

As provided by Article 38. a of the Regulations of Ljubljanska borza vrednostnih papirjev, d.d., (the Ljubljana Stock Exchange), the company Gorenje, d.d., Partizanska 12, SI-3503, Velenje, is publishing

## NON-AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GORENJE GROUP FOR THE YEAR 2007

in accordance with the

International Financial Accounting Standards (IFRS)

### ACHIEVED BUSINESS OBJECTIVES

In the opinion of the Management Board of Gorenje, d.d., despite unfavourable economic conditions in the 2007 financial year the Group continued to grow and prosper, and exceeded the planned volume of business operations and achieved the planned objectives as regards business performance as well as its asset- and financial targets.

#### Summary of Business Performance in Figures

in EUR million	2007	Plan 2007	2006	2007/Pl.2007	2007/2006
Revenue	1,293.4	1,201.2	1,111.0	107.7	116.4
Gross Operating Yield	1,324.0	1,223.4	1,134.1	108.2	116.7
EBITDA	89.4	97.2	80.4	92.0	111.2
Profit before tax (PBT)	29.4	29.6	27.8	99.3	105.8
Net Profit	23.7	23.0	22.3	103.0	106.3
Average Number of Employees	11,456	10,736	10,556	106.7	108.5

#### Consolidated Revenue

In 2007, the Gorenje Group achieved a significant growth in business operations with revenue of EUR 1.3 billion, which is 16.4 % more than in 2006 and 7.7. % above plan.

#### EBITDA

Earnings before interest, tax and amortization are higher than in 2006 by 11.2 % despite faster growth of costs of raw materials than revenues.

#### Profit before tax (PBT)

Profit before tax has in 2007 reached EUR 29.4 million, which is by 5.8% more than in 2006 and is also in line with the plan. Due to the negative impact of the financial revenue/expenses growth, the PBT was not in line with the EBITDA growth.

#### Net profit

On account of slower growth of tax rate on profit, the net profit reached growth of 6.3 %, this is above the 2007 plan.

## **BUSINESS** ENVIRONMENT

In accordance with achieved results will Gorenje Group finish the business year 2007 with good results. The major planned targets will be reached and by the revenue also two-digit growth in comparison with the year 2006 and also surpassed for the year 2007 planned net profit.

**The Household appliances division** was in the year 2007 under strong pressure by **the high price level of commodities and raw materials**, which are above second half 2006 price level. Direct negative impact of higher prices amounted to more than EUR 10 million, and that means that the profitability of the Gorenje Group could be much better, if the prices staid on the year 2006 level and above the planed objectives.

In the majority, for sales of household appliances important European markets, the **moderate growth of sales** was recorded. **The strongest growth in sales was recorded by the refrigerator and freezer program and by the cooking appliances**, while the sales of washing machines and dryers dropped. In spite of the growth, **supply, due to the overcapacity and entering of the new – price aggressive competitors, surpassed the demand** of household appliances. The result of this was a **price pressure**. Additional price pressures were followed by the **concentration of the major retailers with the global brands**, which are present on the different markets.

The implementation of the **European directive on the recycling of electronic and electrical waste (WEEE)** has on some markets additional increased the producers costs, due to the obligation for the recycling and removal of old household appliances.

In such a circumstances **some of the European manufacturers from the industry, already making losses**. Gorenje Group has the major part of the negative impact within the household appliances division neutralized by:

- **Larger extent of business activities**, which is very important, due to the relatively large part of the fixed costs, what is characteristic of the white goods industry,
- **Development and introduction of the new products**, followed by improved sales structure and by increased stake of the appliances with higher margins,
- Continued **optimisation of the supply chain** and seeking alternative and/or new sources of global supply in Far East and in the countries of Eastern Europe and South Eastern Europe,
- **Development of all for home business activities** - complementary, supplementary and heating program (opening of the new production capacity for heating program in Stara Pazova, Serbia).

Partly we managed to neutralize the negative pressure also by the **increase of prices**. By such activities, due to the supply surplus in most of the markets, the selective accession to price increase is need it.

**Management of the inventory level, trade receivables and trade payables**, was also our focus. In the mid-year we started with the project of cutting down the current assets within the whole Group. Our attention was very much dedicated to the **control of the general business costs**.

**The home interior division** was in the year 2007 marked by the **fire of the production facility in the factory in Czech Republic**. In spite of this fire, we managed, with a **good organization of production activities** at other locations of division, to **neutralize the shifts in the production**.

Additional impact on the division performance was also the **economic situation of the production facility in Austria**, where we decided to **transfer this production to Maribor, Slovenia**. The positive effect of this transfer will be seen in the year 2008.

The negative pressures by both above mentioned divisions, we have partly managed to neutralized by the development of the **new activities in the trade and services division, with higher revenue growth potential and profitability.**

In January this year we became a **51 % owner of the company Surovina**, which together with the companies **Kemis in Slovenia, in Croatia and Bosnia, are the holder of the future development on the area of environmental protection** and of hazardous waste. To the company Kemis Zagreb, Croatia, we merged with success the company Termoclean Zagreb, Croatia.

Further on we have proceeded **with the development of the energetic business, which is performing by the companies of Istrabenz Gorenje.** The company Istrabenz Gorenje has in the **August 2007 sold the company for trading of power supply APC**, which had relatively high share of the revenue. The planned revenue is due to this lower, but we don't plan lower profitability of the company Istrabenz Gorenja for the next year.

**FINANCIAL STATEMENTS** IN ACCORDANCE WITH THE IFRS

NON-AUDITED CONSOLIDATED BALANCE SHEET OF THE GORENJE GROUP

	in EUR thousand	31 December 2007	31 December 2006
	<b>ASSETS</b>	<b>999,394</b>	<b>904,610</b>
<b>A.</b>	<b>Non-current assets</b>	<b>448,373</b>	<b>408,971</b>
I.	Intangible assets	25,432	22,833
II.	Property, plant and equipment (PPE)	385,237	352,636
III.	Investment property	9,728	984
IV.	Other investments	18,558	17,229
V.	Investments in associated companies	12	6,280
VI.	Deferred tax assets	9,406	9,009
<b>B.</b>	<b>Current assets</b>	<b>551,021</b>	<b>495,639</b>
I.	Non-current assets for sales	1,062	423
II.	Inventories	217,471	192,702
III.	Other investments	27,901	21,621
IV.	Trade receivables	255,718	242,865
V.	Other assets	28,857	27,072
VI.	Income tax receivables	2,328	1,910
VII.	Cash and cash equivalents	17,684	9,046
	<b>EQUITY AND LIABILITIES</b>	<b>999,394</b>	<b>904,610</b>
<b>A.</b>	<b>Total equity</b>	<b>350,664</b>	<b>254,433</b>
I.	Shares	58,546	50,910
II.	Share premium	143,714	96,450
III.	Legal and statutory reserves	45,034	43,713
IV.	Retained earnings	84,025	67,629
V.	Own shares	-27,693	-27,693
VI.	Fair value reserve	19,965	6,770
VII.	Translation reserve	16,215	16,405
<b>A1.</b>	<b>Equity attributable to equity holders of the Company</b>	<b>339,806</b>	<b>254,184</b>
<b>A2.</b>	<b>Minority interest</b>	<b>10,858</b>	<b>249</b>
<b>B.</b>	<b>Non-current liabilities</b>	<b>208,683</b>	<b>199,954</b>
I.	Provisions	51,653	48,460
II.	Deferred government grant	8,717	7,901
III.	Deferred tax liabilities	3,211	2,471
IV.	Loans and borrowings	145,102	141,122
<b>C.</b>	<b>Current liabilities</b>	<b>440,047</b>	<b>450,223</b>
I.	Short-term borrowings	166,340	173,561
II.	Trade liabilities	220,261	227,819
III.	Other current liabilities	51,546	47,409
IV.	Income tax liabilities	1,900	1,434

NON-AUDITED CONSOLIDATED PROFIT AND LOSS STATEMENT OF THE GORENJE GROUP

	in EUR thousand	2007	2006
1.	<b>Revenue</b>	<b>1,293,438</b>	<b>1,111,035</b>
2.	Changes in inventories	5,170	6,167
3.	Other operating income	25,365	16,874
4.	<b>Gross operating yield</b>	<b>1,323,973</b>	<b>1,134,076</b>
5.	Cost of goods, materials and services	-1,004,764	-851,578
6.	Personnel expenses	-208,553	-186,029
7.	Depreciation and amortization expense	-53,211	-49,582
8.	Other operating expenses	-21,212	-16,065
9.	<b>Operating profit</b>	<b>36,233</b>	<b>30,822</b>
10.	Financial revenues from associated companies stakes	8	658
11.	Financial income	26,298	19,192
12.	Financial expenses	-33,139	-22,829
13.	Net financial expenses	-6,841	-3,637
14.	<b>Profit before tax</b>	<b>29,400</b>	<b>27,843</b>
15.	Income tax expense	-5,736	-5,527
16.	<b>Net profit for the year</b>	<b>23,664</b>	<b>22,316</b>
17.	Minority interest	992	-42
18.	Equity holders of the Company	22,672	22,358
19.	Basic/diluted earnings per share (in EUR)	2.12	2.00

NON-AUDITED CONSOLIDATED CASH FLOW STATEMENT OF THE GORENJE GROUP

in EUR thousand		2007	2006
<b>A.</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	<b>Net profit for the year</b>	<b>23,664</b>	<b>22,316</b>
	Adjustments for:		
	Depreciation of PPE	49,788	46,089
	Depreciation of intangible assets	3,423	3,493
	Loss due to the weakening	711	0
	Foreign currency translation loss	11,124	6,925
	Investments income	-26,306	-19,192
	Financial expenses	22,015	15,904
	Impairment investment into associated companies	-8	-658
	Revenues from sales of PPE	-1,982	-2,291
	Outcome tax expense	5,736	5,527
	<b>Operating profit before changes in net working capital and provisions</b>	<b>88,165</b>	<b>78,113</b>
	Increase in trade and other receivables	-5,802	-26,729
	Increase in inventories	-21,879	-22,940
	Decrease in provisions	0	-1,120
	Increase in provisions	3,089	0
	Increase in trade and other payables	0	11,702
	Decrease in trade and other payables	-11,235	0
	<b>Cash generated from the operations</b>	<b>-35,827</b>	<b>-39,087</b>
	Interest paid	-30,107	-18,068
	Income taxes paid	-5,736	-4,901
	Profit from liquidation of subsidiary	0	1,244
	Income from compensations	1,850	0
	<b>Net cash from operating activities</b>	<b>18,345</b>	<b>17,301</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	Proceeds from sales of plant and equipment	4,502	5,383
	Interest received	23,477	17,577
	Dividends received	1,701	1,421
	Disposal of subsidiary, net of cash disposed of	3,983	668
	Acquisition of subsidiary, net of cash acquired	-6,109	-5,942
	Acquisition of property, plant and equipment	-69,105	-67,423
	Other investments	-1,860	6,459
	Acquisition of intangible fixed assets	-5,001	-3,687
	<b>Net cash from investing activities</b>	<b>-48,412</b>	<b>-45,544</b>
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	Capital increase	54,900	0
	Repurchase of own shares and stakes	0	-12,438
	Borrowings	-11,960	43,713
	Dividends and remunerations paid	-4,736	-4,694
	<b>Net cash from financing activities</b>	<b>38,204</b>	<b>26,581</b>
	Net increase in cash and cash equivalents	8,137	-1,662
	Cash and cash equivalents at 1 January	9,547	10,708
	Cash and cash equivalents at 31 December	17,684	9,046

NON-AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE GORENJE GROUP

in EUR thousand	Share capital	Share premium	Legal and statutory reserves	Retained Earnings	Own shares	Translation Reserve	Fair value reserve	Total	Minority interest	Total equity
<b>Balance at 1 January 2007</b>	50,910	96,450	43,713	67,629	-27,693	16,405	6,770	254,184	249	254,433
Net profit for the year				22,672				22,672	992	23,664
Capital increase	7,636	47,264						54,900		54,900
Translation reserve						-190		-190		-190
Reserve for fair value of investments AFS							3,222	3,222		3,222
Reserve for fair value of property							10,797	10,797		10,797
Liabilities for deferred tax				-219			-824	-1,043		-1,043
Formation of statutory reserves			1,321	-1,321				0		0
Dividend payout				-4,627				-4,627		-4,627
Payout of remunerations to the Supervisory Board, in accordance to the AGM resolution				-109				-109		-109
Decrease in minority interest									9,617	9,617
<b>Balance at 31 December 2007</b>	<b>58,546</b>	<b>143,714</b>	<b>45,034</b>	<b>84,025</b>	<b>-27,693</b>	<b>16,215</b>	<b>19,965</b>	<b>339,806</b>	<b>10,858</b>	<b>350,664</b>

in EUR thousand	Share capital	Share premium	Legal and statutory reserves	Retained Earnings	Own shares	Translation Reserve	Fair value reserve	Total	Minority interest	Total equity
<b>Balance at 1 January 2006</b>	<b>50,910</b>	<b>96,450</b>	<b>31,276</b>	<b>62,402</b>	<b>-15,256</b>	<b>16,172</b>	<b>2,241</b>	<b>244,195</b>	<b>840</b>	<b>245,035</b>
Net profit for the year				22,358				22,358	-42	22,316
Translation reserve						233		233		233
Reserve for fair value of investments AFS							4,286	4,286		4,286
Reserve for fair value of property							781	781		781
Reserve for fair value of protecting cash flow							524	524		524
Liabilities for deferred tax							-1,062	-1,062		-1,062
Formation reserves for own shares			12,437	-12,437				0		0
Dividend payout				-4,694				-4,694		-4,694
Increase of own shares					-12,437			-12,437		-12,437
Decrease in minority interest								0	-549	-549
<b>Balance at 31 December 2006</b>	<b>50,910</b>	<b>96,450</b>	<b>43,713</b>	<b>67,629</b>	<b>-27,693</b>	<b>16,405</b>	<b>6,770</b>	<b>254,184</b>	<b>249</b>	<b>254,433</b>



## IMPORTANT NOTES TO THE STATEMENTS

### PRINCIPLES APPLIED IN THE PREPARATION OF FINANCIAL STATEMENTS

The non-audited consolidated financial statements of the Gorenje Group for the year 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.

Comparable data's for the year 2006 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 (SIT 239.64).

### GORENJE GROUP STRUCTURE

The changes in the structure of the Gorenje Group in 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.
- In June the company Gorenje, d.d., has with pay-in of the additional stake of 51 % became the owner of the institution ERICO VELENJE, Institute for environmental research.
- At the energy area have been within the company Istrabenz Gorenje, d.o.o, established the following companies: GEN-I d.o.o., Beograd, Serbia (100 % stakeholder GEN-I, d.o.o.), Istrabenz Gorenje inženiring, d.o.o. (100 % stakeholder IGES d.o.o.), Vitales, d.o.o., Bihač, Bosnia and Herzegovina (50 % stakeholder IGES, d.o.o.) in Vitales, d.o.o. Sokolac, Bosnia and Herzegovina (50 % stakeholder IGES, d.o.o.).
- On 16 August 2007 the Austrian energy holding Verbund exercised the option for the purchase of the subsidiary Austrian Power Vertriebs, GmbH, Austria.
- In October the real estate company ST-Bana Nekretnine, d.o.o., Belgrade, was established, with the major stakeholder Gorenje Beteiligungs GmbH.
- At the beginning of November the company Opte Ptuj, d.o.o., was sold.

In addition to the mother company – Gorenje, d.d., the Consolidated Financial Statements of the Gorenje Group for 2007 also include the following subsidiary companies:

	<b>Companies, operating in Slovenia</b>	<b>Ownership share, %</b>	<b>Division</b>
1.	Gorenje IPC, d.o.o., Velenje	100.00	HA
2.	Gorenje Tiki d.o.o., Ljubljana	99.982	HA
3.	Gorenje GTI, d.o.o., Velenje	100.00	TS
4.	Gorenje Notranja oprema, d.o.o., Velenje	99.60	HI
5.	Gorenje Gostinstvo, d.o.o., Velenje	100.00	TS
6.	LINEA, d.o.o., Velenje	100.00	TS
7.	Energygor, d.o.o., Velenje	100.00	TS
8.	Kemis, d.o.o., Radomlje	100.00	TS
9.	Gorenje Orodjarna, d.o.o., Velenje	100.00	TS
10.	ZEOS, d.o.o.	51.00	TS
11.	Istrabenz Gorenje energetski sistemi, d.o.o., Nova Gorica	49.95	TS
12.	GEN-I, d.o.o., Krško	24.98	TS
13.	Istrabenz investicijski inženiring, d.o.o., Nova Gorica	49.95	TS
14.	Surovina, d.d., Maribor	51.00	TS
15.	RVT d.o.o., Maribor	29.99	TS
16.	INDOP, d.o.o., Velenje	100.00	HA
17.	ERICO, d.o.o., Velenje	51.00	TS
18.	Istrabenz Gorenje inženiring, d.o.o., Ljubljana	49.95	TS
	<b>Companies, operating outside Slovenia</b>	<b>Ownership share, %</b>	<b>Division</b>
19.	Gorenje Beteiligungsgesellschaft m.b.H., Austria	100.00	HA
20.	Gorenje Austria Handelsgesellschaft m.b.H., Austria	100.00	HA
21.	Gorenje Vertriebsgesellschaft m.b.H., Germany	100.00	HA
22.	Gorenje Körting Italia S.r.l., Italy	100.00	HA
23.	Gorenje France S.A.S., France	100.00	HA
24.	Gorenje BELUX S.a.r.l., Belgium	100.00	HA
25.	Gorenje Espana, S.L., Spain	100.00	HA
26.	Gorenje UK Ltd., Great Britain	100.00	HA
27.	Gorenje Skandinavien A/S, Denmark	100.00	HA
28.	Gorenje AB, Sweden	100.00	HA
29.	Gorenje OY, Finland	100.00	HA
30.	Gorenje AS, Norway	100.00	HA
31.	OÜ Gorenje, Estonia	100.00	HA
32.	SIA Gorenje, Latvia	100.00	HA
33.	Gorenje spol. s r.o., Czech Republic	100.00	HA
34.	Gorenje real spol. s r.o., Czech Republic	100.00	HA
35.	Gorenje Slovakia s. r.o., Slovak Republic	100.00	HA
36.	Gorenje Budapest Kft., Hungary	100.00	HA
37.	Gorenje Polska Sp. z o.o., Poland	100.00	HA
38.	Gorenje Bulgaria EOOD, Bulgaria	100.00	HA
39.	Gorenje Zagreb, d.o.o., Croatia	100.00	HA
40.	Gorenje Skopje, d.o.o., Macedonia	100.00	HA
41.	Gorenje Commerce, d.o.o., Bosnia and Herzegovina	100.00	HA
42.	Gorenje, d.o.o., Serbia	100.00	HA

43.	Gorenje Podgorica , d.o.o., Montenegro	99.972	HA
44.	Gorenje Romania S.R.L., Romania	100.00	HA
45.	Gorenje aparati za domačinstvo, d.o.o., Serbia	100.00	HA
46.	Mora Moravia s r.o., Czech Republic	100.00	HA
47.	Gorenje - kuchyne spol. s r.o., Czech Republic	99.60	HI
48.	Gorenje Imobilia, d.o.o., Serbia	100.00	TS
49.	Gorenje Adria Nekretnine, d.o.o., Croatia	100.00	TS
50.	Kemis-Termoclean, d.o.o., Croatia	100.00	TS
51.	Kemis BiH, d.o.o., Bosnia and Herzegovina	100.00	TS
52.	Kemis Valjevo, d.o.o., Serbia	100.00	TS
53.	Gorenje Invest, d.o.o., Serbia	100.00	HA
54.	Gorenje Gulf FZE, United Arab Emirates	100.00	HA
55.	Gorenje Tiki, d.o.o., Serbia	99.982	HA
56.	GEN-I, d.o.o., Croatia	24.98	TS
57.	Intrade energija, d.o.o., Bosnia and Herzegovina	25.48	TS
58.	Vitales, d.o.o., Nova Bila, Bosnia and Herzegovina	49.95	TS
59.	Gorenje Istanbul Ltd., Turkey	100.00	HA
60.	Sirovina, a.d., Serbia	44.12	TS
61.	Gorenje TOV, Kiev, Ukraine	100.00	HA
62.	Vitales, d.o.o., Bihač, Bosnia and Herzegovina	24.98%	TS
63.	GEN-I, d.o.o., Serbia	24.98%	TS
64.	Vitales, d.o.o., Sokolac, Bosnia and Herzegovina	24.98%	TS
65.	ST-Bana Nekretnine, d.o.o., Serbia	100.00%	TS

Division HA – Household Appliances Division  
Division HI – Home Interior Division  
Division TS – Trade and Services Division

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; Shanghai, China; Almaty, Kazakhstan.

## MAJOR EVENTS FOLLOWING THE BALANCE SHEET DATE

Major events following the Balance Sheet date 31 December 2007 will be as follows:

- On 15 January 2008, Gorenje, d.d., and Publicus, d.o.o., signed a letter of intent on the acquisition of a 51-percent share of the company Publicus.
- Slovenian companies Gorenje, Trimo, Riko and Pristop established on 5 February 2008 at the Founding General Assembly a new company, Gorenje design studio, d. o. o. Gorenje will hold in the new company 52-percent ownership share, the other partners 16- percent each.
- Company Gorenje, d.d., established on 16 January 2008 the company GORES, d.o.o., for the management of the real estate.
- On 16 January 2008 the company GORENJE PROJEKT, inženiring, d.o.o., was established, which 100 % owner is the company Gorenje, d.d.

## **GORENJE GROUP PLAN FOR THE YEAR 2008**

In the year 2008 we will continue with the **growth of business activities within the household appliances division**, which is and will be Gorenje Group core business. The growth volume of division will be very selective, with the main stress on **the improvement of the sales structure - appliances with higher margins** – considering also the **structure of production programs**, as well as **sales structure by countries**.

Key importance of the supply chain will be the **optimisation of the supply chain and seeking low-priced alternative and/or new sources of supply in Asia, on other US dollar supply markets and in the countries of East Europe and SE Europe**. In relation to the former we are planning on increasing the volume of production as well as sales, where even utilization of production capacities throughout the year will be vital to maximising productivity and economy of production.

**The investment activities** within the household appliances division **will be focused on the development of new products** (modernization of the cooking appliances program) and **on the development of sales activities** (developing and strengthening the position on the strong developing existing and new markets).

We will continue to **develop wide range of products – all for Home**, in particular those with the potential for growth - **complementary, supplementary and heating program**.

**Home interior division** will continue with the **internal consolidation**, particularly in the **optimizing of the international production capacities**. We will also continue with the **synergy utilization with the core business – household appliances division**, on the supply and sales side.

The **trade and services division** will speed up **further development of the new – fast growing activities**, especially **ecology, waste management and energy**, and they will economically justify the larger extend of investments.

In all three divisions will be in the year 2008 attention focused on the **working capital controlling**, above all on **inventories, trade receivables and trade payables**, what will be for the balanced and long term performance of the Gorenje Group, of key importance.

In spite of very difficult business environment, we by Gorenje are prepared and we are looking forward to accept new challenges, which the year 2008 is bringing. We believe in further sound performance of the Group in line with the planned strategic goals and activities.

Gorenje, d.d.  
The Management Board

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