

Appendix: Non-audited financial statements for the period January-March 2007 and 2006

Financial statements of Gorenje, d.d.

Income statement

	In EUR thousand	1Q 2006	Adjusted* 1Q 2006	1Q 2007	07/ 06
1.	Revenue	154,536	155,843	205,745	132.0
2.	Changes in inventories of finished goods and work in progress	4,760	5,170	7,427	143.7
3.	Other operating income	1,256	1,260	1,720	136.5
4.	Gross operating yield	160,552	162,273	214,892	132.4
5.	Cost of goods, materials and services	-122,244	-123,694	-174,209	140.8
6.	Employee benefits expense	-22,882	-23,643	-24,419	103.3
7.	Amortisation and depreciation expense	-8,367	-8,481	-8,644	101.9
8.	Other operating expenses	-1,613	-1,005	-1,771	176.2
9.	Operating profit	5,446	5,450	5,849	107.3
10.	Finance income	2,119	2,099	1,536	73.2
11.	Finance expenses	-2,593	-2,597	-3,427	131.9
12.	Profit before tax	4,972	4,952	3,958	79.9
13.	Income tax expense	-599	-599	-376	62.8
14.	Profit for the period	4,373	4,353	3,582	82.3

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

Balance Sheet

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

Cash flow statement

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

Statement of changes in Equity

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

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

Financial statements of Gorenje Group

Income statement

	in EUR thousand	1Q 2006	1Q 2007	07/ 06
1.	Revenue	230,816	313,331	135.7
2.	Changes in inventories	6,624	10,798	163.0
3.	Other operating income	2,568	5,176	201.6
4.	Gross operating yield	240,008	329,305	137.2
5.	Cost of goods, materials and services	-175,086	-252,257	144.1
6.	Employee benefits expense	-44,008	-48,350	109.9
7.	Amortisation and depreciation expense	-12,142	-13,227	108.9
8.	Other operating expenses	-2,344	-4,820	205.6
9.	Operating profit (EBIT)	6,428	10,651	165.7
10.	Finance income	3,911	3,334	85.2
11.	Finance expenses	-4,978	-7,798	156.6
12.	Profit before tax	5,361	6,187	115.4
13.	Income tax expense	-999	-1,782	178.4
14.	Profit for the period	4,362	4,405	101.0
15.	Attributable to minority interest	15	681	/
16.	Attributable to equity holders of the parent	4,347	3,724	85.7
17.	Earnings per share basic/diluted (in EUR)	1,54	1,60	103.9

Balance Sheet

	In EUR thousand	31 March 2006	31 March 2007	07/ 3-06
	ASSETS	818,643	967,574	118.2
A.	Non-current assets	383,757	419,285	109.3
I.	Intangible assets	23,210	24,206	104.3
II.	Property, plant and equipment	326,528	365,066	111.8
III.	Investment property	888	1,336	150.5
IV.	Non-current investments	25,088	19,916	79.4
V.	Investments in associates	0	0	/
VI.	Deferred tax assets	8,043	8,761	108.9
B.	Current assets	434,886	548,289	126.1
I.	Assets classified as held for sale	2	640	/
II.	Inventories	181,294	214,921	118.5
III.	Current investments	15,634	21,889	140.0
IV.	Trade and other receivables	206,680	264,266	127.9
V.	Other current assets	21,017	36,600	174.1
VI.	Cash and cash equivalents	10,259	9,973	97.2
	EQUITY AND LIABILITIES	818,643	967,574	118.2
A.	Equity	243,544	270,319	111.0
I.	Share capital	50,921	50,910	100.0
II.	Share premium	96,471	96,450	100.0
III.	Legal reserves, statutory reserves, and reserves for own shares	31,283	43,713	139.7
IV.	Retained earnings	66,763	71,353	106.9
V.	Own shares	-21,409	-27,693	129.4
VI.	Equity revaluation and translation adjustments	18,641	24,862	133.4
A1.	Equity attributable to equity holders of the parent	242,670	259,595	107.0
A2.	Minority interest	874	10,724	/
B.	Non-current liabilities	185,147	220,486	119.1
I.	Provisions	48,906	51,562	105.4
II.	Provisions set up from government grants	7,556	8,221	108.8
III.	Deferred tax liabilities	678	1,761	259.7
IV.	Non-current financial liabilities	127,826	156,991	122.8
V.	Other non-current liabilities	181	1,951	/
C.	Current liabilities	389,952	476,769	122.3
I.	Current financial liabilities	196,978	220,937	112.2
II.	Trade and other payables	137,876	191,633	139.0
III.	Other current liabilities	55,098	64,199	116.5

Cash flow statement

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

Statement of changes in Equity

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

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