

Gorenje performed well and on target in the first half of 2007; very strong growth of sales, but at the same time extremely high growth of raw materials. About the business performance discussed also the Supervisory Board at the 12th Supervisory Board Meeting, held on 23 August 2007.

Business Performance in the First Half of the 2007 Financial Year

The Supervisory Board of Gorenje, d.d., today at its 12th Meeting discussed and adopted the Non-audited Half-Yearly Report of Gorenje d.d. and the Gorenje Group. In the opinion of the Supervisory Board the business performance was good, in particular in the light of the market conditions.

Gorenje Group:

- **Revenue** in the amount of **EUR 620,468 thousand** is **29.9 % (EUR 142.7 million) higher** than in the same period last year, reaching 51.7 % of the plan 2007. Revenue in the first half of 2007 is not entirely comparable to the figure reported for the same period in the preceding year due to the inclusion of the companies Gorenje Energetski sistemi and Surovina, d.d., into the Group. Using **comparable data**, revenue is higher by **EUR 51.6 million**, which is **equivalent to 10.8 %**.
- **Operating profit before depreciation/amortisation/EBITDA**, which is a rough estimate of earnings from operating activities, amounts to EUR 40,619 thousand, which is 15.4 % more than in the same period in 2006 and represents 41.8 % of the annual plan for 2007.
- **EBIT** amounted to EUR 14,151 thousand, with strong 31.9 % growth and 32.1 % of 2007 plan.
- **PBT** in the amount to EUR 9,426 thousand, exceeds the figure reported in the same period in 2006 by 29.6 %, reaching 31.9 % of the plan 2007.
- **Consolidated net profit** exceeds the figure reported in the same period in 2006 by 3.7 %, reaching 28.2 % of the plan 2007. The net profit also includes the net profit share of minority shareholders amounting to EUR 1,313 thousand.

Parent Company Gorenje d.d.:

- **Revenue** in the amount of **EUR 401,670 thousand** is for **22.6 % (EUR 74,160 thousand) higher** than in the same period last year, reaching 47.7 % of the plan for 2007.
- **EBITDA** amounts to EUR 23,399 thousand, which is 1.4 % more than in the same period in 2006 and represents 39.9 % of the annual plan.
- **EBIT** exceeds the figure reported in the same period in 2006 by 6.4 %, reaching 26.7 % of 2007 plan.
- **PBT** amounted to EUR 4,355 thousand, with 15.0 % increase and represents 22.6 % of the annual plan.
- **Net profit** for the period amounts to EUR 3,551 thousand, which is 2.7 % more than in the same period last year, and 23.1 % of the planned net profit for 2007.

For Gorenje, 2007 is another tough prospect in what has been a series of increasingly challenging years. However, our main source of concern are the prices of raw materials, in particular sheet metal. Optimistic forecasts from the beginning of the year have slow down and stabilize on the most Gorenje markets, the risks are uncertain political circumstances at some market areas.

Nevertheless, Gorenje's performance in the first half of 2007 was good and in line with the annual plan. Effective economic operation is supported by quality sales growth and profitability, by manufacturing productivity and efficiency of operation in manufacturing and by effective management of all types of risk, which the company is exposed to due to the highly changeable business environment, improving the management of current assets, in particular of receivables and inventories; and by rationalisation of business processes and cost containment at all levels of company operation.

The negative impacts of expected business performance will have to be neutralized as much as possible during the second half of the year 2007. Gorenje is strengthening the development of new products and services, which will increase our market competitiveness, enable high-end product placement and higher value added, and consequently lead to improved company performance in the future and continuing the optimisation of the supply chain and seeking alternative and/or new sources of supply so as to ensure price competitiveness of our products.

The Management Board is pleased with achieved first half results and is determined that by implementing the measures outlined above the company should continue to grow and prosper, and achieve its ambitious objectives in 2007.

The complete Half-Yearly Report and the Summary can be viewed at the company headquarters of Gorenje d.d., Partizanska 12, Si-3503 Velenje.

Any important changes to data in the company's prospectus shall be promptly released in public announcements on SEOnet of the Ljubljana Stock Exchange. As from the date of this release, this notice will also be published on the company's gorenje.com website.

Gorenje, d.d.,
Management Board