

SUMMARY

NON-AUDITED BUSINESS REPORT OF GORENJE, D.D., AND OF THE GORENJE GROUP, FOR THE PERIOD JANUARY – JUNE 2008



Velenje, Slovenia, July 2008

Contents	Page
GENERAL INFORMATION	3
CONSOLIDATED FINANCIAL STATEMENTS	3
BUSINESS CLIMATE IN THE PERIOD JANUARY – JUNE 2008	6
RISK MANAGEMENT	7
APPLIED ACCOUNTING PRINCIPLES AND IMPORTANT NOTES TO FINANCIAL STATEMENTS	7
FINANCIAL HIGHLIGHTS AND ACHIEVEMENTS OF GORENJE GROUP	8
FINANCIAL HIGHLIGHTS AND ACHIEVEMENTS OF GORENJE, D.D.	10
MAJOR EVENTS AFTER THE BALANCE SHEET DATE	12
OWNERSHIP AND SHARE DATA	12
NON-AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF GORENJE GROUP, IN ACCORDANCE WITH THE IFRS	16
NON-AUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS OF GORENJE, D.D., IN ACCORDANCE WITH THE IFRS	21

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GENERAL INFORMATION

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 2008** is published by corporation Gorenje, d.d., Partizanska 12, Si-3503 Velenje, Slovenia, as provided by 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 2008 was discussed and adopted by the Supervisory Board at its 20th Meeting on 26 August 2008.

The complete Half-Yearly Report in Slovene language can be viewed at the company headquarters at Partizanska 12, Si-3503 Velenje, Slovenia; as of 26th August 2008, it has also been available on the Ljubljana Stock Exchange electronic information system and on www.gorenje.com web-site.

CONSOLIDATED FINANCIAL STATEMENTS

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

Gorenje Group has been from the period January – June 2008 consists of the main company Gorenje, d.d., and 61 subsidiaries, operating in Slovenia and abroad and 14 Joint Venture companies.

The changes of the Gorenje Group structure till the 30 June 2008 were 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.
- The company Istrabenz Gorenje, d.o.o., has on 31 March 2008 established the company Vitales Nova Gorica, d.o.o., with the core business trading with the biomass.
- On 22 April 2008 the agreement of the acquisition of the stake of the company Avtomatizacija, d.o.o., was signed. After the entering into the court register, the company changed the name into Istrabenz Gorenje Avtomatizacija, d.o.o., where the 100 % owner is the company Istrabenz Gorenje, d.o.o.

- On 25 April 2008, Gorenje, d.d., based on the contract acquired 26% stake of the company ECONO Projektiranje, d.o.o., from the company ERICo, d.o.o.
- On 2 May 2008 the company Gorenje, d.d., sold 100% stake in the company Gorenje Adria Nekretnine, d.o.o., to the company GORES, d.o.o.
- In accordance with the Shares Sale-Purchase Agreement, regarding the acquisition of a 100 percent ownership stake in the company ATAG Europe B.V, the Netherlands, which was concluded on 10 June 2008 with the company Home Products Europe B.V., has the company Gorenje, d.d., on 26 June 2008 paid the part of the purchase price by own shares. The company Gorenje, d.d., has in accordance with the stated agreement and in accordance with the resolution of the General Shareholder Meeting on 4 July 2005, in favour of the company Home Products Europe B.V., disposed 1,070,000 own shares with the trading code of stock exchange listing GRVG, at the price of EUR 36.83 per share, which represents 6-months average of the uniform price of the Gorenje, d.d., shares on the Ljubljana Stock Exchange, or 7.6265 % of all voting rights in the company Gorenje, d.d. Consolidation in the Gorenje Group from 1st of July 2008 onwards.
- On 30 June 2008 the company INGOR, d.o.o., & co., k.d., held 538,091 GRVG shares or 3.8353% of the total number of Gorenje, d.d., shares.

The list of the Gorenje Group companies on 30 June 2008:

Companies, operating in Slovenia		Ownership share, %	Division
1.	Gorenje I.P.C., 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	99.89	HI
5.	Gorenje Gostinstvo, d.o.o., Velenje	100.00	TS
6.	LINEA SP, 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., Ljubljana	51.00	TS
11.	Istrabenz Gorenje, d.o.o., Nova Gorica	49.96	TS
12.	GEN-I, d.o.o., Krško	24.98	TS
13.	Istrabenz investicijski inženiring, d.o.o., Nova Gorica	49.96	TS
14.	Surovina, d.d., Maribor	51.00	TS
15.	RVT d.o.o., Maribor	51.00	TS
16.	INDOP, d.o.o., Šoštanj	100.00	HA
17.	ERICO, d.o.o., Velenje	51.00	TS
18.	Istrabenz Gorenje inženiring, d.o.o., Ljubljana	49.96	TS
19.	GORES, d.o.o., Velenje	100.00	TS
20.	GORENJE PROJEKT, d.o.o., Ljubljana	100.00	TS
21.	GORENJE DESIGN STUDIO, d.o.o., Velenje	52.00	HA
22.	Vitales Nova Gorica, d.o.o., Nova Gorica	49.96	TS
23.	PUBLICUS, d.o.o., Ljubljana	51.00	TS
24.	Istrabenz Gorenje avtomatizacija procesov, d.o.o., Kisovec	49.96	TS
25.	Istrabenz Gorenje Projekt, d.o.o., Trbovlje	24.98	TS

Companies, operating outside Slovenia		Ownership share, %	Division
26.	Gorenje Beteiligungsgesellschaft m.b.H., Austria	100.00	HA
27.	Gorenje Austria Handelsgesellschaft m.b.H., Austria	100.00	HA
28.	Gorenje Vertriebsgesellschaft m.b.H., Germany	100.00	HA
29.	Gorenje Körting Italia S.r.l., Italy	100.00	HA
30.	Gorenje France S.A.S., France	100.00	HA
31.	Gorenje BELUX S.a.r.l., Belgium	100.00	HA
32.	Gorenje Espana, S.L., Spain	100.00	HA
33.	Gorenje UK Ltd., Great Britain	100.00	HA
34.	Gorenje Skandinavien A/S, Denmark	100.00	HA
35.	Gorenje AB, Sweden	100.00	HA
36.	Gorenje OY, Finland	100.00	HA
37.	Gorenje AS, Norway	100.00	HA
38.	OÜ Gorenje, Estonia	100.00	HA
39.	SIA Gorenje, Latvia	100.00	HA
40.	Gorenje spol. s r.o., Czech Republic	100.00	HA
41.	Gorenje real spol. s r.o., Czech Republic	100.00	HA
42.	Gorenje Slovakia s. r.o., Slovak Republic	100.00	HA
43.	Gorenje Budapest Kft., Hungary	100.00	HA
44.	Gorenje Polska Sp. z o.o., Poland	100.00	HA
45.	Gorenje Bulgaria EOOD, Bulgaria	100.00	HA
46.	Gorenje Zagreb, d.o.o., Croatia	100.00	HA
47.	Gorenje Skopje, d.o.o., Macedonia	100.00	HA
48.	Gorenje Commerce, d.o.o., Bosnia and Herzegovina	100.00	HA
49.	Gorenje, d.o.o., Serbia	100.00	HA
50.	Gorenje Podgorica, d.o.o., Montenegro	99.972	HA
51.	Gorenje Romania S.R.L., Romania	100.00	HA
52.	Gorenje aparati za domaćinstvo, d.o.o., Serbia	100.00	HA
53.	Mora Moravia s r.o., Czech Republic	100.00	HA
54.	Gorenje Küchen GmbH, Austria	99.60	NO
55.	Gorenje - kuchyne spol. s r.o., Czech Republic	99.60	NO
56.	Gorenje Imobilia, d.o.o., Serbia	100.00	TS
57.	Gorenje Adria Nekretnine, d.o.o., Croatia	100.00	TS
58.	Kemis-Termoclean, d.o.o., Croatia	100.00	TS
59.	Kemis BiH, d.o.o., Bosnia and Herzegovina	100.00	TS
60.	Gorenje Invest, d.o.o., Serbia	100.00	HA
61.	Gorenje Gulf FZE, United Arab Emirates	100.00	HA
62.	Gorenje Tiki, d.o.o., Serbia	99.982	HA
63.	GEN-I, d.o.o., Croatia	24.98	TS
64.	Intrade energija, d.o.o., Bosnia and Herzegovina	25.48	TS
65.	Vitales, d.o.o., Nova Bila, Bosnia and Herzegovina	49.96	TS
66.	Gorenje Istanbul Ltd., Turkey	100.00	HA

67.	Sirovina, a.d., Serbia	44.12	TS
68.	Gorenje T.O.V, Ukraine	100.00	HA
69.	Vitales, d.o.o., Bihać, Bosnia and Herzegovina	24.98	TS
70.	GEN-I, d.o.o, Serbia	24.98	TS
71.	Vitales, d.o.o., Sokolac, Bosnia and Herzegovina	24.98	TS
72.	ST Bana Nekretnine, d.o.o., Serbia	100.00	TS
73.	GEN-I, Kft., Hungary	24.98	TS
74.	Kemis, d.o.o., Valjevo, Serbia	100.00	TS
75.	Kemis – SRS, d.o.o., Bosnia and Herzegovina	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:

Representative offices abroad	
1.	Moscow, Russia
2.	Krasnojarsk, Russia
3.	Kiev, Ukraine
4.	Athens, Greece
5.	Shanghai, China
6.	Almaty, Kazahstan

BUSINESS CLIMATE IN THE PERIOD JANUARY – JUNE 2008

In the first half 2008 we managed to improve the profitability of the Gorenje Group, due to the **timely favourable purchase** of the raw materials and of restructuring of the sales assortment on the markets and production programs, and additional to these the companies within the Trade and services division contributed to the improving of the results.

The fact is, that the prices of the raw materials, due to the circumstances at the purchasing markets, are remaining the biggest uncertainty for the second half of the year 2008. Additional to these, there are also pressures of the commodity costs (electric energy, crude oil, ...) and also of the personal expenses, and that's why the effective economic operation can be assured by carrying out all planned measures:

- 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 the Gorenje, d.d., and 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 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.

- 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, and additional to this the risk factor is also the political circumstances in Kosovo and Serbia, where Gorenje has not just trade companies, but also two production companies. Our focus was also to decrease HR risks.
- In the period January – June 2008, our particular focus was on **financial risks**, especially to decrease the exposure to currency risks on the Group level.
- Among **operating risks**, our efforts were to decrease the exposure to IT systems risks (risks from the operating of IT systems).

APPLIED ACCOUNTING PRINCIPLES AND IMPORTANT NOTES TO FINANCIAL STATEMENTS

- The non-audited consolidated financial statements of the Gorenje Group for the period January – June 2008 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.
- The non-audited financial statements of Gorenje, d.d., for the period January – June 2008 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.

FINANCIAL HIGHLIGHTS AND ACHIEVEMENTS OF GORENJE GROUP

1H 2007	Plan 2008	1H 2008	2008/ Plan 2008	1H2008/ 1H2007
Consolidated Revenue (in EUR thousand)				
620,468	1,300,352	619,165	47.6%	99.8%
Consolidated Revenue – comparable (in EUR thousand)				
560,731 ¹	1,300,352	619,165	47.6%	110.4 %
EBITDA (in EUR thousand)				
40,619	98,078	45,928	46.8%	113.1%
EBIT (in EUR thousand)				
14,151	42,502	17,398	40.9%	122.9%
Profit before Tax – PBT (in EUR thousand)				
9,426	31,503	11,346	36.0%	120.4%
Income Tax (in EUR thousand)				
2,932	5,000	3,195	63.9%	109.3%
Net profit (in EUR thousand)				
6,503	26,503	8,151	30.8%	125.3%
Added Value (in EUR thousand)				
142,998	326,362	153,030	46.9%	107.0%
Number of employees at the end of period				
11,376	11,563	11,324	97.9%	99.5%
Average number of employees				
11,388	11,522	11,252	97.7%	98.8%
Gross operating Yield per Employee (in EUR)				
56,248	114,513	56,668	49.5 %	100.7%
Added Value per Employee (in EUR)				
12,557	28,325	13,600	48.0 %	108.3%
EBITDA Margin (as % from Gross operating yield)				
6.3%	7.4%	7.2%	/	/
Net ROE				
4.9%	7.3%	4.4% ²	/	/

¹ Due to the comparable reasons, the revenue from disposed company Austrian Power Vertriebs GmbH, in the year 2007 in the amount of EUR 59.737 thousand, was deducted.

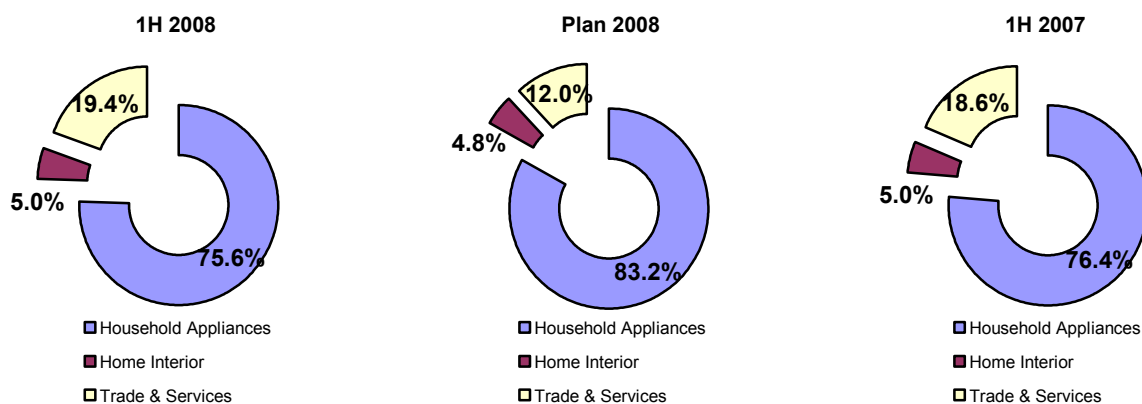
² By the calculation of the Net ROE, the total equity of the Group due to disposal of the 1,070,000 own shares for the acquisition of the company ATAG Europe B.V., was taking into account (ATAG Group realized in the 1H 2008 net profit in the amount of EUR 5.2 million). Due to the fact, that this company has not been included into the consolidated financial statements of the Gorenje Group, the net ROE dropped temporarily. With the full consolidation from 1st July 2008 onwards, the Net ROE will be on the planned track.

<i>Assets (in EUR thousand)</i>				
982,591	1,020,108	1,203,817	118.0%	122.5%
<i>Investments in fixed assets (in EUR thousand)</i>				
21,393	67,066	28,955	43.2%	135.3%
<i>Equity (in EUR thousand)</i>				
267,742	371,151	388,177	104.6%	145.0%
<i>Equity / Assets</i>				
27.3%	36.4%	32.2%	/	/
<i>Long-term Provisions (in EUR thousand)</i>				
61,286	68,418	62,269	91.9%	102.6%
<i>Financial liabilities (in EUR thousand)</i>				
401,315	317,571	480,494	155.3%	119.7%

GORENJE GROUP

- Consolidated Revenue amounted to EUR 619,165 thousand, implying the flat increase over 1H 2007 and 47.6 % of the 2008 plan and is not fully comparable with revenue achieved in 2007, due to the fact that the revenue from 1H 2007 included also the revenue from the dispose of the company Austrian Power Vertriebs GmbH, Austria. With the comparable data's revenue are higher for EUR 58,434 thousand or by 10.4%.

Sales Structure by Divisions



- **EBITDA** rose to EUR 45,928 thousand, up by 13.1 % and reached 46.8 % of the annual plan 2008.
- **EBIT** amounted to EUR 17,398 thousand, and a strong growth of 22.9 % and reached 40.9 % of 2008 plan. Higher growth of EBIT in comparison with the EBITDA is a result of faster revenue growth of the Trade and services division, which is less fixed assets bounded and consecutive to this also less Depreciation and amortization expense involved.
- **PBT** - Profit before tax amounted to EUR 11,346 thousand, showing strong 20.4 % increase in comparison with the 1H 2007 and realised 36 % of the 2008 plan.
- **Consolidated net profit** rose by 25.3 % to EUR 8,151 thousand and reached 25.3 % of the annual plan for the year 2008. Within the net profit, the net profit of minority interest is included in the amount of EUR 2,197 thousand.
- Among **Other current assets** the company Gorenje, d.d., shows receivables from the acquisition of the Dutch company ATAG Europe B.V. in the amount of EUR 130,000 thousand. The company Gorenje, d.d., has on 26th of June 2008 acquired 100 percent ownership stake in the company ATAG Europe B.V, the Netherlands. In accordance with the Shares Sale-Purchase Agreement has the company Gorenje, d.d., since 27th of June 2008 the major interest over this company from 1st July 2008 onwards. With this date, the company will be part of the consolidated financial statements of the Gorenje Group.

FINANCIAL HIGHLIGHTS AND ACHIEVEMENTS OF GORENJE, D.D.

1H 2007	Plan 2008	1H 2008	2008/ Plan 2008	1H2008/ 1H2007
<i>Revenue (in EUR thousand)</i>				
401,670	868,556	382,443	44.0%	95.2%
<i>EBITDA (in EUR thousand)</i>				
23,399	58,541	26,153	44.7%	111.8%
<i>EBIT (in EUR thousand)</i>				
6,311	22,879	7,725	33.8%	122.4%
<i>Profit before Tax – PBT (in EUR thousand)</i>				
4,355	16,645	5,849	35.1%	134.3%
<i>Income Tax (in EUR thousand)</i>				
804	1,992	849	42.6%	105.6%
<i>Net profit (in EUR thousand)</i>				
3,551	14,653	5,000	34.1%	140.8%
<i>Added Value (in EUR thousand)</i>				
74,876	175,207	80,964	46.2%	108.1%
<i>Number of employees at the end of period</i>				
5,566	5,480	5,515	100.6%	99.1%
<i>Average number of employees</i>				

5,649	5,480	5,466	99.7%	96.8%
<i>Gross operating Yield per Employee (in EUR)</i>				
73,293	160,355	72,146	45.0%	98.4%
<i>Added Value per Employee (in EUR)</i>				
13,255	31,972	14,812	46.3%	111.7%
<i>EBITDA Margin (as % from Gross operating yield)</i>				
5.7%	6.7%	6.6%	/	/
Net ROE				
3.4%	5.33%	3.4%	/	/
<i>Assets (in EUR thousand)</i>				
651,893	689,848	843,254	122.2%	129.4%
<i>Investments in fixed assets (in EUR thousand)</i>				
9,677	31,185	12,088	38.8%	124.9%
<i>Equity (in EUR thousand)</i>				
208,366	282,462	308,773	109.3%	148.2%
<i>Equity / Assets</i>				
32.0%	40.9%	36.6%	/	/
<i>Long-term Provisions (in EUR thousand)</i>				
27,716	29,025	27,925	96.2%	100.8%
<i>Financial liabilities (in EUR thousand)</i>				
261,601	180,106	333,933	175.7%	127.6%

THE MAIN COMPANY GORENJE, D.D.

- **Revenue** amounted to EUR 382,443 thousand is for 4.8 % (EUR 19,227 thousand) lower as from the 1H 2007, and reaching 44 % of the 2008 annual plan.
- **EBITDA** rose to EUR 26,153 thousand, up by 11.8% and reached 44.7 % of the annual plan.
- **EBIT** in the amount of EUR 7,725 thousand showing 22.4 % increase and 33.8 % of the plan 2008, as a result of faster decrease of Costs of goods, materials and services, other operating outcomes and better structure of the product assortments.
- **Profit before tax (PBT)** amounted to EUR 5,849 thousand, showing a strong 34.3 % increase over 1H 2007 and reached annual plan for the year 2008 by 35.1 %.
- **Net profit** (EUR 5,000 thousand) showing also a very strong 40.8 % increase in comparison with the last 1H 2007 and reached the plan by 34.1 %.

MAJOR EVENTS FOLLOWING THE BALANCE SHEET DATE

Major events following the Balance Sheet date 30 June 2008 are as follows:

- The company Istrabenz Gorenje, d.o.o., has based on the cash payment and on the resolution of the Court register, Ljubljana, No. Srg 2008/24505, on 3 July 2008, acquired 50 % stake of the company ING Projekt. With this resolution of the court has been the company renamed into ISTRABENZ GORENJE PROJEKT, svetovanje, projektiranje, inženiring, d.o.o.

OWNERSHIP AND SHARE DATA

GORENJE, D.D., JOINT STOCK COMPANY

- Name: Gorenje, gospodinjski aparati, d.d.
- Date of entry in court register: 31 December 1997
- Abbreviated name: Gorenje, d.d.
- Registered office: Partizanska 12, Velenje
- Activities: Manufacture, sale, maintenance and repair of electric and non-electric domestic and electro-thermic appliances
- Activity code: 27.510 Manufacture of electric domestic appliances
- VAT identification number: SI72615320
- Registration number: 5163676
- Share capital: EUR 58,546,152.56
- Shares: 14,030,000 ordinary registered no-par value shares; the shares of Gorenje, d.d., are entered in the prime market listing of the official market of the Ljubljana Stock Exchange under the trading code GRVG (www.ljse.si).
- The main company Gorenje, d.d.: Joint-stock company since 1997, following ownership restructuring
- Issued GRVG shares: Are of the same class and entitle their holders to proportional management i.e. one vote per share.
- Stock Exchange Listing: GRVG (GRVG (listed on the Prime Quotation of the Ljubljana Stock Exchange since 3 October 2005 and since 3 April 2006 on index SBITOP)
- In June 2008 the ordinary shares of Gorenje were on the fourth place on the Ljubljana Stock Exchange in terms of trading volume, reaching 6.7 % of the trading volume of prime quotation shares.

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.

OWNERSHIP STRUCTURE AS AT 30 JUNE 2008

- As at 30 June 2008, Gorenje, d.d., had 20,587 shareholders; or 18.9 % growth (17,332 at the end of 2007).

CHANGES IN OWNERSHIP STRUCTURE BY GROUP OF SHAREHOLDERS

	30 June 2008	31 December 2007	
Pension fund with funds	26.04%	26.09%	<ul style="list-style-type: none"> The share of financial investors rose from 40.3% to 48.2% Due to the disposal of the own shares on 26 June 2008, the share of the own shares decrease from 8.43% to 0.81% The share of the foreign investors rose from 9.97% to 16.25%, from this goes to foreign legal entities 16.13% (9.85%) and foreign individuals 0.12% (0.12%)
Financial investors	48.19%	40.31%	
Employees and former employees	6.22%	6.29%	
Individuals	18.74%	18.87%	
Own Shares	0.81%	8.43%	
Total	100%	100%	

TEN MAJOR SHAREHOLDERS ON 30 JUNE 2008

SHAREHOLDER	NO. OF SHARES	%	ADDRESS	CITY
KAPITALSKA DRUŽBA, D.D.	3,534,615	25.19%	DUNAJSKA CESTA 119	LJUBLJANA
HOME PRODUCTS EUROPE B.V., THE NETHERLANDS	1,070,000	7.63%	BEEKHUIZENSEWEG 67	VELP
KD GALILEO, MUTUAL FUND	727,084	5.18%	CELOVŠKA CESTA 206	LJUBLJANA
RAIFFEISEN ZENTRALBANK OESTERREICH AG, AUSTRIA	636,041	4.53%	AM STADTPARK 9	DUNAJ
INGOR, D.O.O., & CO. K.D.	538,091	3.84%	BRNČIČEVA ULICA 039	LJUBLJANA - ČRNUČE
PROBANKA D.D.	412,276	2.94%	TRG LEONA ŠTUKLJA 12	MARIBOR
KD ID, DELNIŠKA ID, D.D.	336,443	2.40%	CELOVŠKA CESTA 206	LJUBLJANA
KD RASTKO, DELNIŠKI VZAJEMNI SKLAD (MUTUAL FUND)	336,382	2.40%	CELOVŠKA CESTA 206	LJUBLJANA
DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	307,262	2.19%	SLOVENSKA CESTA 54	LJUBLJANA
SOP LJUBLJANA	170,491	1.22%	VOŠNJAKOVA 006	LJUBLJANA
TOTAL 10 MAJOR SHAREHOLDERS:	8,068,685	57.51%		
OTHER SHAREHOLDERS:	5,961,315	42.49%		
TOTAL:	14,030,000	100.00%		

OWN SHARES OF THE ISSUER

- The number of Own Shares has on 30 June 2008 decreased, namely from 1,183,342 or 8.4 % of the Company equity on 31 December 2007 to 113,342. The notification on major holding of voting rights (Supervised Information), has been published on 27 June 2008.
- In accordance with the Shares Sale-Purchase Agreement, regarding the acquisition of a 100 percent ownership stake in the company ATAG Europe B.V, the Netherlands, which was concluded on 10 June 2008 with the company Home Products Europe B.V., has the company Gorenje, d.d., on 26 June 2008 paid the part of the purchase price by own shares. The company Gorenje, d.d., has in accordance with the stated agreement and in accordance with the resolution of the General Shareholder Meeting on 4 July 2005, in favour of the company Home Products Europe B.V., disposed 1,070,000 own shares with the trading code of stock exchange listing GRVG, at the price of EUR 36.83 per share, which represents 6-months average of the uniform price of the Gorenje, d.d., shares on the Ljubljana Stock Exchange, or totally for EUR 39,408,100.

With this disposal, the number and the stake of the own shares has been changed, as follows:

- before disposal: 1,183,342 shares or 8.4344 %;
- disposed own shares: 1,070,000 shares or 7.6265 %;
- after disposal: 113,342 shares or 0.8079 %.

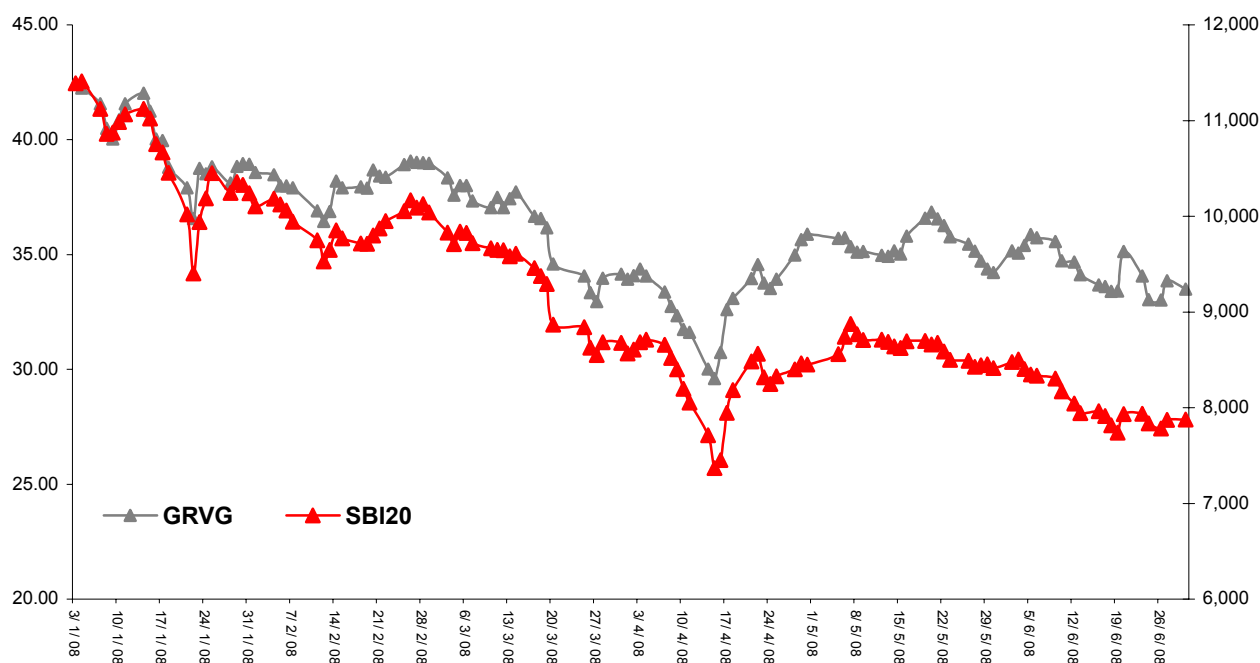
NUMBER OF SHARES OWNED BY THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS AT 30 JUNE 2008

- The number of shares owned by the members of the Management and Supervisory Board hasn't changed in comparison with the number at the end of 2007.

	30 June 2008			30 June 2008	
Supervisory Board	14,146	0.1009%	Management Board	13,230	0.0943%
Mr. Ivan Atelšek	9,497	0.0677%	Mr. Franc Bobinac	2,096	0.0149%
Mr. Peter Kobal	1,355	0.0097%	Mr. Drago Bahun	9,032	0.0644%
Mr. Drago Krenker	920	0.0066%	Mr. Franc Košec	1,380	0.0098%
Mr. Krešimir Martinjak	115	0.0007%	Mrs. Mirjana Dimc Perko	96	0.0007%
Mr. Jurij Slemenik	1,738	0.0124%	Mr. Branko Apat	626	0.0045%
Mr. Jože Zagožen	466	0.0033%			
Mr. Gregor Sluga	55	0.0004%			

UNIFORM PRICE OF GRVG SHARE

- On 30 June 2008 the uniform price per share amounted to EUR 33.49 and decreased by 21.1 % in comparison with the last trading day in 2007 (EUR 42.42). The SBI 20 stock exchange index decreased by 30.7 % in the same period.



Changes in the uniform price of GRVG and in the SBI stock exchange index in the period from January – June 2008

EARNINGS PER SHARE

- EPS calculated as the ratio between the net profit (12-months level) and the number of shares issued minus the average number of own shares (13,024,991), amounted to EUR 0.77.

BOOK VALUE PER SHARE

- The book value of a share is calculated as the ratio between the total company equity at 30 June 2008, and the number of shares issued minus the number of own shares (13,916,658) as 30 June 2008 amounted to EUR 22.19 or increased by 17.3 % in comparison with the 1H 2007. The growth of the Book value per share was boosted by the growth of the Net profit, the positive impact of the capital increase by the price of EUR 30, and also the surplus from the market price and the purchase price by sale of the own shares in the amount of EUR 14.77 million, what is according with the IFRS increasing the share premium but not increasing the profit.

MARKET TO BOOK VALUE RATIO

- Market to book value ratio is 1.51 (1.98 on 31 December 2007).

DIVIDEND PAYOUT

- In 2007 the company paid its shareholders a gross dividend of EUR 0.42 per share; in 2008 the company will pay its shareholders a gross dividend of EUR 0.45 per share.

NON-AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF GORENJE GROUP, IN ACCORDANCE WITH THE IFRS

CONSOLIDATED BALANCE SHEET OF THE GORENJE GROUP

	in EUR thousand	30 June 2007	30 June 2008	30 June 08/ 30 June 07	31 Dec 2007	30 June 08 / 31 Dec 07
	ASSETS	982,591	1,203,817	122.5	999,715	120.4
A.	Non-current assets	416,934	457,942	109.8	448,694	102.1
I.	Intangible assets	24,039	24,879	103.5	25,094	99.1
II.	Property, plant and equipment (PPE)	363,710	394,298	108.4	384,791	102.5
III.	Investment property	2,015	11,316	561.6	10,174	111.2
IV.	Other investments	18,738	18,555	99.0	19,217	96.6
V.	Investments in associated companies	0	0	0.0	12	0.0
VI.	Deferred tax assets	8,432	8,894	105.5	9,406	94.6
B.	Current assets	565,657	745,875	131.9	551,021	135.4
I.	Non-current assets for sales	125	389	311.2	1,062	36.6
II.	Inventories	226,196	248,823	110.0	217,471	114.4
III.	Other investments	22,339	28,086	125.7	27,901	100.7
IV.	Trade receivables	271,160	277,064	102.2	255,718	108.3
V.	Other assets	35,371	175,605 ³	496.5	31,185	563.1
VI.	Cash and cash equivalents	10,466	15,908	152.0	17,684	90.0
	EQUITY AND LIABILITIES	982,591	1,203,817	122.5	999,715	120.4
A.	Total equity	267,742	388,177	145.0	350,985	110.6
I.	Shares	50,910	58,546	115.0	58,546	100.0
II.	Share premium	96,450	158,487	164.3	143,714	110.3
III.	Legal and statutory reserves	43,713	20,399	46.7	45,034	45.3
IV.	Retained earnings	67,587	108,171	160.0	84,025	128.7
V.	Own shares	-27,693	-3,059	11.0	-27,693	11.0
VI.	Translation reserve	16,537	14,686	88.8	14,541	101.0
VII.	Fair value reserve	8,881	17,984	202.5	21,960	81.9
A1.	Equity attributable to equity holders of the Company	256,385	375,214	146.3	340,127	110.3
A2.	Minority interest	11,357	12,963	114.1	10,858	119.4
B.	Non-current liabilities	218,886	305,010	139.3	208,683	146.2
I.	Provisions	52,788	54,042	102.4	51,653	104.6
II.	Deferred government grant	8,498	8,827	103.9	8,717	101.3
III.	Deferred tax liabilities	1,961	1,965	100.2	3,211	61.2
IV.	Loans and borrowings	155,639	240,176	154.3	145,102	165.5
C.	Current liabilities	495,963	510,630	103.0	440,047	116.0
I.	Short-term borrowings	245,676	240,318	97.8	166,340	144.5
II.	Trade liabilities	181,908	194,934	107.2	220,261	88.5
III.	Other current liabilities	68,379	75,378	110.2	53,446	141.0

³ Including investment into the company ATAG, with the consolidation from 1st of July 2008 onward.

CONSOLIDATED PROFIT AND LOSS STATEMENT OF THE GORENJE GROUP

	in EUR thousand	1H 2007	Plan 2008	1H 2008	1H 2008/ Plan 08	1H 2008/ 1H 2007
1. Revenue		620,468	1,300,352	619,165	47.6	99.8
2. Changes in inventories		11,660	8,190	9,042	110.4	77.5
3. Other operating income		8,425	10,873	9,418	86.6	111.8
4. Gross operating yield		640,553	1,319,415	637,625	48.3	99.5
5. Cost of goods, materials and services		-492,703	-978,492	-477,767	48.8	97.0
6. Personnel expenses		-98,698	-222,270	-105,238	47.3	106.6
7. Depreciation and amortization expense		-26,468	-55,576	-28,530	51.3	107.8
8. Other operating expenses		-8,533	-20,575	-8,692	42.2	101.9
9. Operating profit (EBIT)		14,151	42,502	17,398	40.9	122.9
10. Financial income		8,384	12,878	14,214	110.4	169.5
11. Financial expenses		-13,109	-23,877	-20,266	84.9	154.6
12. Profit before tax		9,426	31,503	11,346	36.0	120.4
13. Income tax expense		-2,923	-5,000	-3,195	63.9	109.3
14. Net profit for the year		6,503	26,503	8,151	30.8	125.3
15. Minority interest		1,313	1,044	2,197	210.4	167.3
16. Equity holders of the Company		5,190	25,459	5,954	23.4	114.7
17. Basic/diluted earnings per share (in EUR)		0.94	1.98	0.91	46.0	96.8

CONSOLIDATED CASH FLOW STATEMENT OF THE GORENJE GROUP

	in EUR thousand	1Q 2007	1Q 2008
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Net profit for the year	6.503	8.151
	Adjustments for:		
	Depreciation of PPE	24.609	25.523
	Depreciation of intangible assets	1.859	3.007
	Loss due to the weakening	838	0
	Investments income	-8.384	-14.214
	Financial expenses	13.109	20.266
	Revenues from sales of PPE	-964	-918
	Outcome tax expense	2.923	3.195
	Operating profit before changes in net working capital and provisions	40.493	45.010
	Increase in trade and other receivables	-21.394	-130.597
	Increase in inventories	-30.604	-31.352
	Increase in provisions	4.005	2.499
	Decrease in trade and other payables	-35.905	-5.956
	Cash generated from the operations	-83.898	-165.406
	Interest paid	-9.832	-18.818
	Income taxes paid	-2.615	-3.195
	Income from compensations	1.001	2.129
	Net cash from operating activities	-54.851	-140.280
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Proceeds from sales of PPE	2.410	1.048
	Proceeds from sales of investments	0	4.299
	Interest received	7.497	5.365
	Dividends received	49	79
	Acquisition of subsidiary, net of cash acquired	-5.939	-3.079
	Acquisition of PPE	-19.802	-27.410
	Other investments	465	3.581
	Acquisition of intangible fixed assets	-1.591	-1.545
	Net cash from investing activities	-16.911	-17.662
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Borrowings	77.913	162.609
	Calculated dividends and compensations of the Supervisory Board	-5.232	-6.443
	Net cash from financing activities	72.681	156.166
D.	CASH AND CASH EQUIVALENTS		
	Net increase in cash and cash equivalents	919	-1.776
	Cash and cash equivalents at the beginning of the period	9.547	17.684
	Cash and cash equivalents at end of the period	10.466	15.908

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
Balance at 1 January 2008	58,546	143,714	45,034	84,025	-27,693	14,541	21,960	340,127	10,858	350,985
Net profit for the year				5,954				5,954	2,197	8,151
Translation reserve						145		145		145
Reserve for fair value of investments AFS							-5,291	-5,291		-5,291
Liabilities for deferred tax							1,315	1,315		1,315
Calculation of dividends (AGM resolution)				-6,314				-6,314		-6,314
Disposal of own shares		14,773			24,634			39,407		39,407
To loosen the reserves for own shares			-24,635	24,635				0		0
Payout Supervisory Board Compensation (AGM)				-129				-129		-129
Increase in minority interest									-92	-92
Balance at 30 June 2008	58,546	158,487	20,399	108,171	-3,059	14,686	17,984	375,214	12,963	388,177

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
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 year				5,190				5,190	1,313	6,503
Translation reserve						132		132		132
Reserve for fair value of investments AFS							1,028	1,028		1,028
Reserve for fair value of investments land							1,294	1,294		1,294
Liabilities for deferred tax							-211	-211		-211
Calculation of dividends (AGM resolution)				-5,124				-5,124		-5,124
Payout Supervisory Board Compensation (AGM)				-108				-108		-108
Increase in minority interest									9,795	9,795
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

NON-AUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS OF GORENJE, D.D., IN ACCORDANCE WITH THE IFRS

BALANCE SHEET OF GORENJE, D.D.

	in EUR thousand	30 June 2007	30 June 2008	30 Jun 08/ 30 Jun 07	31 Dec 2007	30 Jun 08 /31 Dec 07
	ASSETS	651,893	843,254	129.4	675,303	124.9
A.	Non-current assets	317,956	337,683	106.2	340,858	99.1
I.	Property, plant and equipment (PPE)	185,471	183,665	99.0	189,392	97.0
II.	Intangible assets	17,102	16,954	99.1	18,243	92.9
III.	Investment property	943	2,242	237.8	2,698	83.1
IV.	Investments into subsidiaries	103,364	116,318	112.5	113,862	102.2
V.	Investments into associated companies	0	8		0	
VI.	Other investments	6,144	14,177	230.7	12,207	116.1
VII.	Deferred tax assets	4,932	4,319	87.6	4,456	96.9
B.	Current assets	333,937	505,571	151.4	334,445	151.2
I.	Non-current assets for sales	62	0		0	
II.	Inventories	95,950	111,187	115.9	93,869	118.5
III.	Other investments	19,313	40,454	209.5	26,150	154.7
IV.	Trade receivables	202,901	199,774	98.5	200,671	99.6
V.	Other current assets	15,670	153,441 ⁴	979.2	13,724	
VI.	Cash and cash equivalents	41	715		31	
	EQUITY AND LIABILITIES	651,893	843,254	129.4	675,303	124.9
A.	Total equity	208,366	308,773	148.2	274,785	112.4
I.	Shares	50,910	58,546	115.0	58,546	100.0
II.	Share premium	78,587	140,624	178.9	125,851	111.7
III.	Legal and statutory reserves	43,713	20,400	46.7	45,034	45.3
IV.	Retained earnings	56,043	87,851	156.8	64,660	135.9
V.	Fair value reserve	6,806	4,411	64.8	8,387	52.6
VI.	Own shares	-27,693	-3,059	11.0	-27,693	11.0
B.	Non-current liabilities	153,543	235,365	153.3	138,724	169.7
I.	Provisions	27,716	27,925	100.8	26,212	106.5
II.	Deferred tax liabilities	1,272	670	52.7	1,886	35.5
III.	Loans and borrowings	124,555	206,770	166.0	110,626	186.9
C.	Current liabilities	289,984	299,116	103.2	261,794	114.3
I.	Short-term borrowings	137,046	127,163	92.8	62,149	204.6
II.	Trade liabilities	126,746	136,308	107.5	177,528	76.8
III.	Other liabilities	26,192	35,645	136.1	22,117	161.2

⁴ Including investment into the company ATAG.

PROFIT AND LOSS STATEMENT OF GORENJE, D.D.

	in EUR thousand	1H 2007	Plan 2008	1H 2008	1H 2008/ Plan 08	1H 2008/ 1H 2007
1.	Revenue	401,670	868,556	382,443	44.0	95.2
2.	Changes in inventories	9,535	4,000	7,664	191.6	80.4
3.	Other operating income	2,828	6,188	4,246	68.6	150.1
4.	Gross operating yield	414,033	878,744	394,353	44.9	95.3
5.	Cost of goods, materials and services	-337,132	-700,907	-311,497	44.4	92.4
6.	Personnel expenses	-50,271	-113,748	-53,608	47.1	106.6
7.	Depreciation and amortization expense	-17,088	-35,662	-18,428	51.7	107.8
8.	Other operating expenses	-3,231	-5,548	-3,095	55.8	95.8
9.	Operating profit (EBIT)	6,311	22,879	7,725	33.8	122.4
10.	Financial income	5,857	8,843	10,521	119.0	179.6
11.	Financial expenses	-7,813	-15,077	-12,397	82.2	158.7
12.	Profit before tax	4,355	16,645	5,849	35.1	134.3
13.	Income tax expense	-804	-1,992	-849	42.6	105.6
14.	Net profit for the year	3,551	14,653	5,000	34.1	140.8

CASH FLOW STATEMENT OF GORENJE, D.D.

	in EUR thousand	1H 2007	1H 2008
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Net profit	3,551	5,000
	Adjustments for:		
	Depreciation of PPE	15,661	16,041
	Depreciation of intangible assets	1,427	2,387
	Investments income	-5,857	-10,521
	Financial expenses	7,814	12,397
	Revenues from sales of PPE	-463	-46
	Outcome tax expense	804	849
	Operating profit before changes in net working capital and provisions	22,937	26,107
	Increase/decrease in trade and other receivables	-10,336	-99,275
	Increase/decrease in inventories	-7,591	-17,318
	Increase/decrease in provisions	1,055	1,713
	Increase/decrease in trade and other liabilities	-53,745	-22,466
	Cash generated from the operations	-70,617	-137,346
	Interest paid	-6,168	-6,595
	Income taxes paid	-698	-642
	Income from compensations	0	2,080
	Net cash from operating activities	-54,546	-116,396
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Proceeds from sales of PPE	2,418	1,230
	Proceeds from sales of investments	0	4,309
	Interest received	3,779	639
	Sales of subsidiary, net of cash acquired	0	2,363
	Acquisition of subsidiary, net of cash acquired	-7,798	-4,350
	Acquisition of PPE	-8,503	-11,001
	Other investments	-4,454	-23,560
	Acquisition of intangible assets	-1,174	-1,087
	Net cash from investing activities	-15,732	-31,457
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Borrowings	75,023	154,980
	Calculated dividends and compensations of the Supervisory Board	-5,232	-6,443
	Net cash from financing activities	69,791	148,537
D.	CASH AND CASH EQUIVALENTS		
	Net increase in cash and cash equivalents	-487	684
	Cash and cash equivalents at the beginning of the period	528	31
	Cash and cash equivalents at end of the period	41	715

STATEMENT OF CHANGES IN EQUITY OF GORENJE, D.D.

in EUR thousand	Share Capital	Share Premium	Legal and statutory reserves	Retained Earnings	Own shares	Fair value reserve	Total
Balance at 1 January 2008	58,546	125,851	45,034	64,660	-27,693	8,387	274,785
Net profit for the year				5,000			5,000
Change in fair value of investments AFS						-5,290	-5,290
Liabilities for deferred tax						1,314	1,314
Disposal of own shares		14,773			24,634		39,407
To loosen the reserves for own shares			-24,634	24,634			0
Calculation of dividends (AGM resolution)				-6,314			-6,314
Payout Supervisory Board Compensation (AGM)				-129			-129
Balance at 30 June 2008	58,546	140,624	20,400	87,851	-3,059	4,411	308,773

in EUR thousand	Share Capital	Share Premium	Legal and statutory reserves	Retained Earnings	Own shares	Fair value reserve	Total
Balance at 1 January 2007	50,910	78,587	43,713	57,724	-27,693	5,989	209,230
Net profit for the year				3,551			3,551
Change in fair value of investments AFS						1,028	1,028
Liabilities for deferred tax						-211	-211
Calculation of dividends (AGM resolution)				-5,124			-5,124
Payout Supervisory Board Compensation (AGM)				-108			-108
Balance at 30 June 2007	50,910	78,587	43,713	56,043	-27,693	6,806	208,366

