

## **GORENJE OPENS NEW REFRIGERATORS & FREEZERS PLANT IN VALJEVO**

*Valjevo, Slovenia, 16 October 2006* – One of the biggest European manufacturers of household appliances, Gorenje, today officially opened a new plant for the production of refrigerators and freezers in Valjevo, Serbia. The total investment is valued at EUR 20 million. The first chest freezer left the factory, which employs 330 people, on 15 September. According to forecasts, production will reach 50,000 units this year and 400,000 next year. The plant will manufacture appliances for all Gorenje brands and markets worldwide. By establishing production in Serbia Gorenje has acquired the local manufacturer status as part of the strategy to create the conditions that will enable the company to protect its market shares in the long-term. At the same time, Gorenje has started building a wide network of local suppliers. This effectively means that in addition to creating new jobs at the new plant, numerous other jobs are being created with suppliers all over Serbia. The ribbon was cut by Chairman of the Gorenje Management Board Franjo Bobinec and the Serbian minister of foreign economic relations, Milan Parivodić.

In August 2004 Gorenje purchased a six-hectare lot in the industrial zone in Valjevo. The construction of the refrigerators and freezers plant got underway on 1 March 2006 and was completed on 13 September. Production is being implemented gradually starting with chest freezers on 15 September, which will be followed by 500 mm wide refrigerators-freezers next week; the 540 mm line will open in January 2007. At present, 330 people are employed at Gorenje's Valjevo plant, however along with growing production volumes this number will keep increasing until 2007.

In addition to the factory and the warehouse the premises covering a total area of 27,500 m<sup>2</sup> will also include a 850 m<sup>2</sup> modern showroom and sales centre, Studio Gorenje. The Studio will feature the entire range of Gorenje products for the home including small and large household appliances, kitchens, bathrooms, furniture, entertainment electronics and air conditioning units. The plant, which employs cutting-edge technology on par with that at the mother company in Velenje, will turn out 840 refrigerators-freezers every day with the targeted annual production capacity of 1 million appliances by 2010. The plant will manufacture appliances for all Gorenje brands and markets worldwide.

Gorenje's strategic plan until 2010 provides for the production capacities in Slovenia to remain at the present level with growth to be generated abroad. The first step towards the internationalisation of the production of household appliances was the takeover of Czech manufacturer of cooking appliances Mora Moravia at the end of 2004. Today marks the official start of operation of the new refrigerators and freezers plant in Valjevo. In 2006 Gorenje will manufacture 3.7 million household appliances in total and generate over EUR 1.1 billion sales revenue. In the future Gorenje will continue to consolidate its presence and market shares in the European markets and keep achieving ambitiously set targets.

The opening ceremony, which took place on the fascinating logistics platform of the new plant designed as a huge stage, was complimented by the performances of the Živorad Grbič music school youth choir, Valjevo, the folklore groups Koleda, Velenje and KUD Abrašević, Valjevo, and a popular Slovenian pop star, **Neisha**, who has recently released her CD in Serbia. The show was hosted by **Ivana Bojić Zarić**. The ribbon was cut by Chairman of the Gorenje Management Board Franjo Bobinec and the personal emissary of the Serbian Prime Minister, Minister of Foreign Economic Relations **Milan Parivodić**.