gain on sale of investment property	0	-83
-Revaluation operating income	-2,416	0
-Income tax expense	-8,026	-392
Operating profit before changes in net operating assets and provisions	30,459	39,448
Change in trade and other receivables	-2,273	25,219
Change in inventories	-11,594	-327
Change in provisions	1,553	-2,404
Change in trade and other payables	12,467	-16,471
Cash generated from operations	153	6,017
Interest paid	-17,656	-17,054
Net cash from operating activities	12,956	28,411
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	7,418	7,391
Proceeds from sale of investment property	453	3,274
Interest received	6,034	6,731
Dividends received	9,837	5,349
Sale of subsidiary	0	266
Acquisition of subsidiary	-6,600	-4,506
Acquisition of property, plant and equipment	-40,731	-23,385
Acquisition of investment property	-7,304	-9
Other investments	3,866	-44,832
Acquisition of intangible assets	-10,903	-14,767
Net cash used in investing activities	-37,930	-64,488
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Capital increase	25,856	9,812
Borrowings / Repayment of borrowings	-4,950	21,615
Net cash used in financing activities	20,906	31,427
Net change in cash and cash equivalents	-4,068	-4,650
Cash and cash equivalents at beginning of period	18,972	14,904
Cash and cash equivalents at end of period	14,904	10,254

Unaudited Consolidated Financial Statements
January – December 2014

Statement of Changes in Equity of Gorenje, d.d.

EURk	Share capital	Share premium	Revenue reserves				Other re-venue reserves	Treasury reserves	Retained earnings		Fair value reserve	Total
			Legal reserves	Statutory reserves	Treasury share reserve	Profit or loss from previous periods			Profit or loss for the period			
Opening balance at 1 Jan 2013	66,378	157,712	12,896	6,653	3,170	71,612	-3,170	151	0	2,615	318,017	
Total comprehensive income for the period												
Profit or loss for the period									2,705		2,705	
Total other comprehensive income										1,330	1,330	
Total comprehensive income for the period	0	0	0	0	0	0	0	0	2,705	1,330	4,035	
Transactions with owners (when acting as owners) recognised directly in equity											0	
Contributions by owners and distribution to owners											0	
Capital increase	25,862	849									26,711	
Costs of capital increase		-856									-856	
Creation of statutory reserves				270					-270		0	
Transfer of portion of profit for 2013 to other reserves						1,217			-1,217		0	
Total contributions by owners and distribution to owners	25,862	-7	0	270	0	1,217	0	0	-1,487	0	25,855	
Total transactions with owners	25,862	-7	0	270	0	1,217	0	0	-1,487	0	25,855	
Closing balance at 31 Dec 2013	92.240	157.705	12.896	6.923	3.170	72.829	-3.170	151	1.218	3.945	347.907	

Unaudited Consolidated Financial Statements
January – December 2014

EURk	Revenue reserves						Retained earnings			Fair value reserve	Total
	Share capital	Share premium	Legal reserves	Statutory reserves	Treasury share reserve	Other re-venue reserves	Treasury shares	Profit or loss from previous periods	Profit or loss for the period		
Opening balance at 1 Jan 2014	92,240	157,705	12,896	6,923	3,170	72,829	-3,170	151	1,218	3,945	347,907
Total comprehensive income for the period											
Profit or loss for the period									6,334		6,334
Total other comprehensive income										1,857	1,857
Total comprehensive income for the period	0	0	0	0	0	0	0	0	6,334	1,857	8,191
Transactions with owners (when acting as owners) recognised directly in equity											0
Contributions by owners and distribution to owners											0
Capital increase	9,682	318									10,000
Costs of capital increase		-188									-188
Creation of statutory reserves											0
Transfer of profit or loss from previous period to retained earnings or losses								1,218	-1,218		0
Transfer of portion of profit for 2014 to other reserves											0
Total contributions by owners and distribution to owners	9,682	130	0	0	0	0	0	1,218	-1,218	0	9,812
Total transactions with owners	9,682	130	0	0	0	0	0	1,218	-1,218	0	9,812
Closing balance at 31 Dec 2014	101,922	157,835	12,896	6,923	3,170	72,829	-3,170	1,369	6,334	5,802	365,910

Information Regarding the Report and its Public

Announcement

Pursuant to provisions of the Code of Warsaw Stock Exchange, Rules and Regulations of the Ljubljana Stock Exchange and the applicable legislation, the company Gorenje, d.d., Partizanska 12, SI-3320 Velenje, hereby announces the **unaudited non-consolidated financial statements for 2014 of Gorenje, d.d., and the unaudited consolidated financial statements for 2014 of the Gorenje Group**. The unaudited financial statements of Gorenje, d.d., and the Gorenje Group were presented to its Supervisory Board at their **5th regular session** held on **12 March 2015**. The financial statements are available for review at the headquarters of Gorenje, d.d., at Partizanska 12, SI-3320 Velenje, whereas the relevant announcements shall be available in the Ljubljana Stock Exchange electronic info system, the SEOnet (www.ljse.si), the Warsaw Stock Exchange via the ESPI system (www.gpw.pl), and the company's web site at www.gorenjegroup.com, on **13 March 2015**.

Forward-looking Statements

This announcement of the unaudited financial statements for 2014 includes forward-looking information and forecasts – i.e. statements regarding the future, rather than the past, and regarding events within the framework and in relation to the currently effective legislation on publicly traded companies and securities and pursuant to the Rules and Regulations of the Ljubljana and Warsaw Stock Exchange. These statements can be identified by the words such as "expected", "anticipated", "forecast", "intended", "planned or budgeted", "probable or likely", "strive/invest effort to", "estimated", "will", "projected", or similar expressions. These statements include, among others, financial goals and targets of the parent company Gorenje, d.d., and the Gorenje Group for the upcoming periods, planned or budgeted operations, and financial plans. These statements are based on current expectations and forecasts and are subject to risk and uncertainty which may affect the actual results which may in turn differ from the information stated herein for various reasons. Various factors, many of which are beyond reasonable control by Gorenje, affect the operations, performance, business strategy, and results of Gorenje. Thus actual results, performance, or achievements of Gorenje may differ materially from the expected results, performance, or achievements as stated in these forward-looking statements. These factors include, without prejudice to any not mentioned herein, the following: consumer demand and market conditions in geographical segments or regions and in industries in which the Gorenje Group is conducting its operating activities; effects of exchange rate fluctuations; competitive downward pressure on downstream prices; major loss of business with a major account/customer; the possibility of overdue or late payment on the part of customers; decrease in prices as a result of persistently harsh market conditions, in an extent much higher than currently expected by Gorenje's Management Board; success of development of new products and implementation in the market; development of manufacturer's liability for the product; progress of attainment of operative and strategic goals regarding efficiency; successful identification of opportunities for growth and mergers and acquisitions, and integration of such opportunities into the existing operations; further volatility and aggravation of circumstances in capital markets; progress in attainment of goals regarding structural reorganization and reorganization in purchasing. If one more risks or uncertainties are in fact materialized or if the said assumptions are proven wrong, actual results may deviate materially from those stated as expected, hoped for, forecast, projected, planned, probable, estimated, or anticipated in this announcement. Gorenje does not intend to assume and will not allow for any liability to update or revise these forecasts in light of development differing from the expected events.