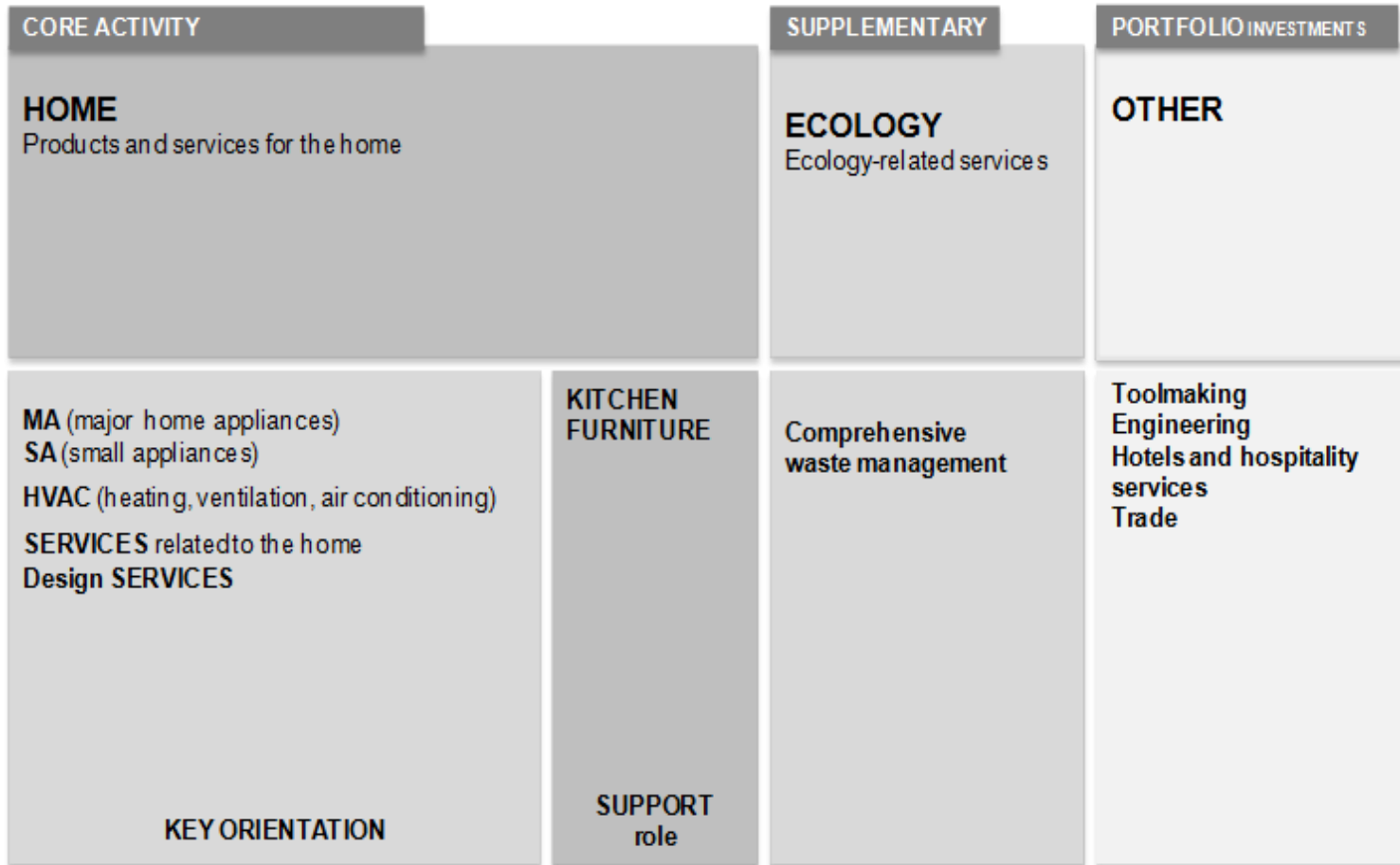


BUSINESS PLAN 2013
(Final document)

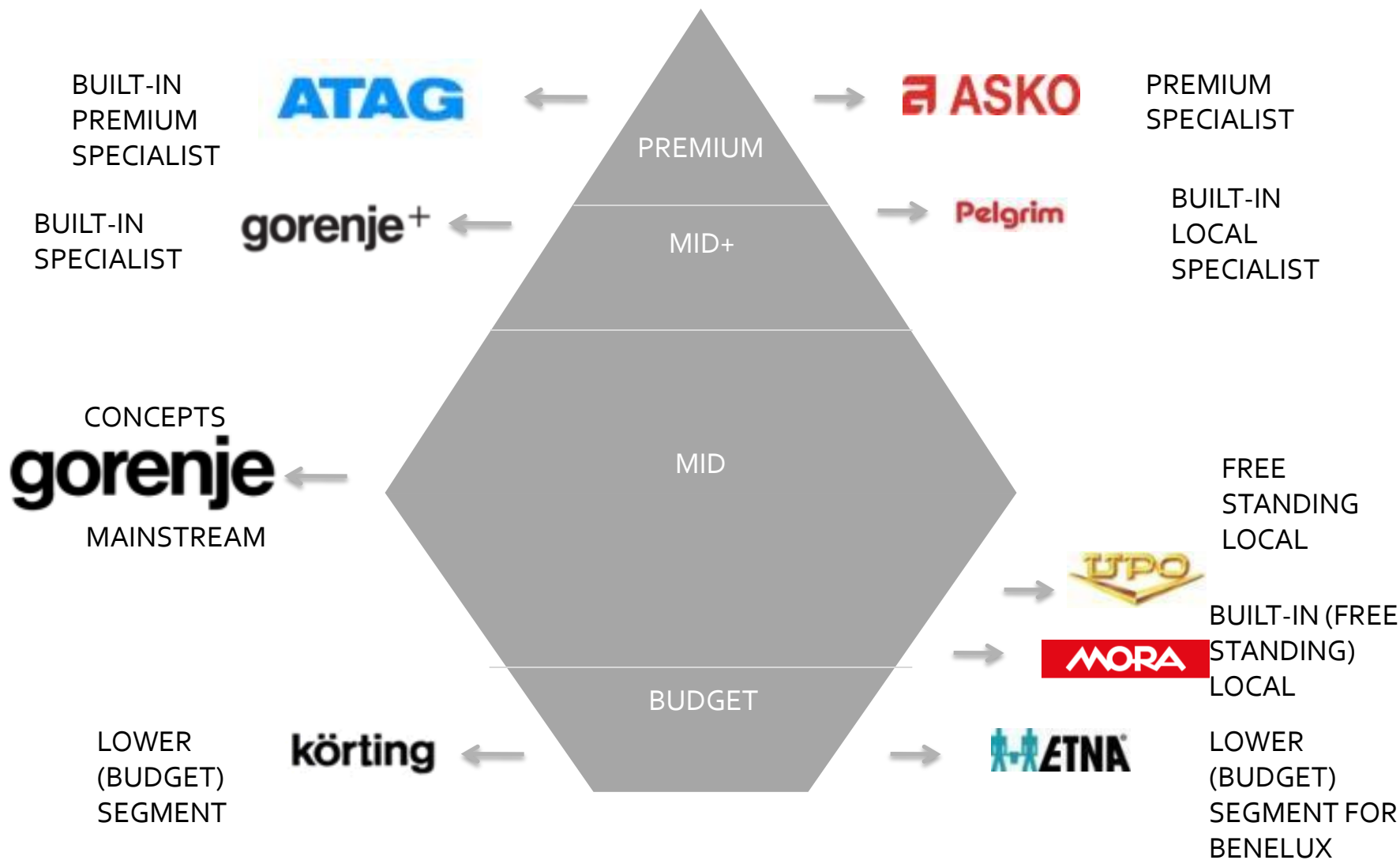
Management Board of Gorenje, d.d.



Business segments of Gorenje Group







Tight economic and political situation in the world, especially in Europe

	2012	2013	2014
Outlook			
Real GDP growth (in %)			
• Euro zone	-0.4	-0.1	1.3
• OECD countries	1.4	1.4	2.3
• Slovenia	-2.4	-2.1	1.1
Inflation rate (year-on-year)			
• Euro zone	2.4	1.6	1.2
• OECD countries	2.1	1.7	1.9
• Slovenia	2.8	2.3	1.8
Unemployment rate (% of total labour force)			
• Euro zone	11.1	11.9	12.0
• OECD countries	8.0	8.2	8.0
• Slovenia	8.5	9.7	9.8
Growth of global trade	2.8	4.7	6.8

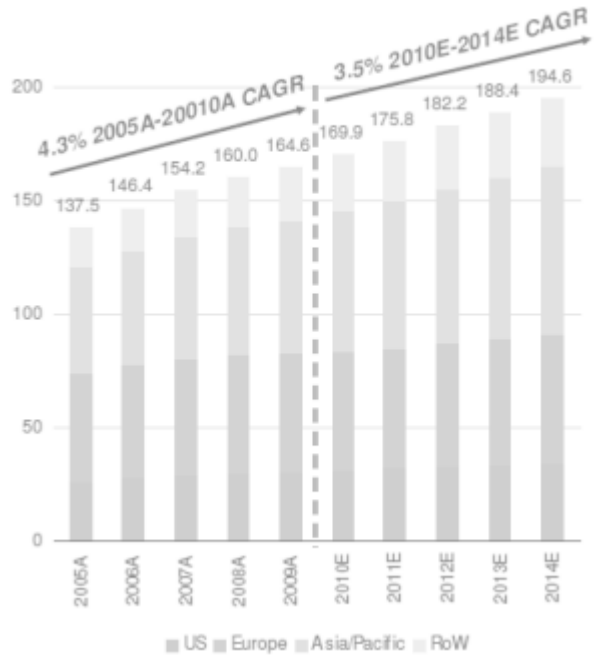
- The recovery will resume slowly
- Business and consumer confidence is weakening

- Inflation will swing down

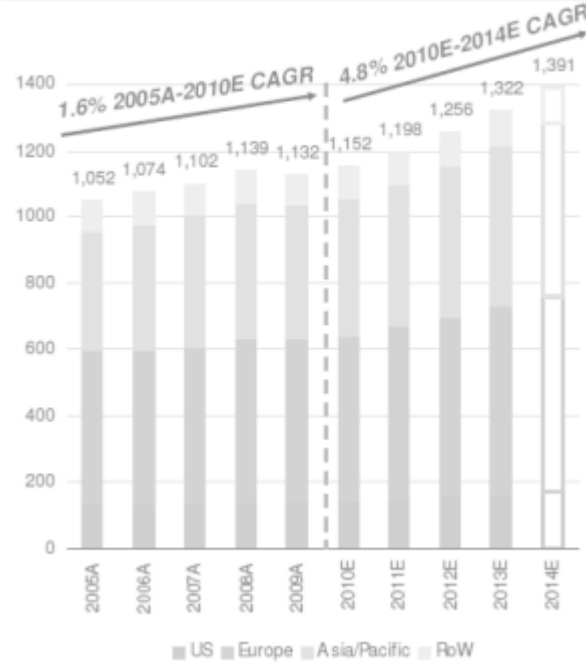
- Unemployment will remain high
- World trade has stagnated

- ➔ **Business environment in 2012:** Consumer reluctance due to uncertainty → Demand for consumer durables even worse → Commodity prices at high levels → Problematic access to financial resources → Payment indiscipline and payment risks → Euro exchange rate, foreign exchange risks in areas with "soft" currencies.
- ➔ **Expectations for 2013:** Risk awareness, uncertainty and confidence → short-term cyclical swings in activity → This is especially so for hard and costly to reverse decisions, such as fixed investment, new hiring and purchase of durable goods.

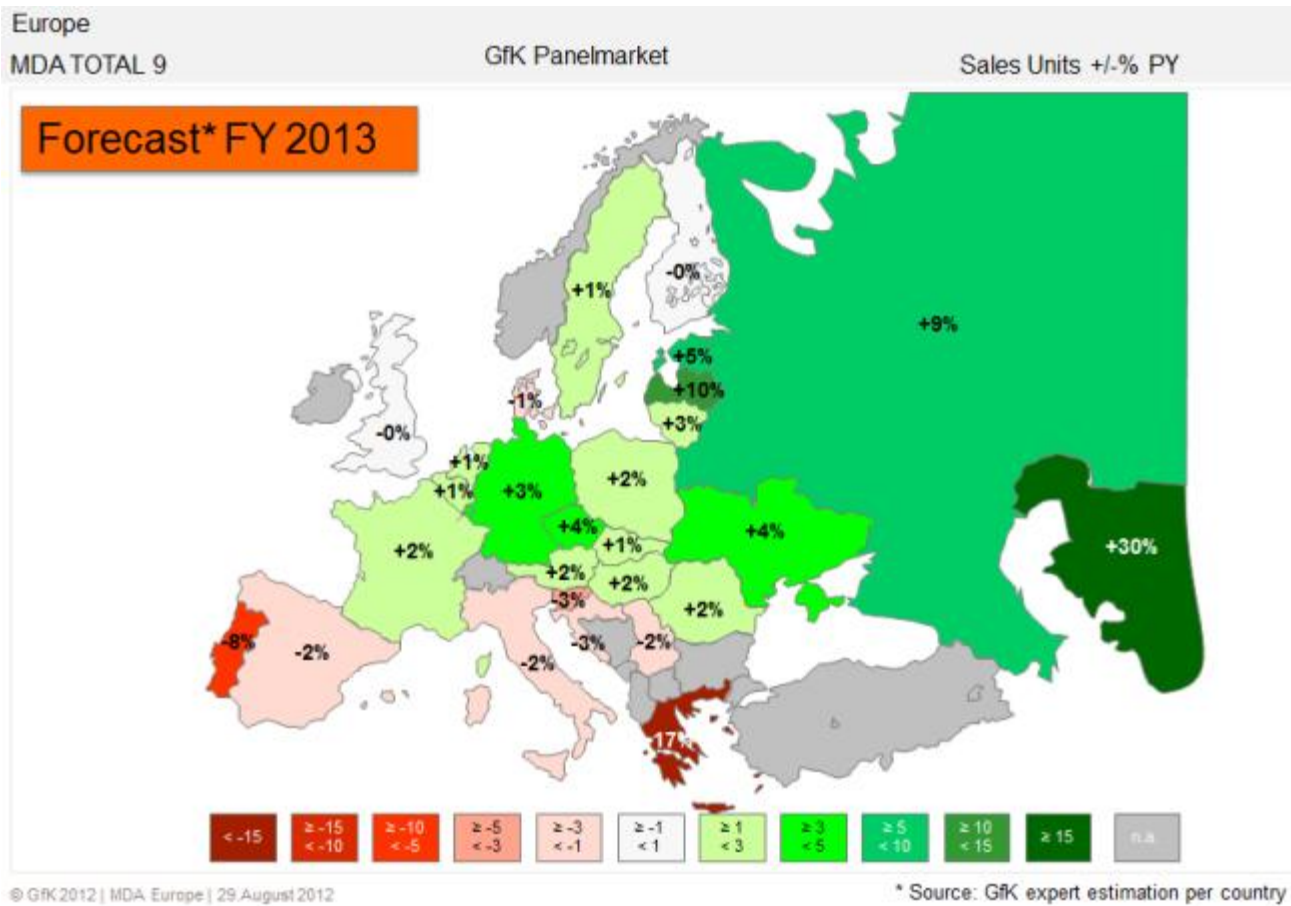
Global household appliances market value (€bn)¹



Global household appliances market volume (m units)²



Estimated CAGR for 2010-2014
3.5 % (value)
4.8% (volume)



Forecast for 2013 is more encouraging than 2012 as sales should be positive in majority of EU countries. PIGS countries and Ex-Yu continuing with negative trend!

EURm	B 2013	E* 2012
Consolidated revenue	1,339.6	1,281.9
EBITDA	96.7	86.3
<i>EBITDA Margin (%)</i>	<i>7.2%</i>	<i>6.7%</i>
EBIT	48.9	37.6
<i>EBIT Margin (%)</i>	<i>3.7%</i>	<i>2.9%</i>
PBT	9.4	6.5
Net income	4.2	0.1
<i>ROS (%)</i>	<i>0.3%</i>	<i>0.01%</i>
<i>ROA (%)</i>	<i>0.4%</i>	<i>0.01%</i>
<i>ROE (%)</i>	<i>1.0%</i>	<i>0.03%</i>
<i>ROIC (%)</i>	<i>2.7%</i>	<i>0.1%</i>
FCF / narrow**	10.9	5.7

* 2012 result will reflect actual end of the month December sales, desinvestment, and also the resolution of some risks (production disruption costs and its consequences, etc.)

- B - Budget
- E - Estimation

** Net income + depreciation and amortisation expense – CAPEX + divestment → change in inventories → change in trade receivables → change in trade payables

GOAL:
DELIVERING PROFIT - CASH FLOW - REDUCING DEBT
Through Business Excellence Development.

Qualitative increase in sales at the geographic and product diversification:

- The largest growth in sales volume are provided in the markets: Ukraine, Russia, Germany, Czech Republic, Slovakia, Poland, Slovenia, China .
- The largest growth in sales volume in the product group of cooking appliances.

Faster growth as a quantitative value growth due to:

- Selective price rises in some markets.
- Improved geographic and product diversification.

Developing and launching new products:

- Continue with the launch of new generation of washing machines and dryers, iChef, IQcook ... on the markets.
- Premiere launch of new products (new Gorenje Simplicity line, appliances for a healthy lifestyle, new generation of fridge-freezers 600 with antibacterial technology...)

Better management of working capital:

- Reducing levels of inventories (of raw materials and inventories of finished goods and merchandise) and receivables - a positive impact on free cash flow.

Activities to improve capital structure:

- Activities to obtain additional capital.
- Continuation of financial restructuring (factoring).

GOAL:
DELIVERING PROFIT - CASH FLOW - REDUCING DEBT
Through Business Excellence Development.

Optimizing the cost of purchasing, logistics, labour costs and all other costs.

Further optimization of the costs of raw materials:

- Lowering cost of materials and services with process optimization.
- Maintaining the volume of purchases from countries with lower cost (LCC).

Business restructuring of production locations:

- The entire production transfer from Sweden to Velenje, Slovenia (washing machines, dryers, dishwashers)
- Conclusion of partial transfer of production of refrigerators and freezers from Velenje, Slovenia to Valjevo, Serbia

Further development of corporate governance in major sales branches.

Further sales of non-operating assets.

II. DEVELOPMENT OF NEW APPLIANCES AND MARKET LAUNCHES = GROWTH GENERATOR

Market launches in 2012 and 2013



New generation of washing machines and dryers (incl. 8 and 9 kg load)



HomeCHEF oven – slide control via large colour display



IQcook induction hob with steam cooking technology

In 2013, we shall continue to introduce:

- Dryer with heat pump in the A-40 and A-50 energy class (Gorenje brand)
- Dryer with a heat pump, Asko brand
- New combined refrigerator in the A+++ class for the EU (energy efficiency a major selling asset in the EU)
- New assortment of freezer chests with electronic control
- SuperPower induction hobs for entry and mid price range
- New Asko dishwashers
- Washing machines and dryers in new colours (red, grey, black) (upmarket positioning)
- New lines of kitchen hoods
- New concept lines Gorenje ONE (intended especially for web sales)
- Gorenje Retro refrigerator lines in new colours (white, red)
- ...

New launches ("premières") in 2013:

- New generation of IonAir combined refrigerators, width 600 mm, with active anti-bacterial technology
- New Gorenje Simplicity lines with innovative adaptive technology
- Il Classico lines – retro style products for the Russian and Ukrainian market
- Appliances with innovative features for a healthy lifestyle
- New assortment of gas hobs
- Start of cooperation with another internationally acclaimed designed – product launch scheduled for 2014
- ...

III. PURSUING THE GORENJE GROUP BRAND STRATEGY

- Further development of the two global Gorenje Group brands: Gorenje and Asko (different pricing)
- Asko brand: boosting sales (growth in the structure of Gorenje Group sales from 5.1% to 6.4% in 2012)
- Further development of brand Gorenje+ and Atag brand for kitchen studios (sales channel for high-end built-in appliances)
- Gorenje brand: boosting sales of special lines with above-average profitability (introduction of new such lines in 2013)
- Gorenje brand: development in the built-in segment by introduction of new products (hobs, hoods)
- Gorenje brand: expansion to new markets (markets beyond Europe)

2012

**START OF
RESTRUCTURING**

- Shift of the entire cooking appliance production from Finland to Czech Republic.
- Start of re-location of a part of refrigeration appliances from Velenje, Slovenia to Valjevo, Serbia (most free-standing appliances). New plant built in Valjevo for this purpose.
- For now, production of built-in cold appliances and refrigerator freezer models with higher profitability in Velenje.

2013

END OF RESTRUCTURING

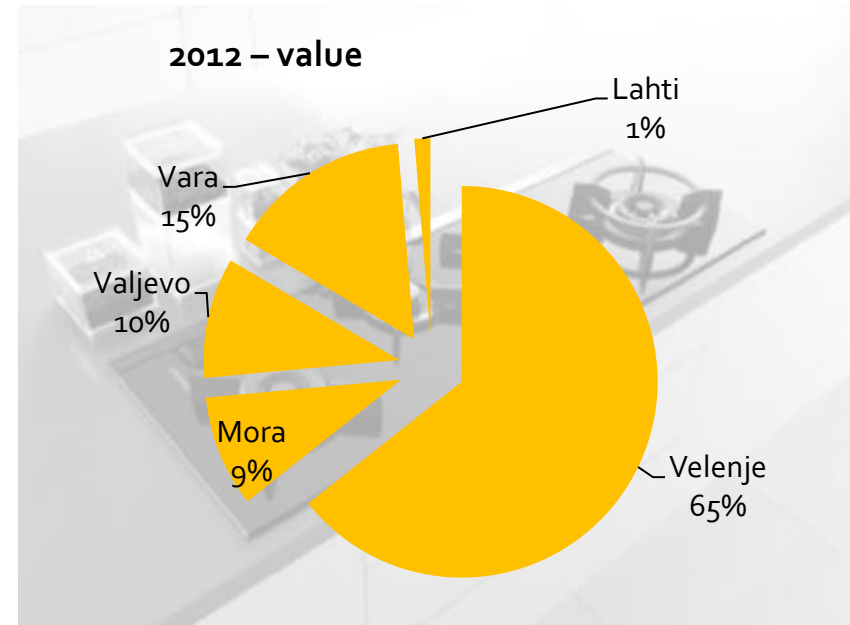
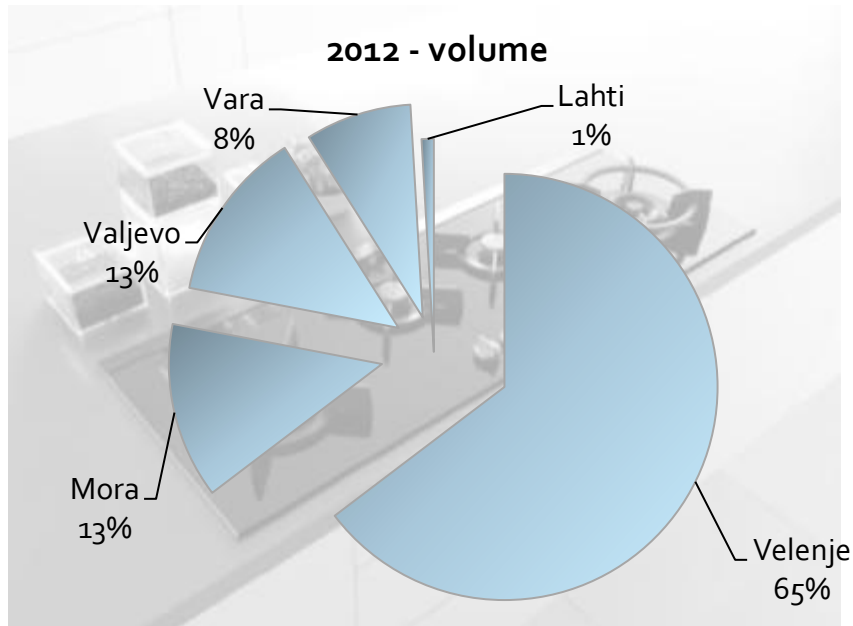
- Mid January – February: production launched at the new plant in Valjevo, Serbia.
- Feb – March: re-location of washing machines and dryers from Sweden to Velenje, Slovenia.
- April: launch of production of WM and dryers from Sweden in Velenje, Slovenia.
- July – Aug: start of re-location of dishwashers from Sweden to Velenje, Slovenia.
- September: launch of dishwasher production in Velenje, Slovenia.

2014

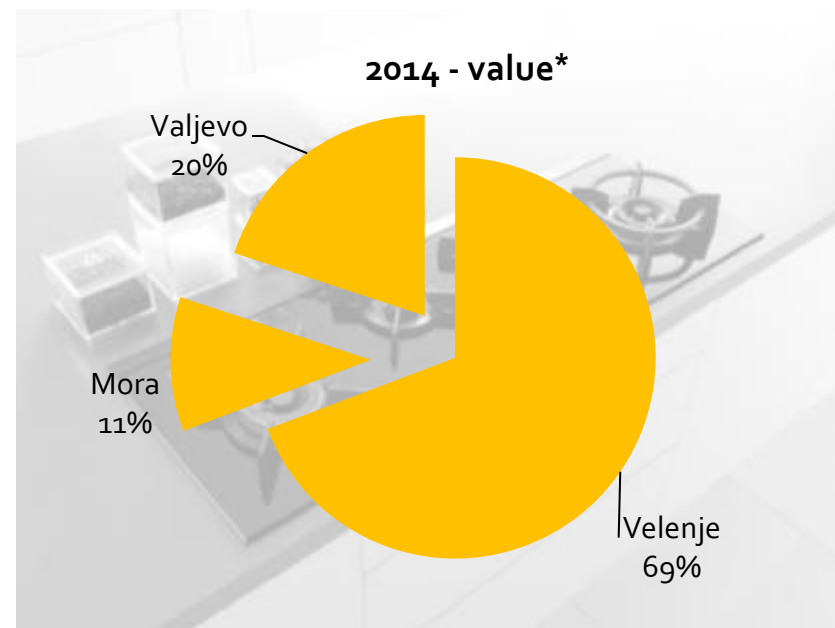
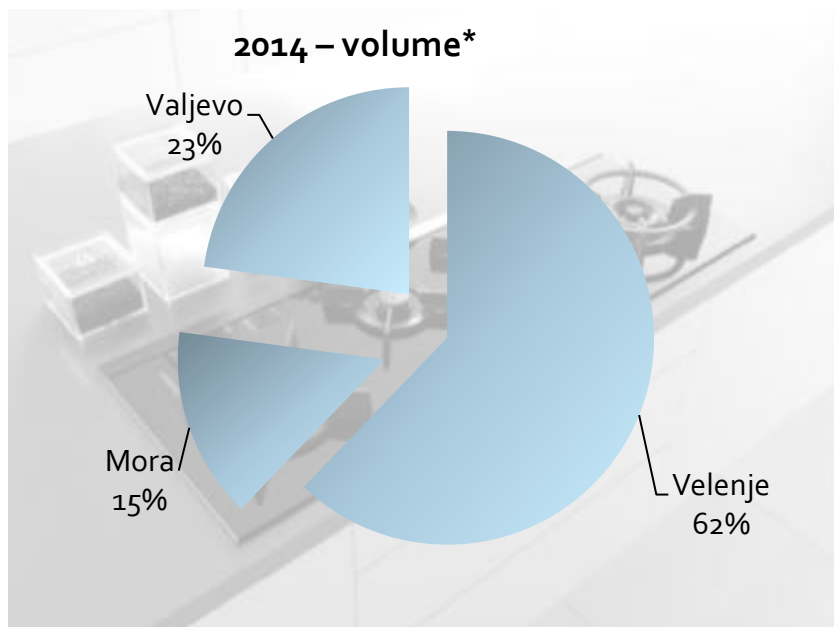
**FULL EFFECT OF RE-
LOCATIONS ON
PERFORMANCE**

- Restructuring will have a positive effect on profitability of operations.
- Planned annual savings as a result of all re-locations: EUR 15 million

PRODUCTION OUTPUT BY LOCATIONS/ PLANTS IN 2012
(restructuring processes in progress)



PRODUCTION OUTPUT BY LOCATIONS/PLANTS AFTER THE COMPLETION OF ALL RESTRUCTURING ACTIVITIES



*Simulation of the structure of production output by locations/plants based on the data in the Business Plan for 2013

RESTRUCTURING OF PRODUCTION LOCATIONS WILL ALSO LEAD TO
CHANGES IN PRODUCTION PROGRAMS



New in Velenje: Asko washing machines and dryers



New in Velenje: Asko dishwashers



New in Valjevo: colour free-standing refrigeration appliances

Product assortment of home appliances with higher profitability is increasing in Velenje.

Complexity of production program is increasing in Valjevo.