

Summary
Non-audited Half-Yearly Report
of Gorenje, d.d., and the Gorenje Group
for the Period January – June 2007



Velenje, Slovenia, August 2007

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General

The **Summary of the non-audited non-consolidated half-yearly report of Gorenje, d.d., and non-audited consolidated half-yearly report of the Gorenje Group for the period January – June 2005** is published by corporation Gorenje, d.d., Partizanska 12, Si-3503 Velenje, Slovenia, as provided by Article 35 of the Regulations of the Ljubljana Stock Exchange (Ljubljanska borza vrednostnih papirjev, d.d.), and the Securities Market Act. Major changes of data provided in the stock exchange listing prospectus are duly and regularly published in the Delo newspaper, on the Ljubljana Stock Exchange electronic information system SEOnet, and on the company website at www.gorenje.com.

The Non-audited Half-Yearly Report of Gorenje, d.d., and the Gorenje Group for 2007 was discussed and adopted by the company Supervisory Board at its 12th Meeting on 23 August 2007.

The complete Half-Yearly Report can be viewed at the company headquarters at Partizanska 12, Si-3503 Velenje, Slovenia; as of 23 August 2007, it has also been available on the Ljubljana Stock Exchange electronic information system.

Consolidated Financial Statements

The financial statements have been prepared in accordance with the provisions of the Corporations Act and the International Financial Reporting Standards.

The changes in the structure of the Gorenje Group in the period 1 January – 30 June 2007 were as follows:

- The transfer of business activities (cooling and heating program) from the company Gorenje GTI, d.o.o., to the company Gorenje Tiki, d.o.o., on 1 January 2007 was realized.
- On 31 January 2007, Gorenje, d.d., purchased from Probanka, d.d., a 23.4 % share in the company Surovina, d.d., Maribor, that effectively translates into 51 % of all shares in Surovina, d.d. With this transaction the company Gorenje, d.d., became a 51- percentage stakeholder of Surovina, d.d., subsidiaries: RVT tehnologija predelave ostankov, d.o.o., Maribor (58.8%), Slovenia and Sirovina, a.d., Serbia (61.7%).
- On 31 January 2007, the Gorenje company Kemis, d.o.o., Zagreb, Croatia, signed the purchase agreement of 100% share in Termoclean-Zg, d.o.o., Zagreb, Croatia.
- On 8 January 2007 the representative office of Gorenje, d.d., in Kazakhstan was established.
- At the end of March Gorenje, d.d., established the company INDOP, d.o.o.
- In May the sales company Gorenje TOV, Kiev, Ukraine, was established. The 100 % stakeholder of this company is Gorenje Beteiligungs GmbH, Austria.

The consolidated financial statements of the Gorenje Group include the parent company Gorenje, d.d., and the following subsidiaries:

Companies operating in Slovenia: Gorenje I.P.C., d.o.o., Velenje; Gorenje Tiki d.o.o., Ljubljana; Gorenje GTI, d.o.o., Velenje; Gorenje Notranja oprema, d.o.o., Velenje; Gorenje Gostinstvo, d.o.o., Velenje; LINEA SP, d.o.o., Velenje; Energygor, d.o.o., Velenje; Opte Ptuj, d.o.o., Ptuj; Kemis, d.o.o., Radomlje; Gorenje Orodjarna, d.o.o., Velenje; ZEOS, d.o.o., Ljubljana; Istrabenz Gorenje energetski sistemi, d.o.o., Nova Gorica; GEN-I, d.o.o., Krško; BIOTOPLOTA, d.o.o., Nova Gorica; Surovina, d.d., Maribor; RVT, d.o.o., Maribor; INDOP, d.o.o., Velenje.

Companies operating outside Slovenia: Gorenje Beteiligungs GmbH, Austria; Gorenje Austria Handels GmbH, Austria; Gorenje Vertriebsgesellschaft m.b.H., Germany; Gorenje Körting Italia S.r.l., Italy; Gorenje France S.A.S., France; Gorenje BELUX S.a.r.l., Belgium; Gorenje Espana, S.L., Spain; Gorenje UK Ltd., UK; Gorenje Skandinavien A/S, Denmark; Gorenje AB, Sweden; Gorenje OY, Finland; Gorenje AS, Norway; OÜ Gorenje, Estonia; SIA Gorenje, Latvia; Gorenje spol. s r.o., Czech Republic; Gorenje real spol. s r.o., Czech Republic; Gorenje Slovakia s r.o., Republic of Slovakia; Gorenje Budapest Kft., Hungary; Gorenje Polska Sp. z o.o., Poland; Gorenje Bulgaria EOOD, Bulgaria; Gorenje Zagreb d.o.o., Croatia; Gorenje Skopje d.o.o., Macedonia; Gorenje Commerce

d.o.o., Bosnia and Herzegovina; Gorenje d.o.o., Serbia; Gorenje Podgorica d.o.o., Montenegro; Gorenje Romania S.R.L., Romania; Gorenje aparati za domačinstvo d.o.o., Serbia; Mora Moravia s.r.o, Czech Republic; Gorenje Küchen GmbH, Austria; Gorenje - kuchyne spol. s r.o., Czech Republic; Gorenje Imobilia, d.o.o., Serbia; Gorenje Adria Nekretnine d.o.o., Croatia; Kemis d.o.o., Croatia; Kemis BiH d.o.o., Bosnia and Herzegovina; Kemis Valjevo d.o.o., Serbia; Gorenje Invest, d.o.o., Serbia; Gorenje Gulf FZE, United Arab Emirates; Gorenje Tiki, d.o.o., Serbia; GEN-I, d.o.o., Croatia; Austrian Power Vertriebs, GmbH, Austria; Intrade energija, d.o.o., Bosnia and Herzegovina; Vitales, d.o.o., Bosnia and Herzegovina; Gorenje Istanbul Ltd., Turkey; Sirovina, a.d., Serbia; Termoclean-Zg, d.o.o., Croatia; Gorenje TOV, Kiev, Ukraine.

Gorenje, d.d., also has the following representative offices abroad, which are instrumental in doing business in certain foreign markets: Moscow, Russia; Krasnojarsk, Russia; Kiev, Ukraine; Athens, Greece; Barcelona, Spain; Shanghai, China; Priština, Serbia; Almaty, Kazakhstan.

Business Climate in the Period January – June 2007

According to analysts, it is unlikely that we will see a significant improvement in business conditions in 2007. Commodity prices remain the biggest uncertainty, in particular the prices of sheet metal and other metals, plastics, and components made of these materials.

In order to ensure **efficient and effective economy of operation** in 2007, the following measures will need to be implemented:

- Achieving **quality sales growth and profitability** while ensuring a balanced utilization of all production capacities and maximising our profit margin;
- Ensuring **manufacturing productivity and efficiency of operation in manufacturing** by (as far as possible) even utilization of production capacities throughout the year with a view of maximising production economy and cost efficiency.
- Continued **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, while simultaneously seeking engineering-technological solutions to lower the costs of production and distribution of existing products;
- Continued **optimisation of the supply chain** and seeking alternative and/or new sources of supply so as to ensure price competitiveness of our products;
- Continued and accelerated **cost optimisation** across the board;
- Comprehensive **rationalisation of the organisation of logistics, sales and after-sales services** of the Gorenje Group, and improving the efficiency of support systems in all their aspects;
- **Selective implementation of new investment projects** and ensuring that they stay within the planned volume; priority will be given to investments in new products and markets;
- Improving the **management of current assets**, in particular of receivables and inventories, since current assets have a considerable effect on the level of debt and consequently the cost of financing of the Gorenje Group;
- Ensuring **effective management of all types of risk**, which the company is exposed to due to the highly changeable business environment in which we operate, with the focus on credit (payment) risks, in particular in more uncertain markets and those characterised by lower liquidity.

Risk Management

- The exposure of the Gorenje Group to **business risks** was much the same as in the previous periods. Purchasing risks remain the key business risk factor, associated with unexpected price changes, delivery times, and quality of inputs.

- In the period January – June 2007, our particular focus was on **financial risks**. Credit (payment) risks remain the key financial risks factor, especially in the countries of SE Europe and outside the European Union.
- Among **operating risks**, the introduction of WEEE remains additional risk factor.

The safeguards and hedging mechanisms being implemented by the Group in the accounting period under consideration were consistent with the Group's risk management policies, which had not undergone any significant change in comparison with the preceding year.

Applied Accounting Principles and Important Notes to Financial Statements

- The non-audited consolidated financial statements of the Gorenje Group for the period January – June 2007 have been prepared in accordance with the provisions of the Corporations Act and the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), and the interpretations of the International Financial Reports Interpretation Committee (IFRIC) as adopted by the European Union. In order to ensure complete transparency and comparability of data, the reporting of the effects of the implemented risk management measures has been adjusted to match the financial statements for the same period of the previous year. Consequently, as provided by the IFRS, the effects of the implemented risk management measures have been shown in the Income Statement financial revenues/expenses.
- The non-audited financial statements of Gorenje, d.d., for the period January – June 2007 have been prepared in accordance with the provisions of the Corporations Act and the IFRS. The transition to IFRS was approved by the General Meeting of Gorenje, d.d., at its 9th Meeting held on 29 June 2006. For comparison purposes, all equivalent financial statements of Gorenje, d.d., for the period January – June 2006 and as at 30 June 2006 and 31 December 2006 have been prepared in accordance with the provisions of the Corporations Act and the IFRS. Also included in the non-audited financial statements of Gorenje, d.d., are the operations of its subsidiary Gorenje Indop, d.o.o.
- Comparable data's for 1H2006 were recalculated from SIT to EUR, in accordance with instruction of the Slovenian Institute of Auditing – the official exchange rate Bank of Slovenia at the end of the comparable period.

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.

Major Events After the Balance Sheet Date

The following major events took place after the balance sheet date of 30 June 2007:

- On 1 July 2007, the company Termoclean-Zg, d.o.o., was merged to Kemis Zagreb, d.o.o.
- On 3 August 2007 the Austrian energy holding Verbund announced the execution of call option for acquisition of the subsidiary Austrian Power Vertriebs, GmbH, Austria, which will decrease the Gorenje Group revenue.
- Shareholders, who were registered in the share register on the day of prospectus publication (cut-off date – 29 June 2007) had in proportion to their shares in the share capital a priority claim to subscription of new shares. Shareholders could exercise priority claim to subscription of new shares within 14 days. The time limit begins on the fifth day after prospectus publication – from 6 July 2007 to 19 July 2007.
- The Supervisory Board has on 26 July 2007 accepted the enlargement of the Management Board with two new members. For the member of the Management Board, responsible for the sales and marketing, was appointed Mr. Uroš Marolt and for the member of the Management Board, responsible for the complementary programs, purchasing and logistics Mr. Branko Apat. New Board members' will begin their mandate on September 17th 2007. The Supervisory Board has also appointed the Management for the term from 18 July 2008 till 18 July 2013, as follows: Mr. Franjo Bobinac, President, Mrs. Mirjana Dimc Perko, Member, responsible for the economics and finance, Mr. Franc Košec, Member, responsible for the development and quality, Mr. Uroš Marolt, Member, responsible for sales and marketing; Mr. Branko Apat, Member, responsible for complementary programs, purchase and logistics and Mr. Drago Bahun, Member, responsible for organization and human resources.

Ownership and Share Data

Parent Company Gorenje d.d.	Joint-stock company since 1997, following ownership restructuring
Share Capital:	EUR 50,909,697.88
Number of Ordinary Shares:	12,200,000 shares
Own Shares:	1,183,342 shares
Stock Exchange Listing:	GRGV (listed on the Prime Quotation of the Ljubljana Stock Exchange since 3 October 2005)
Nominal Share Value:	SIT 1,000
Issued Shares:	Are of the same class and entitle their holders to proportional management i.e. one vote per share.

There are no provisions in the Articles of Incorporation of Gorenje, d.d., that would invalidate the proportionality of rights arising from share ownership, such as the rights of minority shareholders or

restrictions of voting rights. At the 10th Annual General Meeting (AGM) of Gorenje, d.d., held on 12 December 2006, the Management Board received the authority and power, subject to approval by the Supervisory Board, to increase the company's share capital by a maximum of 15 percent of the registered share capital as at the date of the resolution or by a maximum of EUR 7,636,454.68 (approved capital) by issuing up to 1,830,000 ordinary transferable registered shares with no par value, for investment in money.

In June 2007 the **ordinary shares of Gorenje** were on the sixth place on the Ljubljana Stock Exchange in terms of trading volume, reaching 6.0 % of the trading volume of prime quotation shares.

Compared to the end of 2006, the share of legal entities **in the ownership structure** grew from 38.35 % to 39.08 %, while the share of government owned legal entities staid unchanged 26.09 %; the share held by individuals decreased from 25.85 % to 25.13 %. Also on the rise is the share of foreign investors, up to 11.4 % at the end of June 2007. The number of shareholders grew from 17,168 as at 31 December 2006 to 17,634 as at 30 June 2007, which is equivalent to 2.7 %.

The **balance of own shares held** as at 30 June 2007 was 1,183,342 or 9.7 % (the same as at 31 December 2006).

The **listed price of Gorenje, d.d., shares** was EUR 26.65 on 31.12.2006 and EUR 37.75 on 30 June 2007. In the accounting period under consideration the listed price of GRVG shares increased by 41.7 %; in the same period the SBI index rose by 65.5 %.

Earnings per share in the accounting period, calculated as the ratio between the net profit (annual level) and the number of shares outstanding at the end of the period (minus the number of repurchased own shares), amounted to EUR 0.64.

The **book value per share** calculated as the ratio between the book value of ordinary shares and the number of shares issued minus the number of own shares (11,016,658) was EUR 18.91 as at 30 June 2007.

The **market-to-book ratio** was **2.00** (1.40 as at 31 December 2006).

Dividend payout - In 2006 the company paid its shareholders a gross dividend of SIT 100 per share; in 2007 the company will pay its shareholders a gross dividend of EUR 0.42 per share.

Ownership structure as at 30 June 2007 was as follows:

Shareholder (company name and head office)	Number of Shares	Ownership Share (%)
KAPITALSKA DRUŽBA, D.D.	3,073,579	25.2
GORENJE, D.D. – Own shares	1,183,342	9.7
RAIFFEISEN ZENTRALBANK OESTERREICH AG	620,899	5.1
KD GALILEO, VZAJEMNI SKLAD	506,963	4.2
PROBANKA D.D.	413,346	3.4
DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	365,114	3.0
KD RASTKO, DELNIŠKI VZAJEMNI SKLAD	360,447	3.0
BANK AUSTRIA CREDITANSTALT AG	227,377	1.9
KRONA SENIOR, DELNIŠKA ID, D.D.	202,060	1.7
KD ID, DELNIŠKA ID, D.D.	169,020	1.4
Other Shareholders	5,077,853	41.4
TOTAL:	12,200,000	100.0

The balance of shares held by the **Supervisory Board** of Gorenje d.d. as at 30 June 2007 was as follows:

Shareholder	Number of Shares	Ownership Share (%)
Mr. Ivan Atelšek	8,258	0.0677
Mr. Peter Kobal	1,178	0.0097
Mr. Drago Krenker	800	0.0066
Mr. Krešimir Martinjak	100	0.0008
Mr. Jurij Slemenik	1,511	0.0124
Mr. Jože Zagožen	405	0.0033
Mr. Gregor Sluga	47	0.0004
TOTAL	12,299	0.1009

The balance of shares **held by the Management Board** of Gorenje, d.d., as at 30 June 2007 was as follows:

Shareholder	Number of Shares	Ownership Share (%)
Mr. Franjo Bobinac	1,822	0.0149
Mr. Drago Bahun	7,932	0.0650
Mr. Franc Košec	1,200	0.0098
Mrs. Mirjana Dimc Perko	83	0.0007
TOTAL	11,037	0.0904

Non-audited consolidated half-yearly Financial Statements of Gorenje Group, for the Year 2007

Exchange Rate 30 June 2006: 1 EUR = SIT 239.63

Non-audited consolidated Balance sheet of Gorenje Group

	in EUR thousand	30 June 2006	30 June 2007	07/06	31 Dec 2006	06/ Dec 06
	ASSETS	853,704	982,591	115.1	904,610	108.6
A.	Non-current assets	384,322	416,934	108.5	408,971	101.9
I.	Intangible assets	22,453	24,039	107.1	22,833	105.3
II.	Property, plant and equipment	327,697	363,710	111.0	352,636	103.1
III.	Investment property	942	2,015	213.9	984	204.8
IV.	Non-current investments	25,115	18,738	74.6	17,229	108.8
V.	Investment in associates	0	0	/	6,280	/
VI.	Deferred tax assets	8,115	8,432	103.9	9,009	93.6
B.	Current assets	469,382	565,657	120.5	495,639	114.1
I.	Non-current assets for sales	21	125	595.2	423	29.6
II.	Inventories	194,148	226,196	116.5	192,702	117.4
III.	Current investments	14,643	22,339	152.6	21,621	103.3
IV.	Trade receivables	226,625	271,160	119.7	242,865	111.7
V.	Other assets	24,037	35,371	147.2	28,982	122.0
VI.	Cash and cash equivalents	9,908	10,466	105.6	9,046	115.7
	EQUITY AND LIABILITIES	853,704	982,591	115.1	904,610	108.6
A.	Equity	240,481	267,742	111.3	254,433	105.2
I.	Share capital	50,912	50,910	100.0	50,910	100.0
II.	Capital reserves	96,455	96,450	100.0	96,450	100.0
III.	Legal reserves, statutory reserves, and reserves for own shares	31,277	43,713	139.8	43,713	100.0
IV.	Retained earnings	63,560	67,587	106.3	67,629	99.9
V.	Own shares	-21,405	-27,693	129.4	-27,693	100.0
VI.	Capital revaluation and translation adjustment	18,655	25,418	136.3	23,175	109.7
A1.	Equity attributable to equity holders of the parent	239,454	256,385	107.1	254,184	100.9
A2.	Minority interest	1,027	11,357	/	249	/
B.	Non-current liabilities	196,871	222,224	112.9	200,247	111.0
I.	Provisions	50,750	52,788	104.0	48,460	108.9
II.	Provisions set up from government grants	7,629	8,498	111.4	7,901	107.6
III.	Deferred tax liabilities	762	1,961	257.3	2,471	79.4
IV.	Financial liabilities	137,464	155,639	113.2	141,122	110.3
V.	Trade payables	266	3,338	/	293	/
C.	Current liabilities	416,352	492,625	118.3	449,930	109.5
I.	Financial liabilities	203,414	245,676	120.8	173,561	141.6
II.	Trade payables	159,565	178,570	111.9	227,526	78.5
III.	Other liabilities	53,373	68,379	128.1	48,843	140.0

Non-audited consolidated Income statement of Gorenje Group

	in EUR thousand	Jan-June 2006	Plan 2007	Jan-June 2007	07/PI07	2007/ 06
1.	Revenue	477,785	1,201,170	620,468	51.7	129.9
2.	Changes in inventories	8,206	10,340	11,660	112.8	142.1
3.	Other operating incomes	5,088	11,905	8,425	70.8	165.6
4.	Gross operating yield	491,079	1,223,415	640,553	52.4	130.4
5.	Raw material and consumables used	-360,228	-915,474	-492,703	53.8	136.8
6.	Staff costs	-90,296	-197,543	-98,698	50.0	109.3
7.	Depreciation and amortisation expense	-24,470	-53,122	-26,468	49.8	108.2
8.	Other operating expenses	-5,360	-13,168	-8,533	64.8	159.2
9.	Operating profit	10,725	44,108	14,151	32.1	131.9
10.	Financial income	7,047	7,605	8,384	110.2	119.0
11.	Financial expenses	-10,499	-22,154	-13,109	59.2	124.9
12.	Profit before tax	7,273	29,559	9,426	31.9	129.6
13.	Income tax expense/benefit	-1,001	-6,524	-2,923	44.8	292.0
14.	Profit for the period	6,272	23,035	6,503	28.2	103.7
15.	Minority interest	27	4	1,313	/	/
16.	Equity holders of the parent	6,245	23,031	5,190	22.5	83.1
17.	Earnings per share (in EUR)	1,11	1,70	1,18	69.4	106.3

Non-audited consolidated Cash flow statement of Gorenje Group

	in EUR thousand	Jan – June 2006	Jan – June 2007
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit for the period	6,272	6,503
	Adjustments for:		
	Depreciation of property, plant and equipment	22,534	24,609
	Amortisation of intangible assets	1,936	1,859
	Loss from impairment	0	838
	Foreign exchange loss	3,456	4,423
	Investment income	-7,047	-8,384
	Financial expense	7,043	8,686
	Revenue from sale of property, plant and equipment	-283	-964
	Tax expense	1,002	2,923
	Operating profit before changes in net operating current assets and provisions	34,913	40,493
	Increase in trade and other receivables	-18,493	-21,394
	Increase in inventories	-22,525	-30,604
	Increase in provisions	1,056	4,005
	Decrease in trade and other payables	-39,919	-35,905
	Cash generated from operations	-79,881	-83,898
	Interest paid	-8,863	-9,832
	Income taxes paid	-2,462	-2,615
	Indemnification received	0	1,001
	Net cash from operating activities	-56,293	-54,851
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Proceeds from sale of property, plant and equipment	368	2,410
	Interest received	4,609	7,497
	Dividends received	199	49
	Acquisition of subsidiary, net of cash not acquired	0	-5,939
	Purchase of property, plant and equipment	-18,023	-19,802
	Other investments	175	465
	Purchase of intangible assets	-1,769	-1,591
	Net cash used in investing activities	-14,441	-16,911
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Repurchase of own shares and stakes	-6,150	0
	Proceeds from borrowings	81,246	77,913
	Calculation of dividends	-5,091	-5,232
	Net cash used in financing activities	70,005	72,681
D.	CASH AND CASH EQUIVALENTS		
	Net increase in cash and cash equivalents	-729	919
	Cash and cash equivalents at beginning of period	10,637	9,547
	Cash and cash equivalents at end of period	9,908	10,466

Non-audited consolidated Statement of changes in equity of Gorenje Group

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
Opening 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				5,190				5,190	1,313	6,503
Increase in equity revaluation adjustments taken to equity						132		132		132
Equity revaluation adjustments in respect of investments taken to equity							1,028	1,028		1,028
Equity revaluation adjustments in respect of land taken to equity							1,294	1,294		1,294
Formation of deferred tax liabilities							-211	-211		-211
Calculation of dividends (AGM resolution)				-5,124				-5,124		-5,124
Payout Supervisory Board Compensation (AGM resolution)				-108				-108		-108
Increase in minority interest									9,795	9,795
Closing balance at 30 June 2007	50,910	96,450	43,713	67,587	-27,693	16,537	8,881	256,385	11,357	267,742

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
Opening balance at 1 January 2006	50,912	96,455	31,277	62,406	-15,256	16,172	2,241	244,207	840	245,047
Net profit for the period				6,245				6,245	27	6,272
Capital revaluation and translation adjustments taken to equity						224		224		224
Equity revaluation adjustments in respect of investments taken to equity							18	18		18
Purchase of own shares					-6,149			-6,149		-6,149
Calculation of dividends (AGM resolution)				-5,091				-5,091		-5,091
Increase in minority interest									160	160
Closing balance at 30 June 2006	50,912	96,455	31,277	63,560	-21,405	16,396	2,259	239,454	1,027	240,481

Non-audited non-consolidated half-yearly Financial Statements of Gorenje, d.d., for the Year 2007

Non-audited Balance Sheet of Gorenje, d.d.

Exchange Rate 30 June 2006: 1 EUR = SIT 239.63

	in EUR thousand	30 June 2006	30 June 2007 company Indop included	30 June 2007	07/ 05	31 December 2006	07/ Dec 06
	ASSETS	595,665	598,103	651,893	109.0	629,431	103.6
A.	Non-current assets	316,384	318,144	317,956	99.80	318,710	99.8
I.	Property, plant and equipment	195,460	197,371	185,471	93.9	193,910	95.6
II.	Intangible assets	14,036	14,250	17,102	120.0	17,350	98.6
III.	Investment property	797	797	943	118.3	614	153.6
IV.	Investments in subsidiaries	82,889	82,524	103,364	125.2	89,679	115.3
V.	Investments in associates	5,623	5,623	0	/	5,621	/
VI.	Other non-current investments	11,554	11,554	6,144	53.2	6,274	97.9
VII.	Deferred tax assets	6,025	6,025	4,932	81.9	5,262	93.7
B.	Current assets	279,281	279,959	333,937	119.3	310,721	107.5
I.	Non-current assets for sale	0	0	62	/	93	66.7
II.	Inventories	80,788	81,867	95,950	117.2	88,328	108.6
III.	Current investments	10,573	7,928	19,313	243.6	13,981	138.1
IV.	Trade receivables	173,800	176,002	202,901	115.3	194,420	104.4
V.	Other current assets	14,075	14,116	15,670	111.0	13,371	117.2
VI.	Cash and cash equivalents	45	46	41	89.1	528	7.8
	EQUITY AND LIABILITIES	595,665	598,103	651,893	109.0	629,431	103.6
A.	Equity	202,684	202,747	208,366	102.8	209,230	99.60
I.	Share capital	50,912	50,912	50,910	100.0	50,910	100.0
II.	Capital reserves	78,591	78,591	78,587	100.0	78,587	100.0
III.	Legal, statutory and own shares reserves	37,427	37,427	43,713	116.8	43,713	100.0
IV.	Retained earnings	54,901	54,964	56,043	102.0	57,724	97.1
V.	Capital revaluation and translation adjustment	2,259	2,259	6,806	301.3	5,989	113.6
VI.	Own shares	-21,406	-21,406	-27,693	129.4	-27,693	100.0
B.	Non-current liabilities	144,612	144,889	153,543	106.0	138,040	111.2
I.	Provisions	27,547	27,583	27,716	100.5	26,661	103.9
II.	Deferred tax liabilities	0	0	1,272	/	1,062	119.8
III.	Financial liabilities	117,065	117,306	124,555	106.2	110,317	112.9
C.	Current liabilities	248,369	250,467	289,984	115.8	282,161	102.8
I.	Financial liabilities	105,143	105,363	137,046	130.1	75,477	181.6
II.	Trade payables	122,457	123,287	126,746	102.8	190,883	66.4
III.	Other current liabilities	20,769	21,817	26,192	120.0	15,801	165.8

Non-audited Income statement of Gorenje, d.d.

	in EUR thousand	Jan-Jun 2006	Jan-Jun 2006 Indop included	Plan 2007	Jan-Jun 2007	07/PI07	07/ 06
1.	Revenue	323,548	327,510	842,264	401,670	47.7	122.6
2.	Changes in inventories	5,334	5,407	4,000	9,727	243.2	179.9
3.	Other operating incomes	2,603	2,574	6,561	2,828	43.1	109.9
4.	Gross operating yield	331,485	335,491	852,825	414,225	48.6	123.5
5.	Raw material and consumables used	-258,089	-260,533	-681,637	-336,592	49.4	129.2
6.	Staff costs	-48,478	-49,691	-106,739	-50,271	47.1	101.2
7.	Depreciation and amortisation expense	-16,933	-17,150	-35,021	-17,088	48.8	99.6
8.	Other operating expenses	-2,162	-2,186	-5,835	-3,963	67.9	181.3
9.	Operating profit	5,823	5,931	23,593	6,311	26.7	106.4
10.	Financial income	4,121	4,082	7,080	5,857	82.7	143.5
11.	Financial expenses	-6,215	-6,223	-11,370	-7,813	68.7	125.6
12.	Profit before tax	3,729	3,790	19,303	4,355	22.6	115.0
13.	Income tax expense	-333	-333	-3,900	-804	20.6	241.4
14.	Profit for the period	3,396	3,457	15,403	3,551	23.0	102.7

Non-audited Cash flow statement of Gorenje, d.d.

in EUR thousand		Jan – June 2006	Jan – June 2007
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit for the period	3,457	3,551
	Adjustments for:		
	Depreciation of property, plant and equipment	15,808	15,661
	Amortisation of intangible assets	1,342	1,427
	Foreign exchange loss	2,279	2,289
	Investment income	-4,081	-5,857
	Financial expense	3,943	5,525
	Revenue from sale of property, plant and equipment	2	-463
	Tax expense	334	804
	Operating profit before changes in net operating current assets and provisions	23,084	22,937
	Increase in trade and other receivables	-27,930	-10,336
	Increase in inventories	-4,970	-7,591
	Increase in provisions	489	1,055
	Decrease in trade and other payables	-34,071	-53,745
	Cash generated from operations	-66,482	-70,617
	Interest paid	-2,950	-6,168
	Income taxes paid	-1,650	-698
	Net cash from operating activities	-47,998	-54,546
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Proceeds from sale of property, plant and equipment	20	2,418
	Interest and dividend received	790	3,779
	Acquisition of subsidiary net of cash not acquired	0	-7,798
	Purchase of property, plant and equipment	-8,662	-8,503
	Other investments	-2,500	-4,454
	Purchase of intangible assets	-1,534	-1,174
	Net cash used in investing activities	-11,886	-15,732
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Repurchase of own shares and stakes	-6,150	0
	Proceeds from borrowings	71,128	75,023
	Taken into account dividends and Supervisory Board compensations	-5,091	-5,232
	Net cash used in financing activities	59,887	69,791
D.	CASH AND CASH EQUIVALENTS		
	Net increase in cash and cash equivalents	3	-487
	Cash and cash equivalents at beginning of period	42	528
	Cash and cash equivalents at end of period	45	41

Non-audited Statement of changes in equity of Gorenje, d.d.

in EUR thousand	Share capital	Capital reserves	Legal, statutory and reserves for own shares	Retained earnings	Own shares	Capital revaluation adjustments	Total
Opening balance at 1 January 2007	50,910	78,587	43,713	57,724	-27,693	5,989	209,230
Net profit for the period				3,551			3,551
Equity revaluation adjustments in respect of investments taken to equity						1,028	1,028
Formation of deferred tax liabilities						-211	-211
Calculation of dividends (AGM resolution)				-5,124			-5,124
Payout Supervisory Board Compensation (AGM resolution)				-108			-108
Closing balance at 30 June 2007	50,910	78,587	43,713	56,043	-27,693	6,806	208,366

in EUR thousand	Share capital	Capital reserves	Legal, statutory and reserves for own shares	Retained earnings	Own shares	Capital revaluation adjustments	Total
Opening balance at 1 January 2006	50,912	78,591	31,277	62,748	-15,256	2,241	210,513
Net profit for the period				3,457			3,457
Equity revaluation adjustments in respect of investments taken to equity						18	18
Formation of reserves for own shares			6,150	-6,150			0
Purchase of own shares					-6,150		-6,150
Calculation of dividends (AGM resolution)				-5,091			-5,091
Closing balance at 30 June 2006	50,912	78,591	37,427	54,964	-21,406	2,259	202,747

Financial highlights and achievements of Gorenje Group

1H 2006	Plan 2007	1H 2007	1H 2007/ Plan 07	1H 07 / 1H 06
Consolidated Revenue (in EUR thousand)				
477,785	1,201,170	620,468	51.7%	+ 29.9%
EBITDA (in EUR thousand)				
35,195	97,230	40,619	41.8%	+ 15.4%
EBIT (in EUR thousand)				
10,725	44,108	14,151	32.1%	+ 31.9%
PBT (in EUR thousand)				
7,273	29,559	9,426	31.9%	+ 29.6%
Net profit (in EUR thousand)				
6,272	23,035	6,503	28.2% *	+ 3.7%
Added Value (in EUR thousand)				
127,434	299,501	142,998	47.7%	+ 12.2%
Number of employees at the end of period				
10,307	10,853	11,376	104.8%	+ 10.4%
Average number of employees				
10,341	10,736	11,388	106.1%	+ 10.1%
Gross operating Yield per Employee (in EUR)				
47,489	113,954	56,248	49.4%	+ 18.4%
Added Value per Employee (in EUR)				
12,323	27,897	12,557	45.0%	+ 1.9%
EBITDA Margin (as % from Gross operating yield)				
7.2%	7.9%	6.3%	/	/
Net ROE				
5.2%	7.8%	4.9%	/	/
Assets (in EUR thousand)				
853,704	928,144	982,591	105.9%	+ 15.1%
Investments in fixed assets (in EUR thousand)				
19,792	47,836	21,393	44.7%	+ 8.1%
Equity (in EUR thousand)				
240,481	337,058	267,742	79.4%	+ 11.3%
Equity / Assets				
28.1%	36.3%	27.3%	/	/
Long-term Provisions (in EUR thousand)				
58,379	63,787	61,286	96.1%	+ 5.0%
Financial liabilities (in EUR thousand)				
340,878	267,685	401,315	149.9%	+ 17.7%

* The net profit is on a planned track, because the Gorenje Group, is realising the 70 % of the net profit on the annual basis in the second half of the year.

Financial highlights and achievements of Gorenje, d.d.

1H 2006	Plan 2007	1H 2007	1H 2007/ Plan 07	1H 07 / 1H 06
Consolidated Revenue (in EUR thousand)				
327,510	842,264	401,670	47.7%	+ 22.6%
EBITDA (in EUR thousand)				
23,081	58,614	23,399	39.9%	+ 1.4%
EBIT (in EUR thousand)				
5,931	23,593	6,311	26.7%	+ 6.4%
PBT (in EUR thousand)				
3,729	19,303	4,355	22.6%	+ 15.0%
Net profit (in EUR thousand)				
3,457	15,403	3,551	23.0% *	+ 2.7%
Added Value (in EUR thousand)				
73,742	167,439	75,608	45.2%	+ 2.5%
Number of employees at the end of period				
5,639	5,434	5,566	102.4%	- 1.3%
Average number of employees				
5,487	5,575	5,571	99.9%	+ 1.5%
Gross operating Yield per Employee (in EUR)				
61,143	152,973	74,354	48.6%	+ 21.6%
Added Value per Employee (in EUR)				
13,070	30,813	13,384	43.4%	+ 2.4%
EBITDA Margin (as % from Gross operating yield)				
6.9 %	6.9 %	5.7 %	/	/
Net ROE				
3.3 %	6.3 %	3.4 %	/	/
Assets (in EUR thousand)				
598,103	651,462	651,893	100.1%	+ 9.0%
Investments in fixed assets (in EUR thousand)				
10,196	27,007	9,677	35.8%	- 5.1%
Equity (in EUR thousand)				
202,747	286,065	208,366	72.8%	+ 2.8%
Equity / Assets				
33.9 %	43.9 %	32.0 %	/	/
Long-term Provisions (in EUR thousand)				
27,583	27,774	27,716	99.8%	+ 0.5%
Financial liabilities (in EUR thousand)				
222,669	135,322	261,601	193.3%	+ 17.5%

* The net profit is on a planned track, because the parent company Gorenje, d.d., is realising the 71 % of the net profit on the annual basis in the second half of the year.