

In the first nine months Gorenje performed well and in line with the dynamics of the plan 2007. Strong growth of sales, but at the same time historical high price levels of strategic raw materials. Last months will be the strongest. The Management Board is determined to achieve the objectives for the year 2007. The Supervisory Board discussed the results at its 14th meeting on 8 November 2007.

Business Performance in the First Nine Months of the 2007 Financial Year

The Supervisory Board of Gorenje, d.d., today at its 14th Meeting discussed and adopted the non-audited financial report of Gorenje d.d. and the Gorenje Group for the first nine months of 2007. 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 950,479 thousand** is **23.3 % (EUR 179.6 million) higher** than in the same period last year, reaching 79.1 % of the plan 2007. Revenue in the 9M 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 83.6 million**, which is **equivalent to 11.1 %**.
- **Operating profit before depreciation/amortisation/EBITDA**, which is a rough estimate of earnings from operating activities, amounts to EUR 61,849 thousand, which is 7.4 % more than in the same period in 2006 and represents 63.6 % of the annual plan for 2007.
- **EBIT** amounted to EUR 22,552 thousand, with moderate 7.2 % growth and 51.1 % of 2007 plan.
- **Profit Before Tax/PBT** in the amount to EUR 18,081 thousand, exceeds the figure reported in the same period in 2006 by 18.2 %, reaching 61.2 % of the plan 2007.
- **Consolidated net profit** in the amount of EUR 13,528 thousand, exceeds the figure reported in the same period in 2006 by 4.8 %, reaching 58.7 % of the plan 2007. The net profit also includes the net profit share of minority shareholders amounting to EUR 1,229 thousand.

Parent Company Gorenje d.d.:

- **Revenue** in the amount of **EUR 603,236 thousand** is for **19.6 % (EUR 98,749 thousand) higher** than in the same period last year, reaching 71.6 % of the plan for 2007.
- **EBITDA** amounts to EUR 35,122 thousand, which is 5.5 % more than in the same period in 2006 and represents 60 % of the annual plan.
- **EBIT** in the amount of EUR 9,623 thousand, exceeds the figure reported in the same period in 2006 by 23.5 %, reaching 40.8 % of 2007 plan.
- **PBT** amounted to EUR 6,508 thousand, with strong 25.3 % increase and represents 33.7 % of the annual plan.

- **Net profit** for the period amounts to EUR 5,013 thousand, which is 18.8 % more than in the same period last year, and 32.5 % of the planned net profit for 2007.
- On 14 September 2007 was the public offer officially closed. At the moment the capital procedure is in a phase of registration of the increased share capital in the court register. After the registration in the court register, the issuer will issue to the Central Securities Clearing Corporation (KDD d.d., Ljubljana, Slovenia) an order for the issue of shares in dematerialized form and for performing other procedures necessary for the listing of shares on the organized securities market (managed by Ljubljanska borza, d. d., Ljubljana, Slovenia). Among financial liabilities on 30 September 2007 are also included short-term liabilities from the paid in capital (capital increase) of Gorenje d.d. till the registration on the registry court amounted to EUR 54,900 thousand.

In the second half of the year 2007, the business conditions are remaining very demanding and our main source of concern are the historic price levels of raw materials, in particular sheet metal. Optimistic forecasts from the beginning of the year have slow down and stabilize on the most Gorenje sales markets, the risks are uncertain political circumstances at some market areas.

Nevertheless, Gorenje's performance in the first nine months of 2007 was good. 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 fourth quarter of the year 2007. Gorenje is strengthening the development of new innovative and top designed 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 results and is determined that the company should achieve its ambitious objectives in 2007.

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.,
The Management Board