



**Gorenje Group and its parent company Gorenje, d.d.,
prepared pursuant to International Financial Reporting Standards - IFRSs**

Management Board of Gorenje, d.d.

Velenje, March 2013

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President and CEO's Comments on Gorenje Group Unaudited Financial Statements for 2012

Activities in 2012 focused on goals laid down in the strategic plan

In the process of strategic restructuring, 2012 was an extremely challenging year for the Gorenje Group. We launched extensive activities aimed at attaining the key goals specified in the strategic plan for the period 2012-2015. We are optimizing our manufacturing operations, deleveraging, penetrating new markets beyond Europe, and developing new generations of products distinguishable from those of our competitors for their innovative solutions and design. Making the year even more arduous were the worsening economic conditions in Europe where nearly 92% of our revenue is generated. After underwhelming sales in the first three quarters of the year, we succeeded in reversing the trend in the last three months. Considering the harsh market environment and the negative effect on our profitability brought about by the production restructuring activities that are currently in full swing, we find the results of the last year satisfactory.

Stark improvement in sales in the last quarter

In the last quarter of the year, we boosted our revenue from the core activity of home products and services by 6.9 percent relative to the corresponding period of 2011. Last quarter's revenue was also 6.9 percent above the average figure for the first nine months of the year. Even more importantly, we saw growth in that period in all markets that are of key importance for Gorenje's profitability. Strong sales in the last quarter had a positive impact on results from operations (EBIT) which rose by nearly 3 % over the figure of the year before to EUR 44.9 million.

Annual sales, too, were increased in some markets of particular importance to our performance. Growth was seen in Russia, Ukraine, Germany, Scandinavia, Poland, Croatia, Bulgaria, as well as in some non-European markets, especially China where we are marketing our designer appliances under the Gorenje brand, and Australia and USA where we are present with our premium brand Asko. Compared to 2011, revenue in non-European markets rose by 5.5 percent. Sales in these markets in the last quarter of 2012 were higher than in the corresponding period of the year before by the same percentage.

Rising sales in non-European markets and stronger global presence are among the goals laid down in our strategic plan and activities in this field are taking the planned and desired course. There is considerable growth potential to be reaped in Australia where we are planning to double our revenue in the course of next two years, welcoming this country to the group of markets that contribute over EUR 100 million of sales per year.

Along with sales promotion activities we implemented at the start of the second half of the year some additional measures to improve our operations and performance. These include optimization of all types of costs, improving corporate governance at all major trade operations, cutting management salaries etc. To some extent, these measures yielded positive results as early as in the fourth quarter of the year.

Ending the year with lower debt, higher free cash flow, and better debt composition by maturity

We are determined to improve financial stability of the Group by the end of the current strategic period. Last year, we did well in terms of divesting non-core and underperforming assets, and working capital management, which led to a higher free cash flow that reached EUR 43.7 million for the year, which is EUR 12.5 million more than in 2011 and EUR 15.1 million more than planned. This year, free cash flow will be positively affected by divestment of manufacturing companies of our furniture segment, as well as other divestment activities that are being intensively pursued.

By drawing a EUR 50 million long-term loan in the fourth quarter of the year, we considerably improved the composition of our debt by maturity. Thus, long-term debt represented 64 percent of total debt at the end of the year, which is the highest figure since the onset of the economic and financial crisis. Our gross debt is EUR 51.4 million lower than in 2011.

Restructuring of manufacturing operations in full swing

Gorenje is amidst the most extensive process of restructuring of manufacturing operations in its corporate history. By international acquisitions of two manufacturing companies – Mora Moravia in the Czech Republic and Asko in Scandinavia – we also acquired manufacturing facilities in the Czech Republic, Sweden, and Finland. Moreover, we have been developing production operations in Serbia since 2006. After the completion of shifts and relocations in

the second half of this year, our entire production of appliances under all corporate brands will have been organized in three countries: Slovenia where all home appliance categories will be produced, including dishwashers which Gorenje had previously not manufactured; Serbia; and Czech Republic.

Production from the Finnish plant was shifted to our Czech facilities last year. The effects of this move are even better than estimated and they have had a positive effect on our performance in the last quarter of 2012. We have also completed the relocation of a large part of cold appliance production from Velenje to Valjevo where mass production of the shifted appliances was already launched this February.

Cost savings resulting from the relocations will improve profitability and competitiveness

In our estimate, successful restructuring of manufacturing operations will result in savings of at least EUR 15 million annually, which will improve profitability and long-term competitiveness. Full effect of the restructuring will be manifest in 2014 and beyond when all related activities are completed. By September this year, we are yet to tackle perhaps the most challenging and extensive part of this process: moving the production of washing machines, dryers, and dishwashers from Sweden to Slovenia. These activities will put significant pressure on our performance, particularly in the first half of 2013, which was considered in development of this year's business plan.

Innovative appliances as a generator of growth and profits

Appliances with innovative features, sophisticated design and high energy efficiency play an essential part in driving our growth and profitability. Well aware of this fact, Gorenje is investing in development and design of these appliances in this year as well. One indicator of our success in this regard are the awards such as the red dot award for the best design, perennially won by our products. This year, appliances of Gorenje and Atag brands were once again among the winners.

Franjo Bobinac
CEO and President of the Management Board

Performance Highlights of the Gorenje Group

Table 1: Performance highlights of the Gorenje Group

EURm	Q4 2012	Q4 2011	Index	2012	2011	Index	Plan 2012	Comparable					
								Q4 2012	Q4 2011	Index	2012	2011	Index
Consolidated revenue	333.6	326.5	102.2	1.263.1	1.386.6	91.1	1.391.4	333.6	326.5	102.2	1.263.1	1.281.8	98.5
EBITDA	39.5	29.9	131.9	90.6	92.0	98.4	101.3	39.5	29.9	131.9	90.6	91.5	99.0
<i>EBITDA margin (%)</i>	<i>11.8%</i>	<i>9.2%</i>	<i>/</i>	<i>7.2%</i>	<i>6.6%</i>	<i>/</i>	<i>7.3%</i>	<i>11.8%</i>	<i>9.2%</i>	<i>/</i>	<i>7.2%</i>	<i>7.1%</i>	<i>/</i>
EBIT	29.7	20.2	146.8	44.9	43.7	102.9	50.0	29.7	20.2	146.8	44.9	43.6	103.0
<i>EBIT margin (%)</i>	<i>8.9%</i>	<i>6.2%</i>	<i>/</i>	<i>3.6%</i>	<i>3.2%</i>	<i>/</i>	<i>3.6%</i>	<i>8.9%</i>	<i>6.2%</i>	<i>/</i>	<i>3.6%</i>	<i>3.4%</i>	<i>/</i>
Profit before tax	17.9	8.2	219.6	14.8	18.3	80.8	15.9	17.9	8.2	219.6	14.8	17.1	86.5
Net profit or loss	6.7	1.3	508.0	0.3	9.1	3.2	13.4	6.7	1.3	508.0	0.3	8.1	3.6
<i>ROS (%)</i>	<i>2.0%</i>	<i>0.4%</i>	<i>/</i>	<i>0.02%</i>	<i>0.7%</i>	<i>/</i>	<i>1.0%</i>	<i>2.0%</i>	<i>0.4%</i>	<i>/</i>	<i>0.02%</i>	<i>0.6%</i>	<i>/</i>
<i>ROA (%)</i>	<i>2.2%</i>	<i>0.4%</i>	<i>/</i>	<i>0.02%</i>	<i>0.7%</i>	<i>/</i>	<i>1.1%</i>	<i>2.2%</i>	<i>0.4%</i>	<i>/</i>	<i>0.02%</i>	<i>0.6%</i>	<i>/</i>
<i>ROE (%)</i>	<i>6.9%</i>	<i>1.3%</i>	<i>/</i>	<i>0.1%</i>	<i>2.3%</i>	<i>/</i>	<i>3.3%</i>	<i>6.9%</i>	<i>1.3%</i>	<i>/</i>	<i>0.1%</i>	<i>2.1%</i>	<i>/</i>
<i>ROIC (%)</i>	<i>12.5%</i>	<i>9.7%</i>	<i>/</i>	<i>3.4%</i>	<i>4.4%</i>	<i>/</i>	<i>5.2%</i>	<i>12.5%</i>	<i>9.7%</i>	<i>/</i>	<i>3.4%</i>	<i>4.4%</i>	<i>/</i>
Free cash flow / narrow¹	90.5	67.6	133.8	43.7	35.8	122.0	28.6	90.5	66.0	137.1	43.7	31.2	140.3
Financial debt	432.7	484.1	89.4	432.7	484.1	89.4	403.8	432.7	484.1	89.4	432.7	484.1	89.4
Net financial debt²	379.2	382.5	99.2	379.2	382.5	99.2	380.3	379.2	382.5	99.2	379.2	382.5	99.2
Net financial debt / EBITDA³	4.2	4.4	/	4.2	4.4	/	3.8	4.2	/	/	4.2	/	/

¹ Net profit or loss + amortisation and depreciation expense - Capex + divestment -+ change in inventories -+ change in trade receivables -+ change in trade payables

Items of free cash flow within the statement of financial position are calculated based on the difference in balances without excluded discontinued operations.

² Financial debt - cash

³ Net financial debt / EBITDA for the last 12 months

Events Impacting Business Performance

The comparability of individual categories of profitability, financial position and cash flow of the Gorenje Group is essentially affected by **the sale of a participating interest** in the company Istrabenz Gorenje in July 2011 and thus the withdrawal from the Energy Business Segment within the framework of the former Ecology, Energy and Services Division.

The management report (1) discloses and outlines solely comparable figures, whereby the accounting report (2) provides all recorded and financially disclosed values of individual categories in the financial statements.

Comparability of information from the view of **operational profitability** of the Gorenje Group and its Business Segments (Income Statement) was implemented on the basis of the elimination of effects of the operation of Istrabenz Gorenje and its subsidiaries in 2011.

Gorenje is in the process of discontinuing/disposing/restructuring its activities (furniture programme, sales organisations), which had a negative impact on the Group's profitability and the free cash flow in the past. The classification of activities among discontinued operations is stipulated and defined by IFRS 5. Comparability of information was maintained by reclassifying the effects of the operation of companies, which are classified as discontinued operations within the Consolidated Income Statement for 2012 and 2011, to a separate item i.e. *Profit or loss from discontinued operation*. In addition, assets and liabilities of companies classified as discontinued operations were reclassified among *assets/liabilities included in disposal groups* in the Group's Consolidated Statement of Financial Position for 2012.

MANAGEMENT REPORT

Operating Performance of the Gorenje Group

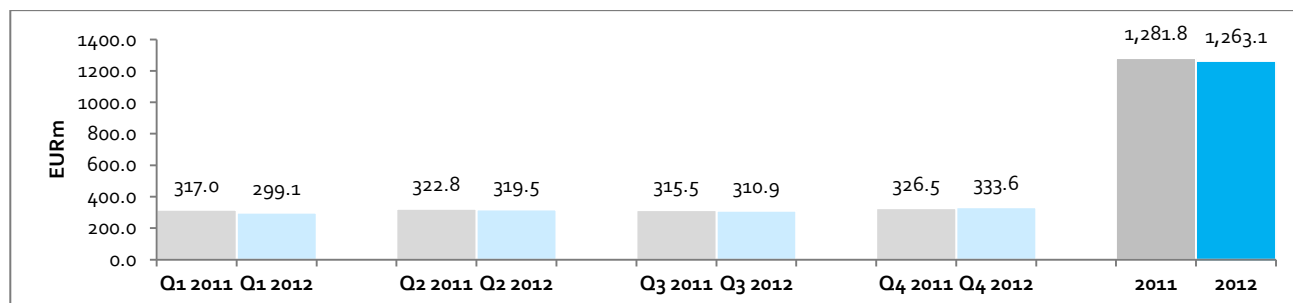
Table 2: Operating performance of the Gorenje Group

EURm	Q4 2012	Q4 2011	Index	2012	2011	Index	Plan 2012	Plan track
Consolidated revenue	333.6	326.5	102.2	1.263.1	1.281.8	98.5	1.391.4	90.8
CM ⁴	139.4	122.2	114.1	536.7	519.4	103.4	585.6	91.7
CM (%)	41.8%	37.4%	/	42.5%	40.5%	/	42.1%	/
EBIT	29.7	20.2	146.8	44.9	43.6	103.0	50.0	89.9
EBIT margin (%)	8.9%	6.2%	/	3.6%	3.4%	/	3.6%	/
Net profit or loss	6.7	1.3	508.0	0.3	8.1	3.6	13.4	2.2
ROS (%)	2.0%	0.4%	/	0.02%	0.6%	/	1.0%	/

In 2012, the Group generated EUR 1,263.1m of **consolidated revenue**. Compared to the previous year, the Group recorded EUR 18.7m or 1.5% less consolidated revenue.

In Q4 2012, the Group recorded EUR 333.6m of consolidated revenue, which is 2.2% more if compared to the equivalent period in 2011. Higher volume of business activities was generated on most of sales markets, in particular in Russia, Australia, USA, Slovenia, Poland, Slovakia, Croatia, China and Germany. In the last quarter of 2012, the number of markets with lower volume of business activities is significantly lower than in the previous year's comparable period, namely: Serbia, the Czech Republic, and the Netherlands. It is important that the decline in volume of business activities on these markets is lower from the actual decline recorded by individual markets. Measures adopted within the area of sale already show the first results in Q4 2012.

Chart 1: Consolidated revenue of the Gorenje Group



Values and structure of consolidated revenue by geographical segments:

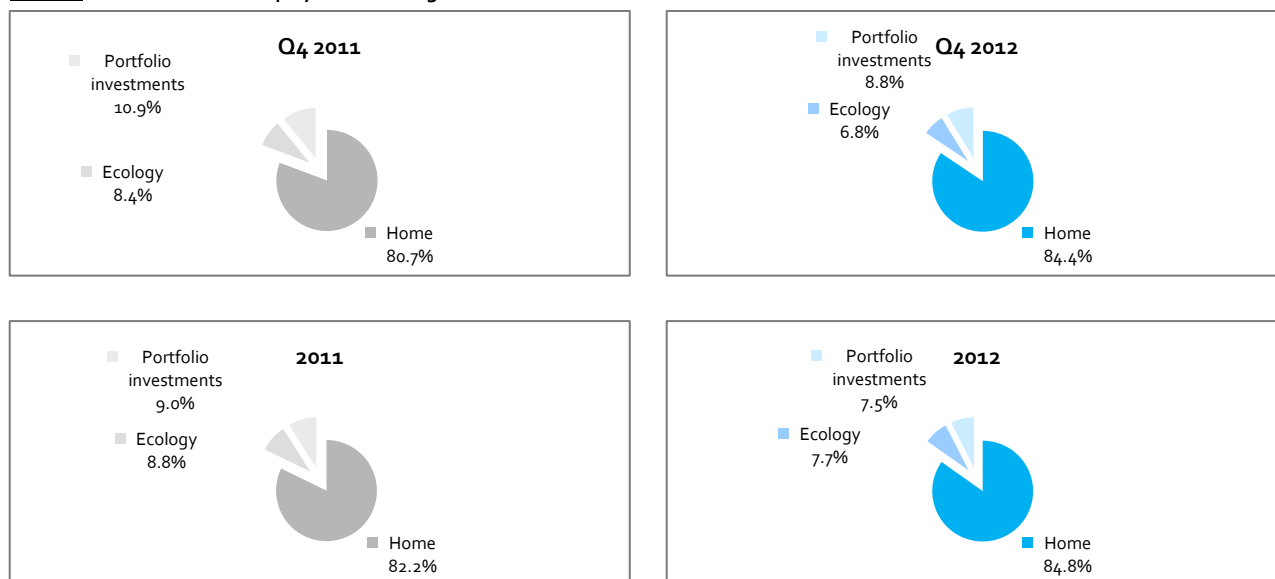
Table 3: Revenue of the Gorenje Group and the Business Segment Home by geographical segments

EURm	Q4 2012	%	Q4 2011	%	Change (%)	2012	%	2011	%	Change (%)
Western Europe	111.7	33.5%	111.4	34.1%	0.3%	480.9	38.1%	497.2	38.8%	-3.3%
Eastern Europe	196.0	58.7%	190.5	58.4%	2.9%	682.0	54.0%	689.7	53.8%	-1.1%
Other	25.9	7.8%	24.6	7.5%	5.5%	100.2	7.9%	94.9	7.4%	5.5%
Total Group	333.6	100.0%	326.5	100.0%	2.2%	1.263.1	100.0%	1.281.8	100.0%	-1.5%
Western Europe	110.2	39.2%	110.6	42.0%	-0.3%	474.8	44.3%	492.5	46.8%	-3.6%
Eastern Europe	145.3	51.6%	128.2	48.7%	13.4%	496.3	46.3%	466.1	44.2%	6.5%
Other	26.0	9.2%	24.6	9.3%	5.5%	100.2	9.4%	94.8	9.0%	5.7%
Total Home	281.5	100.0%	263.4	100.0%	6.9%	1.071.3	100.0%	1.053.4	100.0%	1.7%

⁴ Contribution margin on the level of difference between revenue and cost of goods and material

- **Western Europe** includes Austria, Germany, Italy, France, Denmark, Sweden, Belgium, Finland, Great Britain, Greece, Norway, Turkey, the Netherlands, Spain, Switzerland;
- **Eastern Europe** includes Ukraine, Russia, Macedonia, Croatia, Serbia, Montenegro, Albania, Bosnia and Herzegovina, Belarus, Kosovo, Moldova, Kazakhstan, Latvia, Lithuania, Estonia, Slovenia, the Czech Republic, Hungary, Poland, Bulgaria, Romania, Slovakia;
- **Other** refers to all other non-European countries.

Chart 2: Revenue of the Group by Business Segments



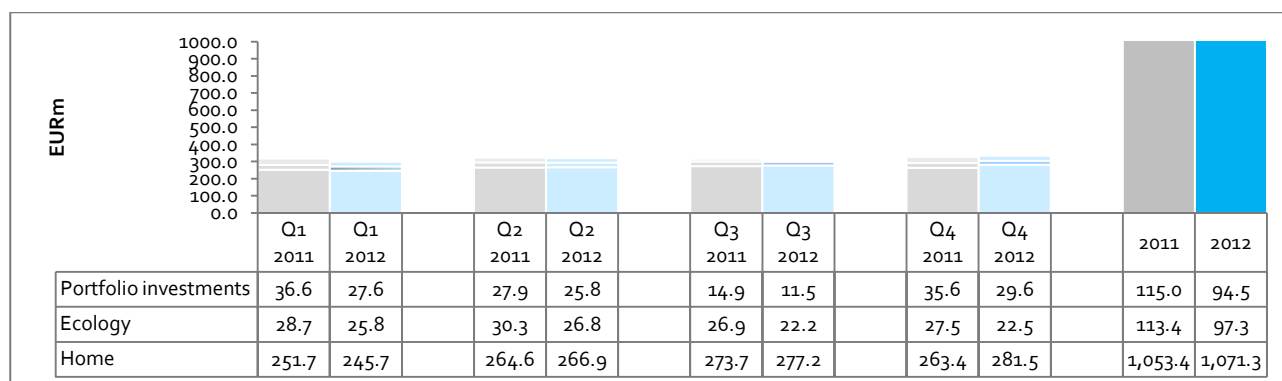
The geographic sales structure indicates that:

- on the annual level, sales volume decreased in Western Europe compared to the 2011, mostly due to the sales generated in the Netherlands, France and Italy, whereas in other markets such as Germany and Scandinavia sales increased; the downward trend in sales changed in the last quarter as Western Europe achieved practically the same sales volume as in the last quarter of 2011,
- sales volume decreased in Eastern Europe, mostly due to the halted sale of armoured vehicles. In general and without considering the effects of the armoured vehicles business, the volume of Groups' operations increased in these markets. Higher sales volume was recorded on markets of Russia, Ukraine, Poland, Slovakia and Croatia, whereas lower sales were generated on markets of Slovenia, the Czech Republic, Serbia and Romania. It is essential that the sales growth in Eastern Europe increased in the last quarter of 2012 by almost 3% over the previous year's comparable period. Russia, Ukraine, Slovenia, Slovakia and Poland were the main growth generators in the Business Segment Home in the last quarter of 2012,
- sales volume outside Europe (i.e. other countries worldwide) increased not only in terms of a comparison with the annual volume (growth of 5.5%) but also in terms of a comparison with the last quarter (growth of 5.5%). Sales activities were intensified particularly within the Business Segment Home growth on markets of Australia, USA and China.

The revenue structure by business segments indicates that:

- significance of the core activity (Segment Home) strengthened in the Group's revenue structure due to lowering the share of sales within the Segment Portfolio Investments (with the elimination of the Energy Business Segment in 2011). Thus, the Segment Home represents in view of the annual level and the last quarter of 2012, nearly 85% of total Group sales.

Chart 3: Revenue by Business Segments



In 2012, the **Business Segment Home** recorded consolidated revenue in the amount of EUR 1,071.3m, which is 1.7% more than in the previous year. Irrespective of harsh conditions in European markets and the sales stagnation, the Group increased the volume of operations particularly in the last quarter of 2012 and generated EUR 281.5m revenue, which is nearly 7% more than in the last quarter of 2011. The biggest growth of operations in Q4 2012 was recorded in the regions of Eastern Europe (+13.4%) and other countries worldwide (+5.5%). Western Europe recorded in the last quarter of 2012 almost an equal sales volume as in Q4 2011. On the annual level of 2012, the highest growth within the Business Segment Home was recorded by markets in Russia, Germany, Poland, Ukraine, USA, Australia, Scandinavia, Bulgaria and Croatia. Lower scope of business activities if compared to 2011 was generated on markets in the Netherlands, France, partly also in Serbia and the Czech Republic. It is important that the volume of operations increased in the last quarter of 2012 by nearly 7% over the previous year's equal period.

In 2012, the **Business Segment Ecology** generated EUR 97.3m of consolidated revenue. Compared to 2011, the result shows a decline of EUR 16.1m or 14.2%. This decrease was driven mostly by the fall of the exchange prices for secondary raw materials and lower volume of operations due to the expiry of a five-year contract concluded with a major industrial partner in Slovenia. The decline in business activities was also due to weather conditions in Q1 2012 that prevented the collection and sale of secondary raw materials.

For the period ended 31 December 2012, the **Business Segment Portfolio Investments** generated EUR 94.5m of consolidated revenue, which is 17.9% or EUR 20.6m less than in 2011. The decline in revenue was mostly impacted by the project of the production (assembly) of 8x8 armoured vehicles for the Slovenian Armed Forces within the subsidiary Indop, d.o.o., Slovenia. This whole project generated EUR 9.2m of revenue in 2011, whereas only EUR 0.5m was generated in 2012 since the project was halted. Another reason for the decrease is the elimination of deals with the company Alpos, which in 2012 represents a loss in revenue by EUR 16.4m if compared to previous year.

Movement of profitability at the level of EBIT:

Table 4: Development of effects on Group profitability at the level of EBIT

EURm	Development
EBIT 2011	43.6
Contribution margin at the level of cost of goods and material	17.4
Cost of services	-5.7
Employee benefits expense	-6.7
Amortisation and depreciation expense	2.2
Other operating expenses	3.6
Other operating income	-9.5
EBIT 2012	44.9

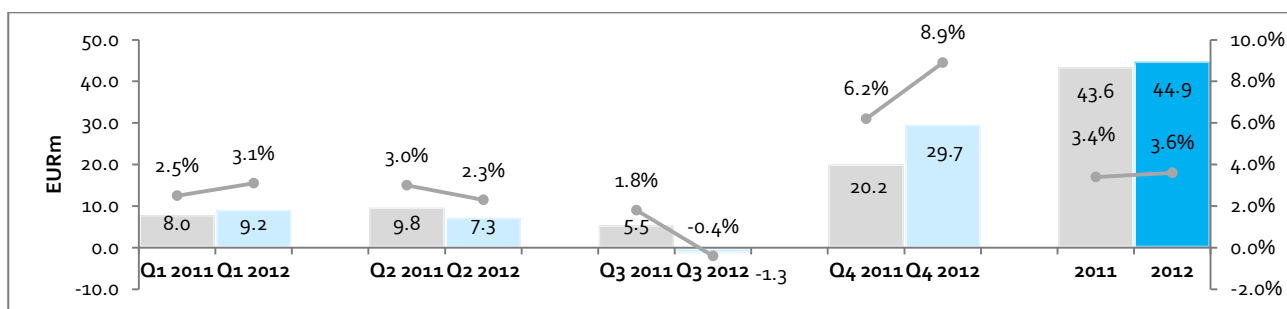
Earnings before interest and taxes (EBIT): the Group recorded in 2012 a positive EBIT in the amount of EUR 44.9m. Compared to the previous year, the EBIT increased by EUR 1.3m or 2.9%. The increase is attributable to a better last quarter, when the EBIT improved by EUR 9.5m compared to 2011. The primary reasons behind the increase are:

- improved sales volume in the Business Segment Home, which grew nearly by 7% in the last quarter of 2012. Growth was recorded by all geographical segments (Eastern and Western Europe, other countries worldwide) irrespective of harsh circumstances, in particular on European markets,
- improved contribution margin at the level of cost of goods and material as the result of more favourable purchases of materials and raw materials, more favourable purchases of merchandise (products manufactured beyond own production facilities), and an improved sales structure (geographical and product structure).

The movement of the EBIT was negatively impacted by:

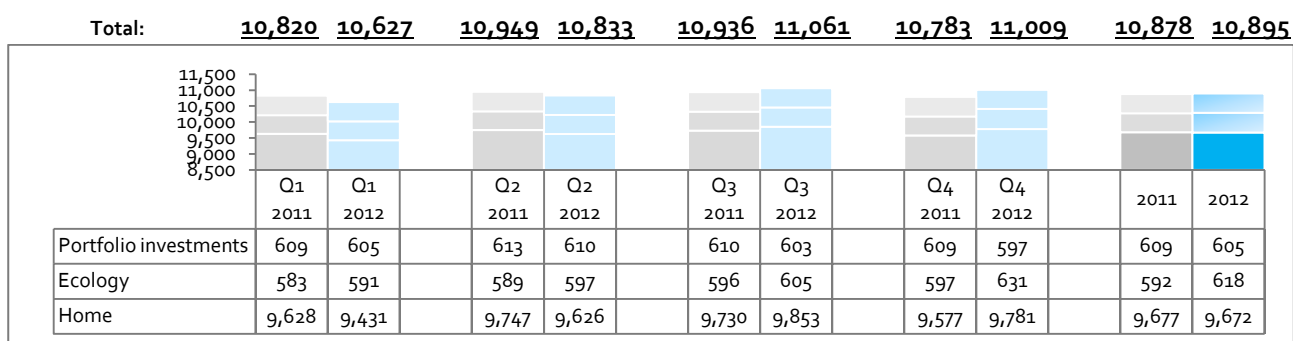
- movement of the cost of services, which increased by 2.8% or EUR 5.7m over the previous period, irrespective of lower consolidated revenue by 1.5%. This increase was driven mostly by costs of transport and logistics services that grew by 16.0% or EUR 6.8m as a result of higher retail fuel prices and the changed geographic sales structure in individual countries, as well as the continuing cost pressure,
- movement of the employee benefits expense, which grew by 2.7% or EUR 6.7m compared to 2011. This increase is attributable to the production of emergency stock prior to moving the production from north to south (Sweden - Slovenia, Finland - Czech Republic, Slovenia - Serbia). Employee benefits expense were negatively impacted also by the unannounced stoppage of work (strike) in Velenje. The primary reasons behind the increase are:
 - inability of short-term cost adjustment of total employee benefits expense when production capacities are not fully utilised,
 - production of emergency stock due to shifting of the production,
 - negative impact on the employee benefits expense caused by the December strike and
 - rigid labour legislation.

Chart 4: EBIT and EBIT margin



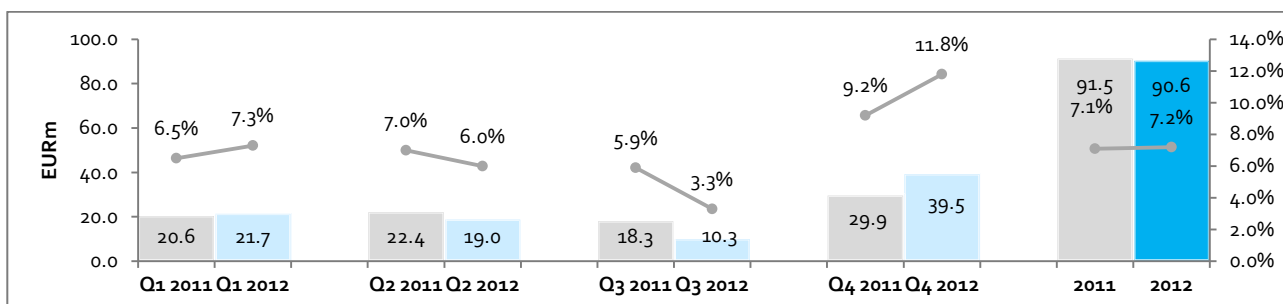
In 2012, the **average number of employees** was recorded at 10,895. Compared to the previous year, the average number of employees grew in 2012 by 17 persons. Most of the increase is attributable to higher production activities in the Business Segment Home in Q4 2012 as a result of manufacturing emergency stock prior to moving the production. Two out of three planned relocations of production will be conducted in the first quarter of 2013. The number of employees in the Business Segment Ecology increased as a result of expanding activities to new markets (Serbia). The Business Segment Portfolio Investments records 5 employees less than in 2011.

Chart 5: Average number of employees by Business Segment



In 2012, the Group generated **earnings before interest, taxes, depreciation and amortisation (EBITDA)** in the amount of EUR 90.6m, which is EUR 0.9m or 1.0% less than in the previous year. In Q4 2012, the Group's EBITDA was recorded at EUR 39.5m, which exceeds the balance of the comparable period in 2011 by EUR 9.5m. The reasons for this development are in detail explained within the item of earnings before interest and taxes (EBIT) in the introductory part.

Chart 6: EBITDA and EBITDA margin

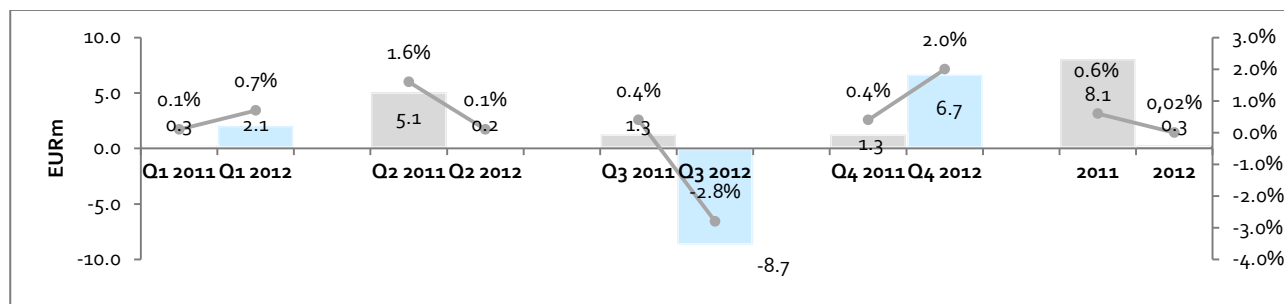


The negative **result from financing activities** in the amount of EUR 30.4m represents an increase of EUR 3.9m compared to 2011. An improvement was achieved in 2011, which is mostly the result of the one-time effect of the liquidation of the company Gorenje Tiki, Ljubljana and the sale of the participating interest in the company Istrabenz Gorenje, d.o.o. The negative result from financing activities worsened compared to 2011 also due to higher impairment of certain investments and the major impairment of receivables.

Income tax expense of EUR 5.6m indicates a growth of EUR 3.9m compared to 2011. The aforesaid increase is mostly due to the changed structure of generating profit before tax per companies and the recalculation of deferred tax assets to the expected tax rate.

As at 31 December 2012, the Group recorded a **net profit** in the amount of EUR 0.3m. This result is lower by EUR 7.8m considering the net result of the previous year. It is important that due to reasons explained the net profit generated in the last quarter in 2012 significantly exceeds the result of the previous year's comparable period.

Chart 7: Net profit or loss and ROS



Financial Performance of the Gorenje Group

Free Cash Flow Management

Table 5: Free cash flow

EURm	Q4 2012	Q4 2011	Index	2012	2011	Index	Plan 2012	Plan track
Net profit or loss	6,7	1,3	508,0	0,3	8,1	3,6	13,4	2,2
+ Amortisation and depreciation expense	11,1	11,6	96,1	47,0	49,7	94,5	51,3	91,5
= Net cash flow	17,8	12,9	138,2	47,3	57,8	81,8	64,7	73,0
- Capex	-27,8	-17,0	163,6	-60,7	-47,5	128,0	-47,6	127,7
+ Divestment	8,3	2,0	403,7	11,4	4,4	259,5	19,7	58,0
- Investments in net current assets	92,2	68,1	135,5	45,7	16,5	278,3	-8,2	/
- change in inventories	-5,9	14,0	/	-8,1	11,4	/	8,6	/
- change in trade receivables	58,1	25,1	231,7	31,7	28,2	112,7	-11,8	/
- change in trade payables	40,0	29,0	138,1	22,1	-23,1	/	-5,0	/
= Free cash flow / narrow ⁵	90,5	66,0	137,1	43,7	31,2	140,3	28,6	152,8

In the last quarter of 2012, positive **free cash flow** was recorded in the amount of EUR 90.5m, which is attributable to the essential improvement of the operating result in Q4 2012, to divestment, to a decline in trade receivables or factoring and to higher trade payables. Negotiations on the sale of some important properties were concluded in the last quarter of the year. The biggest among properties sold is the business-distribution centre in Zagreb. In 2012, the Group also sold numerous smaller disposable properties in Croatia, Russia, the Czech Republic, Bosnia and Herzegovina, and Slovenia.

On the annual level of 2012, the Group generated EUR 43.7m of positive free cash flow, which is EUR 12.5m more than in the previous financial year. The increase in free cash flow was impacted mostly by the decline in trade receivables (in the amount of EUR 31.7m), whereas higher investments, which fully relate to the accelerated shifting of the production, had a negative impact on the balance of free cash flow.

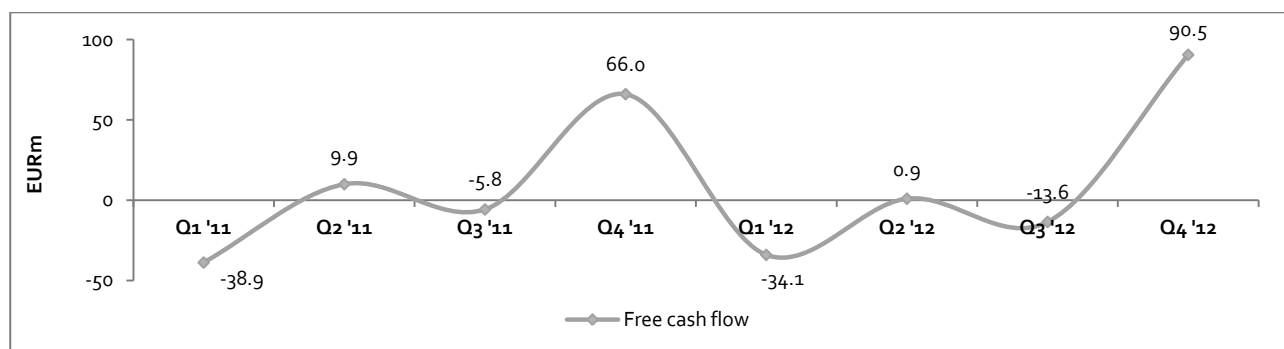
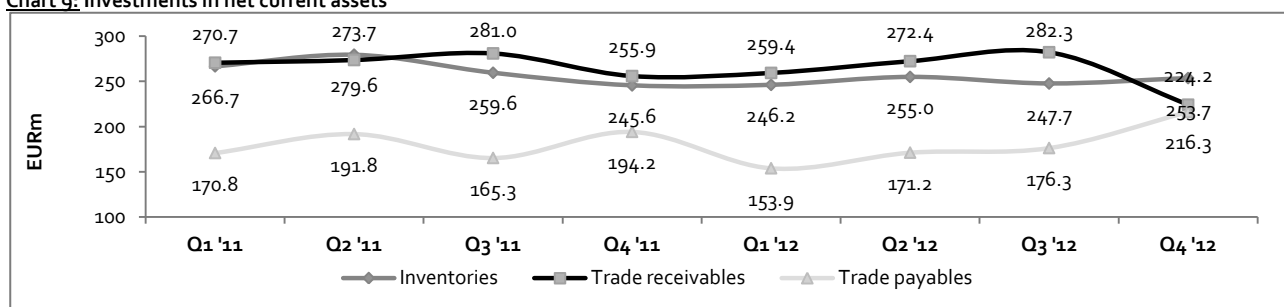
At 31 December 2012, the balance of **net current assets** is recorded at EUR 261.5m, which is EUR 92.2m lower compared to the previous quarter and EUR 45.8m lower than the 31 December 2011 balance.

Compared to the previous quarter, **trade receivables** decreased by EUR 58.1m in Q4 2012 and by EUR 31.8m if compared to the year-end of 2011. The movement in the last quarter of 2012 equals the annual trend compared to the previous year's same period. Stricter credit risk management and more disciplined collection of receivables had a positive impact on the result as well. It should be noted that quality trade receivables due from European customers were sold on a permanent basis in the last quarter of the year. Considering the rates from finance sources in Slovenia, the total cost of selling receivables are lower or equal, thus the diversification of sources of finance will further be pursued.

In the last quarter of 2012, **inventories** increased by EUR 5.9m over the previous quarter and by EUR 8.1m if compared to the balance of inventories as at the year-end of 2011. The increase is the result of manufacturing emergency stock of finished products at the production facilities in Velenje and Vari in Sweden by EUR 10.2m if compared to the 31 December 2011 balance. The increase in inventories is attributable to the planned movement of the production on the route Vara-Velenje and Velenje-Valjevo, which resulted in the production of emergency stock and higher volume of inventories of merchandise due to increased operations in the purchase and complementary programme (i.e. products that complement the offer of home products produced in-house). Compared to the previous period, inventories of raw material, materials and work in progress were lowered by EUR 9.3m as a result of the Lean production management system introduced. The inventory turnover period was consequently lowered.

In Q4 2012, **trade payables** increased by EUR 40,0m compared to the previous quarter and by EUR 22.1 compared to the year-end balance of 2011. The increase is attributable to the manufacture of emergency stock of finished products in the last months of 2012 and to the extension of payment deadlines to suppliers.

⁵ Items of free cash flow within the statement of financial position are calculated based on the difference in balances without excluded discontinued operations.

Chart 8: Free cash flow

Chart 9: Investments in net current assets


Other Financial Management Activities

With regard to **financial risks**, the severe macroeconomic situation led the Group to pay particular attention to efficient **credit risk management**, namely by stricter controls of credit limits approved by credit insurance companies and more disciplined collection of receivables. Accordingly, the balance of bad debts is reviewed and analysed on an ongoing basis and adequate measures are adopted (e.g. collection, mortgage collections, suspension of supplies to problematic customers, etc.).

Currency risks to which the Group is exposed are hedged and minimized predominantly by natural cash flow balancing/hedging for each currency. Group applies on a selective basis also forward exchange contracts for individual European countries.

Risk of short-term liquidity of the Group is managed by revolving credit lines approved for Group companies and cash deposits in bank accounts. The undrawn part of current and non-current credit lines at the end of the last quarter of 2012 amounted to EUR 102.2m, and bank balances amounted to an additional EUR 54.6m.

Table 6: Financial position of the Gorenje Group

EURm	2012	2011	Plan 2012	EURm	2012	2011	Plan 2012
Non-current assets	469.9	470.5	438.9	Equity	392.1	397.8	409.3
Inventories	247.4	245.6	240.1	Non-current financial liabilities	276.9	302.5	252.6
Trade receivables	218.5	255.9	281.1	Current financial liabilities	155.8	181.6	151.2
Trade payables	-212.4	-194.2	-180.4	Cash and cash equivalents	-53.5	-101.6	-23.5
Other operating assets / liabilities	6.7	-42.8	-39.0	Net debt equity	379.2	382.5	380.3
Net working capital	260.2	264.5	301.8	Investments	-41.2	-45.3	-48.9
NET ASSETS	730.1	735.0	740.7	NET EQUITY INVESTED	730.1	735.0	740.7

Total financial liabilities amounted at 31 December 2012 to EUR 432.9m, which is EUR 25.9m less than in Q3 2012 or EUR 51.2m less than at the end of 2011. The improvement over the previous period is the result of optimising the management of net current assets, the divestment and the improved balancing of cash flows and liquidity on the level of the Group as a whole.

Net financial liabilities (measured as the difference between financial liabilities and cash and cash equivalents) amounted to EUR 378.3m at 31 December 2012 and indicate a decline of EUR 4.2m over the previous year.

Maturity structure of financial liabilities significantly improved in the last quarter of 2012 as the result of utilising the non-current loan in the amount of EUR 50m. Non-current financial liabilities represent 64.0% of total financial liabilities and reached the most favourable level after the onset of the worldwide economic crisis.

Investments by Business Segments

Table 7: Investments by Business Segments

EURm	Q4 2012	Q4 2011	Index	2012	2011	Index	Plan 2012	Plan track
Home	25.1	15.0	167.6	54.5	42.5	128.5	41.1	132.7
Ecology	2.1	1.8	117.2	4.2	3.7	113.1	4.0	104.4
Portfolio Investments	0.5	0.2	335.2	2.0	1.3	151.7	2.5	81.9
Total	27.7	17.0	163.7	60.7	47.5	128.0	47.6	127.7

Investments made in the last quarter of 2012 amounted to EUR 27.7m, whereas on the annual level to EUR 60.7m and most of them were implemented within the Business Segment Home. Out of total investments worth EUR 60.7m only EUR 6.2m were earmarked for investments beyond the core business segment. Investments increased by EUR 13.3m over the previous year, which is the result of the production-related restructuring activities within the Segment Home. Major and most important investments made in 2012 include the new refrigeration appliance plant in Valjevo (regular production started in February 2013), the movement of the cooker manufacturing facilities from Finland to the Czech Republic, start of the movement of the production of washing machines, tumble dryers and dishwashers from Vara in Sweden to Velenje and most of the refrigerator-freezer production from Velenje to Valjevo, as well as investments made into the development and manufacture of new products, the purchase of diverse technological equipment, and the purchase of the HW equipment and SW products for the informatics and IT department. In the last quarter of 2012, most of the contracts concluded refer to largest two projects relating to the developing and manufacturing appliances i.e. to the project of developing cooking appliances, and the project of the cooling and freezing appliances. Other investments of manufacturing companies refer to the expansion of production capacities (Gorenje AD, Valjevo) and to infrastructure objects (Gorenje Home, Zaječar). Trade companies of the Segment Home generated EUR 8.0m of investments. More than half of total investments implemented by the trade companies of the Segment Home, were made by the Atag and Asko group, whereas a good third of other investments was implemented by Gorenje Zagreb. Investments in technological equipment within the Kitchen Segment achieved EUR 0.3m.

In the last quarter of 2012, the Business Segment Ecology implemented investments in the amount of EUR 2.2m and EUR 4.2m on the annual level of 2012. These investments include predominantly technological equipment and refer to the companies Gorenje Surovina, Ekogor and Publicus.

In 2012, the Business Segment Portfolio Investments implemented investments in the amount of EUR 2.0m. Most of these investments were made in the companies Gorenje Orodjarna (purchase of three new machines), Gorenje GTI Beograd, Gorenje GTI Velenje and Gorenje Gostinstvo, for the purpose of conducting core activities.

Summary of the Operating Performance of Gorenje, d.d.

Table 8: Operating performance of Gorenje d.d.

EURm	Q4 2012	Q4 2011	Index	2012	2011	Index	Plan 2012	Plan track
Revenue	196.4	186.9	105.1	675.9	655.3	103.1	693.6	97.4
CM ⁶	68.4	58.2	117.5	218.2	210.6	103.6	234.3	93.1
CM (%)	34.8%	31.1%	/	32.3%	32.1%	/	33.8%	/
EBITDA	23.1	11.5	200.9	34.2	29.1	117.5	33.5	102.0
EBITDA margin (%)	11.8%	6.2%	/	5.1%	4.4%	/	4.8%	/
EBIT	18.5	6.0	308.3	14.0	7.2	194.4	10.9	128.4
EBIT margin (%)	9.4%	3.2%	/	2.1%	1.1%	/	1.6%	/
Profit or loss before tax	-0.7	4.7	/	-12.6	6.6	/	3.1	/
Net profit or loss	-1.6	4.8	/	-14.1	7.3	/	4.1	/
ROS (%)	-0.8%	2.6%	/	-2.1%	1.1%	/	0.6%	/
ROA (%)	-0.8%	2.2%	/	-1.6%	0.8%	/	0.5%	/
ROE (%)	-2.0%	5.8%	/	-4.3%	2.0%	/	1.2%	/
Employee / end of period	4.268	4.499	94.9	4.268	4.499	94.9	4.425	96.5
Employee / average	4.478	4.490	99.7	4.460	4.487	99.4	4.466	99.9

In 2012, **revenue** of the parent company amounted to EUR 675.9m and indicate an increase of EUR 20.6m or 3.1% compared to the previous year.

Revenue generated by the Business Segment Home amounted to EUR 617.6m, which is an increase of 2.9% compared to 2011, and mostly the result of higher volume of orders received in the last quarter of 2012. Most of the growth was recorded by the sale of the products from the complementary programme (merchandise).

Revenue generated in sales beyond the Business Segment Home amounted to EUR 58.3m and grew by 6.5% over the previous year, mostly because of the increased sales of coal.

Improvement of **EBIT** in 2012 is attributable predominantly to:

- better utilisation of production capacities and increased volume of operations in the last quarter of 2012,
- better product and geographical structure in the last quarter of 2012, and
- changed model of accounting and transfer of costs of the parent company's central administration units (research and development, sales, IT) to locations, where the production was partly shifted.

The negative operating result of 2012 is attributable mostly to the impairment of investments in the furniture segment and the impairment of certain other investments. Without these impairments, the parent company would record a positive operating result due to improved operations in the last quarter of 2012 and the change - balancing the charging of costs to other Group companies for which central administration units render services.

Profitability levels of the Group are far more important than the profitability levels recorded by the parent company. This is the basis by which the performance of the Group is to be evaluated.

Structure of profitability change at the level of parent company net profit or loss:

Table 9: Development of effects on the parent company's profitability up to the level of profit or loss for the period

EURm	Development
Net profit or loss for 2011	7.3
Contribution margin at the level of cost of goods and material	9.5
Cost of services	5.1
Employee benefits expense	-4.9
Amortisation and depreciation expense	1.6
Other operating expenses	-2.1
Other operating income	-2.4
Financial result	-26.0
Income tax expense and deferred taxes	-2.2
Net profit or loss for 2012	-14.1

⁶ Contribution margin at the level of difference between revenue and cost of goods and materials

Ownership Structure and the GRVG Share

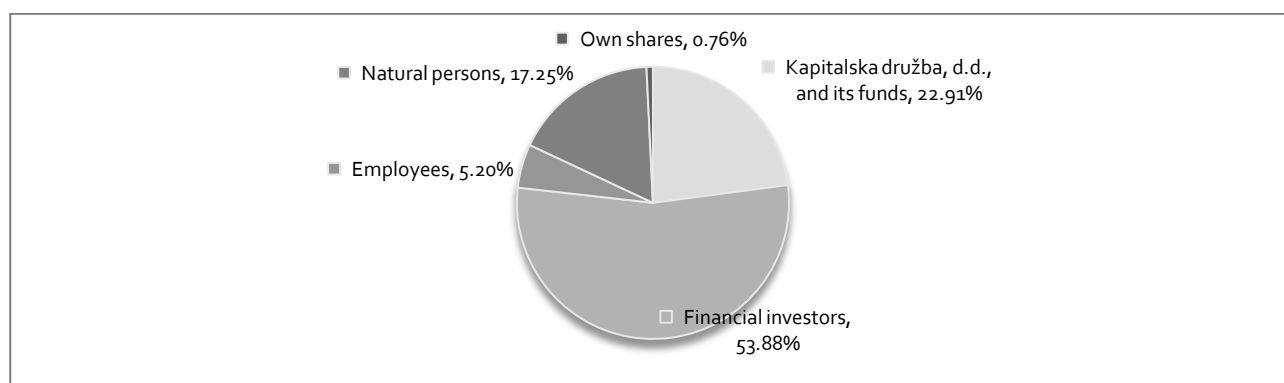
The Articles of Association of Gorenje, d.d. do not contain any provisions invalidating the proportionality of rights arising from share ownership, such as the rights of minority shareholders or restrictions of voting rights, and has not adopted any resolutions on the conditional increase of capital.

18,261 shareholders were entered in the share register as of **31 December 2012**, which is 5.2 percent less than at the end of 2011 (19,265).

Table 10: Gorenje's ten major shareholders and owners

Gorenje's ten major shareholders	No. of shares (31 Dec 2012)	Share in %	No. of shares (31 Dec 2011)	Share in %
KAPITALSKA DRUŽBA, D.D.	3,534,615	22.2207%	3,534,615	22.2207%
IFC	1,876,876	11.7991%	1,876,876	11.7991%
HOME PRODUCTS EUROPE B.V.	1,070,000	6.7267%	1,070,000	6.7267%
NFD 1, equity sub-fund	996,388	6.2639%	820,045	5.1553%
INGOR, d.o.o., & co. k.d.	794,473	4.9945%	794,473	4.9945%
RAIFFEISEN BANK AUSTRIA D.D. – FIDUCIARY ACCOUNT	550,587	3.4613%	375,889	2.3631%
EECF AG	411,727	2.5884%	411,727	2.5884%
PROBANKA, d.d.	297,061	1.8675%	297,061	1.8675%
TRIGLAV VZAJEMNI SKLADI - DELNIŠKI TRIGLAV	257,628	1.6196%	297,090	1.8677%
ERSTE GROUP BANK AG – FIDUCIARY ACCOUNT	216,197	1.3591%	222,204	1.3969%
Total major shareholders	10,005,552	62.9008%	9,699,980	60.9798%
Other shareholders	5,901,324	37.0992%	6,206,896	39.0202%
Total	15,906,876	100%	15,906,876	100%

Chart 10: Ownership structure as at 31 December 2012



The number of own shares or treasury shares as at **31 December 2012** remains unchanged compared to the year-end balance of 2011 i.e. at **121,311 shares**, which is **0.7626 percent** of total share capital.

The number of **shares held by Supervisory Board members (3,208)** did not change compared to 31 December 2011, and the same applies for the number of shares held by **Management Board members (11,754)**.

The **closing price per share** as at the last trading day in December 2012 was recorded at EUR 3.79 and was by 24.2% lower than recorded on the last trading day in 2011 (EUR 5.00). The prime market index SBITOP grew in the same period by 7.8%.

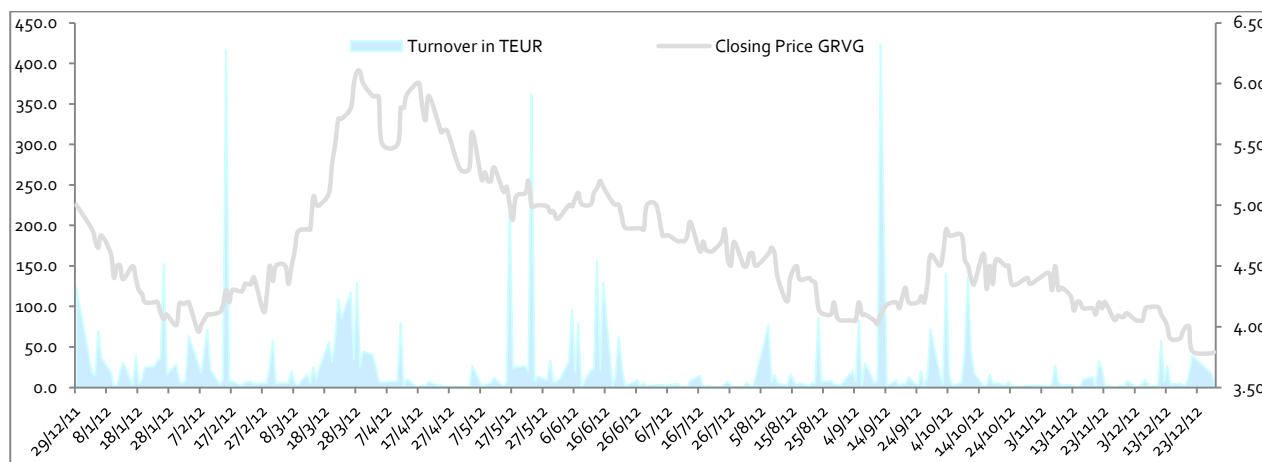
Net earnings per share calculated as the ratio between the Group's net profit / loss (annually) and the number of shares issued, less average number of treasury shares held by the company (15,785,565 shares) amounts to EUR 0.57 (2011: EUR 0.46).

Book value of the GRVG share as at 31 December 2012 amounts to EUR 24.84 (EUR 25.20 as at 31 December 2011). It is calculated as the ratio between book value of ordinary share capital of the Group and the number of shares issued less the number of treasury shares as at 30 September 2012 (15,785,565 shares).

The ratio between the market value and the carrying amount per GRVG share amounts to 0.15 (0.20 as at 31 December 2011).

The dividend policy of the Gorenje Group and its parent company shall in the strategic period 2012 - 2015 follow the policy that applied prior to 2009. Thus, up to one-third of the Gorenje Group's net income shall be allocated for dividend payout each year. Due to the onset of the economic crisis, which has had a strong impact on Gorenje's operations since the last quarter of 2008, no dividends were paid out for the years 2008, 2009, and 2010. The Management Board and the Supervisory Board proposed to the Shareholders' Meeting a dividend payout in the amount of EUR 0.15 gross per share for the financial year 2011. The proposal was also adopted during the annual general Shareholders' Meeting held on 5 July 2012.

Chart 11: Development of the closing price for GRVG and daily turnover for the period January – December 2012



Significant Events after the Date of the Statement of Financial Position

The Supervisory Board of Gorenje, d.d. held a session on 11 January 2013 and endorsed the proposal by Mr. Franjo Bobinac as the company President and CEO, and by the Supervisory Board's Remuneration Committee on the appointment of the remaining Management Board members for the term 2013–2018. The Management Board in this term will consist of current Management Board members except Mr. Uroš Marolt who will remain with the Gorenje Group. The Management Board will commence its new term on 19 July 2013.

As of 27 February 2013, Gorenje signed an agreement with CoBe Capital, a global private investment firm engaged in managing non-core and underperforming business units, on the sale of the companies Gorenje Kuhinje and Gorenje Notranja oprema, thus withdrawing from the furniture manufacturing segment. Manufacturing operations in Maribor, Velenje and Nazarje will be carried on under the new owner, which means that jobs will continue to be provided in the future. Furthermore, the kitchen furniture produced by the companies under the new owner will remain a part of Gorenje's offer of home products. Disposal of both companies in the furniture segment will improve Gorenje Group's profitability and increase the balance of free cash flow.

No other significant events occurred after the date preparing the statement of financial position as of 31 December 2012.

Significant Business Events

Awards



At the testing conducted by the Australian consumer organization Choice, two of our washing machines of our Asko brand ranked first and second in the test of washing machines in the 6- and 7-kilogram load.



The refrigerator-freezer appliance Gorenje Retro RF 603010 OCH won the Plus X Award for high quality, superior design, and environmentally friendly operation. The remarkable characteristics and economy of this legendary refrigerator of the Retro collection in a dark chocolate colour was spotted and awarded by the keen eye of the Plus X Award international expert jury consisting of 130 industry and media representatives from as many as 32 countries.



According to the Trusted Brand Survey, Gorenje is also in 2012 the most trusted brand among home appliances in Slovenia. In this year's survey, as many as 71% of 1,168 correspondents chose BZ Gorenje as the leading brand among all household appliances trademarks for the sixth consecutive year in the category of home appliances.



reddot design award
winner 2012

A 30-member red dot jury that consists of eminent designers and design experts evaluated 4,515 entries by 1,800 companies from 58 countries and voted to award the perfection and innovative design of the Gorenje SensoCARE washing machine, and the advanced sensor controlled induction hob Gorenje IQcook.



Gorenje received the award for exemplary corporate governance of a multinational company at the international investor conference Investor Expo held in Ljubljana on 21 September 2012. The conference was organized by the Pan-Slovenian Shareholders Association in co-operation with the World Federation of Investors, the European shareholders association Euroshareholders, and the European Federation of Financial Services Users.

The award for exemplary corporate governance of a multinational company was presented to Gorenje by the chairman of the World Federation of Investors Mr. Roger Ganser.



The Chamber of Commerce and Industry of Slovenia (CCIS) presented at the event 10th Innovation Day awards for the best innovations of the past year to companies, public-private institutes, and innovators.

Gorenje received two of seven highest, gold awards. They were awarded for the Gorenje HomeCHEF oven with innovative colour touch screen and the laundry dryer with a heat pump ranked in the A energy class.



Gorenje's BM 900 AL is the winner of the VIP test conducted by the Slovenian Consumers Association (SCA) that tested 10 bread makers by different manufacturers. The SCA recommends to buy the winning machine as it received a high score of 4.2 (out of 5.5).

Other events

Optimisation of production facilities

In early March, Gorenje opened a new plant for sanitary equipment production and washing machine assembly in Zaječar.

The entire cooker production was moved from Lahti in Finland to Mora Moravia in Czech Republic, where its cooking appliances are manufactured. The Finnish production plant, which was acquired by Gorenje upon its acquisition of the Scandinavian Asko Group, closed its doors at the end of June, whereas the production in the Czech Republic started in autumn.

The construction of the new plant for manufacturing refrigerators and freezers started in the summer months in Valjevo. The regular production in this new facility was launched in February 2013. This is already Gorenje's second plant for manufacturing refrigerators and freezers in Valjevo as the first one was opened in 2006. The total output of both plants for this year is planned at nearly 800,000 appliances. The investment into the new plant is worth EUR 21m and the launch of the production went according to plans. Until the end of 2015, the Serbian government will provide Gorenje subsidies in the amount of EUR 10,000 per employee for creating 400 additional jobs and also committed to build the required infrastructure, whereas the Municipality of Valjevo will grant a waiver to Gorenje for all contributions payable to the local community.

Gorenje announced the shifting of the production of dishwashers, washing machines and tumble dryers from Sweden to Velenje, which is to be conducted in 2013. The production of washing machines and tumble dryers was terminated in Sweden on 31 January 2013 and will resume in Velenje in April, whereas the dishwasher production shall stop in Sweden on 30 June 2013 and resume in Velenje in September of the same year.

Gorenje's Successful Appearance at the IFA Fair in Berlin



At the world's largest international consumer electronics and home appliance tradeshow IFA, which was held in Berlin from 31 August to 5 September 2012, Gorenje canvassed 8% more orders for the German market than in the previous year. Germany is one of the most important markets for Gorenje, representing a share of 8% in the Gorenje Group's revenue structure. Due to its international character and size, IFA is an excellent opportunity to present novelties, strike new deals and win new customers from countries worldwide.

Financing

The SID bank extended Gorenje a EUR 28m long-term loan of for the period of 10 years with the purpose to finance four development projects. The funds are earmarked for the development of new kitchen appliances excelling in energy efficiency and user-friendliness, highly energy-efficient washing machines and tumble dryers, and designer lines. A part of these funds will also be allocated to develop solutions for improving production efficiency.

An agreement was signed on 11 December on a syndicated loan to be extended by the following Sberbank Europe Group banks: Volksbank, d.d. from Slovenia, Volksbank Serbia, Volksbank Croatia, and Volksbank Slovakia. The EUR 50 million long-term loan is a sign of confidence of the Sberbank Europe Group in Gorenje's strategy and successful pursuit of strategic activities such as restructuring of the production. These activities are aimed at improving the profitability of Gorenje operations. The loan is to be repaid within five years.

Education

Gorenje marked the 20th anniversary of its Academy of Management. This Academy aims at strengthening in-house entrepreneurial initiatives, encouraging the culture of collaboration and creativity and simultaneously prepares the graduates to take over more demanding managerial and professional positions at home and abroad. So far nearly 500 participants successfully graduated from the Academy.

With the purpose to prepare the key staff for the complex fast-changing business environment, growth and Gorenje's growing international presence, the so-called Corporate University of Gorenje was established which would in addition to the the existing Academy of Management encompass also the training programme for the international management, and the senior management.

ACCOUNTING REPORT

Fundamental Accounting Policies and Significant Notes to the Financial Statements

Unaudited consolidated financial statements of the Gorenje Group for the period January-December 2012 have been prepared in accordance with provisions of the Companies Act, the International Financial Reporting Standards (IFRSs) as announced by the International Accounting Standards Boards, and interpretations by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union.

Unaudited financial statements of Gorenje, d.d. for the period January-December 2012 have been prepared in accordance with provisions of the Companies Act and the International Financial Reporting Standards (IFRSs). Transition to and implementation of IFRSs was confirmed by Gorenje's Shareholders' Meeting at its 9th regular session held on 29 June 2006.

In accordance with accounting policies, Gorenje, d.d. does not report by Business Segments as these are outlined and reported in the consolidated report of the Gorenje Group.

Comparable information is in a material scope harmonised with the presentation of information during the current year. Where necessary, comparable information was adjusted in such a way that it matched the presentation of information for the current year.

Changes in the Composition of the Gorenje Group

Changes that occurred in the composition of the Group up to and including the last day of December were as follows:

- As of 20 February 2012, the company Gorenje Corporate GmbH was established with its registered seat in Vienna. The company Gorenje Beteiligungsgesellschaft mbH is the sole owner (100%) of this company.
- As of 22 March 2012, the District Court in Celje issued a decision on entering shareholder-related changes in the Articles of Association of the company Gorenje Notranja oprema, d.o.o. Accordingly, the company Gorenje gospodinjski aparati, d.d. became the sole owner (100%) of the company Gorenje Notranja oprema, d.o.o.
- As of 25 April 2012, the decision was adopted on establishing the company Zeos eko-sistem, d.o.o. with its seat in Sarajevo. The company is owned by ZEOS, d.o.o. (98.0%) and by Gorenje Commerce, d.o.o. (1.0%).
- As of 11 May 2012, the company Kemis Valjevo d.o.o. purchased a 51.0% interest in the company Cleaning sistem S d.o.o., in Šabac, which is engaged in dry ice cleaning technology.
- As of 29 May 2012, the District Court in Celje issued a decision on entering the spin-off of the company Gorenje Notranja oprema, d.o.o. and registering the newly founded companies Gorenje Kuhinje, d.o.o. and Gorenje Keramika, d.o.o. The sole owner of both companies is Gorenje, d.d.
- As of 30 May 2012, the District Court in Celje issued a decision on entering the spin-off of the company Gorenje GTI, d.o.o. and the registration of the newly founded company Gorenje GSI, trgovina na debelo in drobno, d.o.o. The sole owner of this company is Gorenje d.d.
- As of 9 October 2012, the company Gorenje Surovina d.o.o. purchased from ISKRA vzdrževanje, d.d. a 29.0 % interest in the company EKOGOR, d.o.o.

In addition to the parent company Gorenje, d.d., following companies were included in the consolidated financial statements of the Gorenje Group:

Companies, operating in Slovenia	Equity interest in %	
	31 Dec 2012	31 Dec 2011
1. Gorenje I.P.C., d.o.o., Velenje	100.00	100.00
2. Gorenje GTI, d.o.o., Velenje	100.00	100.00
3. Gorenje Notranja oprema, d.o.o., Velenje	100.00	99.98
4. Gorenje Gostinstvo, d.o.o., Velenje	100.00	100.00
5. ENERGYGOR, d.o.o., Velenje	100.00	100.00
6. KEMIS, d.o.o., Vrhnika	99.984	99.984
7. Gorenje Orodjarna, d.o.o., Velenje	100.00	100.00
8. ZEOS, d.o.o., Ljubljana	51.00	51.00
9. Gorenje Surovina, d.o.o., Maribor	99.984	99.984
10. Indop, d.o.o., Šoštanj	100.00	100.00
11. ERICo, d.o.o., Velenje	51.00	51.00
12. Gorenje design studio, d.o.o., Velenje	52.00	52.00
13. PUBLICUS, d.o.o., Ljubljana	50.992	50.992
14. EKOGOR, d.o.o., Jesenice	99.984	46.00
15. Gorenje GAIO, d.o.o., Šoštanj	100.00	100.00
16. Gorenje GSI, d.o.o., Ljubljana	100.00	/
17. Gorenje Kuhinje, d.o.o., Velenje	100.00	/
18. Gorenje Keramika, d.o.o., Velenje	100.00	/

Foreign operations	Equity interest in %	
	31 Dec 2012	31 Dec 2011
1. Gorenje Beteiligungsgesellschaft m.b.H., Austria	100.00	100.00
2. Gorenje Austria Handelsgesellschaft m.b.H., Austria	100.00	100.00
3. Gorenje Vertriebsgesellschaft m.b.H., Germany	100.00	100.00
4. Gorenje Körting Italia S.r.l., Italy	100.00	100.00
5. Gorenje France S.A.S., France	100.00	100.00
6. Gorenje BELUX S.a.r.l., Belgium	100.00	100.00
7. Gorenje Espana, S.L., Spain	100.00	100.00
8. Gorenje UK Ltd., Great Britain	100.00	100.00
9. Gorenje Group Nordic A/S, Denmark	100.00	100.00
10. Gorenje AB, Sweden	100.00	100.00
11. Gorenje OY, Finland	100.00	100.00
12. Gorenje AS, Norway	100.00	100.00
13. Gorenje spol. s r.o., Czech Republic	100.00	100.00
14. Gorenje real spol. s r.o., Czech Republic	100.00	100.00
15. Gorenje Slovakia s.r.o., Slovakia	100.00	100.00
16. Gorenje Budapest Kft., Hungary	100.00	100.00
17. Gorenje Polska Sp. z o.o., Poland	100.00	100.00
18. Gorenje Bulgaria EOOD, Bulgaria	100.00	100.00
19. Gorenje Zagreb, d.o.o., Croatia	100.00	100.00
20. Gorenje Skopje, d.o.o., Macedonia	100.00	100.00
21. Gorenje Commerce, d.o.o., Bosnia and Herzegovina	100.00	100.00
22. Gorenje, d.o.o., Serbia	100.00	100.00
23. Gorenje Podgorica, d.o.o., Montenegro	99.972	99.972
24. Gorenje Romania S.R.L., Romania	100.00	100.00
25. Gorenje aparati za domaćinstvo, d.o.o., Serbia	100.00	100.00
26. Mora Moravia s r.o., Czech Republic	100.00	100.00
27. Gorenje - kuchyně spol. s r.o., Czech Republic	100.00	99.98
28. Kemis-Termoclean, d.o.o., Croatia	99.984	99.984
29. Kemis - BH, d.o.o., Bosnia and Herzegovina	99.984	99.984
30. Gorenje Studio, d.o.o., Serbia	100.00	100.00
31. Gorenje Gulf FZE, United Arab Emirates	100.00	100.00
32. Gorenje Tiki, d.o.o., Serbia	100.00	100.00
33. Gorenje Istanbul Ltd., Turkey	100.00	100.00
34. Gorenje TOV, Ukraine	100.00	100.00
35. ST Bana Nekretnine, d.o.o., Serbia	100.00	100.00
36. Kemis Valjevo, d.o.o., Serbia	99.984	99.984
37. Kemis – SRS d.o.o., Bosnia and Herzegovina	99.984	99.984
38. ATAG Europe BV, The Netherlands	100.00	100.00
39. ATAG Nederland BV, The Netherlands	100.00	100.00
40. ATAG België NV, Belgium	100.00	100.00
41. ATAG Financiele Diensten BV, The Netherlands	100.00	100.00
42. ATAG Financial Solutions BV, The Netherlands	100.00	100.00
43. ATAG Special Product BV, The Netherlands	100.00	100.00
44. Intell Properties BV, The Netherlands	100.00	100.00
45. Gorenje Nederland BV, The Netherlands	100.00	100.00
46. Gorenje Kazakhstan, TOO, Kazakhstan	100.00	100.00
47. Gorenje kuhinje, d.o.o., Ukraine	70.00	69.986
48. »Euro Lumi & Surovina« SH.P.K., Kosovo	50.992	50.992

49.	OOO Gorenje BT, Russia	100.00	100.00
50.	Gorenje GTI, d.o.o., Belgrade, Serbia	100.00	100.00
51.	Asko Appliances AB, Sweden	100.00	100.00
52.	Asko Hvidevarer AS, Norway	100.00	100.00
53.	AM Hvidevarer A/S, Denmark	100.00	100.00
54.	Asko Appliances Inc, USA	100.00	100.00
55.	Asko Appliances Pty, Australia	100.00	100.00
56.	Asko Appliances OOO, Russia	100.00	100.00
57.	»Gorenje – Albania« SH.P.K, Albania	100.00	100.00
58.	GORENJE HOME DOO Zaječar, Serbia	100.00	100.00
59.	ORSES DOO Belgrade, Serbia	100.00	100.00
60.	Gorenje Ekologija, d.o.o., Stara Pazova, Serbia	99.992	99.992
61.	Gorenje Corporate GmbH, Austria	100.00	/
62.	Cleaning sistem S d.o.o., Serbia	50.992	/
63.	Zeos eko-sistem, d.o.o., Bosnia and Herzegovina	99.00	/

Associates:

- Gorenje Projekt, d.o.o., Velenje
- GGE družba za izvajanje energetskih storitev, d.o.o. (GGE d.o.o.), Ljubljana
- RCE – Razvojni center energija d.o.o. (RCE d.o.o.), Velenje
- Econo Projektiranje d.o.o., Ljubljana
- ENVITECH D.O.O., Belgrade

Representative offices of Gorenje, d.d., abroad:

- in Moscow (Russian Federation),
- in Krasnoyarsk (Russian Federation),
- in Kiev (Ukraine),
- in Athens (Greece),
- in Shanghai (China),
- in Almaty (Kazakhstan), and
- in Kishinev (Moldova).

Unaudited Consolidated Financial Statements of the Gorenje Group

Consolidated Statement of Financial Position of the Gorenje Group

EURk	Balance at 31 Dec 2012	%	Balance at 31 Dec 2011	%
ASSETS	1,197,324	100.0%	1,251,658	100.0%
Non-current assets	550,965	46.0%	556,345	44.5%
Intangible assets	159,607	13.3%	158,620	12.7%
Property, plant and equipment	341,171	28.5%	358,840	28.7%
Investment property	23,276	1.9%	15,219	1.2%
Non-current investments	7,193	0.6%	1,973	0.2%
Investments in associates	1,298	0.1%	996	0.1%
Deferred tax assets	18,420	1.5%	20,697	1.6%
Current assets	646,359	54.0%	695,313	55.5%
Non-current assets held for sale	893	0.1%	1	0.0%
Inventories	247,365	20.7%	245,608	19.6%
Current investments	32,769	2.7%	42,317	3.4%
Trade receivables	218,516	18.3%	255,911	20.4%
Other current assets	63,274	5.3%	48,746	3.9%
Income tax receivable	2,833	0.2%	1,110	0.1%
Cash and cash equivalents	53,488	4.5%	101,620	8.1%
Assets included in disposal groups	27,221	2.3%	0	/
EQUITY AND LIABILITIES	1,197,324	100.0%	1,251,658	100.0%
Equity	392,145	32.8%	397,819	31.8%
Share capital	66,378	5.5%	66,378	5.3%
Share premium	175,575	14.7%	175,575	14.0%
Legal and statutory reserves	22,719	1.9%	22,719	1.8%
Retained earnings	113,454	9.5%	115,618	9.2%
Own shares	-3,170	-0.3%	-3,170	-0.2%
Translation reserve	5,861	0.5%	9,990	0.8%
Fair value reserve	8,976	0.7%	8,886	0.7%
Equity of holders of the parent	389,793	32.6%	395,996	31.6%
Equity of non-controlling interests	2,352	0.2%	1,823	0.2%
Non-current liabilities	349,411	29.2%	385,330	30.8%
Provisions	65,020	5.4%	76,321	6.1%
Deferred revenue	3,145	0.3%	617	0.0%
Deferred tax liabilities	4,366	0.4%	5,933	0.5%
Non-current financial liabilities	276,880	23.1%	302,459	24.2%
Current liabilities	455,768	38.0%	468,509	37.4%
Current financial liabilities	155,846	13.0%	181,649	14.5%
Trade payables	212,430	17.7%	194,248	15.5%
Other current liabilities	77,962	6.5%	90,806	7.3%
Income tax liability	1,208	0.1%	1,806	0.1%
Liabilities included in disposals groups	8,322	0.7%	0	/

Consolidated Income Statement of the Gorenje Group

EURk	2012	%	2011	%
Revenue	1,263,082	96.0%	1,386,629	95.9%
Change in inventories	11,881	0.9%	8,897	0.6%
Other operating income	40,929	3.1%	50,564	3.5%
Gross profit	1,315,892	100.0%	1,446,090	100.0%
Cost of goods, materials and services	-946,215	-71.9%	-1,076,437	-74.4%
Employee benefits expense	-258,680	-19.7%	-253,333	-17.5%
Amortisation and depreciation expense	-45,665	-3.5%	-48,347	-3.3%
Other operating expenses	-20,411	-1.6%	-24,303	-1.7%
Operating profit	44,921	3.4%	43,670	3.0%
Finance income	6,805	0.5%	15,064	1.0%
Finance expenses	-37,221	-2.8%	-40,410	-2.8%
Net finance expenses	-30,416	-2.3%	-25,346	-1.8%
Share in profits (losses) of associates	301	0.0%	-9	0.0%
Profit before tax	14,806	1.1%	18,315	1.3%
Income tax expense	-5,633	-0.4%	-1,880	-0.1%
Profit or loss without discontinued operation	9,173	0.7%	16,435	1.1%
Profit or loss from discontinued operation	-8,883	-0.7%	-7,329	-0.5%
Profit for the period	290	0.0%	9,106	0.6%
Attributable to non-controlling interests	238	0.0%	141	0.0%
Attributable to equity holders of the parent	52	0.0%	8,965	0.6%
Basic and diluted earnings per share (in EUR)	0.00	/	0.57	/

Consolidated Statement of Other Comprehensive Income of the Gorenje Group

EURk	2012	2011
Profit for the period	290	9,106
Other comprehensive income		
Change in fair value of the land	-995	-1
Net change in fair value of available-for-sale financial assets	-27	-135
Net change in fair value of available-for-sale financial assets, transferred to profit or loss	626	0
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge	-2,220	-7,499
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge, transferred to profit or loss	2,182	2,154
Income tax on other comprehensive income	524	1,073
Translation reserve	-4,129	1,148
Other comprehensive income for the period	-4,039	-3,260
Total comprehensive income for the period	-3,749	5,846
Attributable to equity holders of the parent	-3,987	5,705
Attributable to non-controlling interests	238	141

Consolidated Statement of Cash Flows of the Gorenje Group

EURk	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	290	9,106
Adjustments for:		
Depreciation of property, plant and equipment	40,433	43,767
Amortisation of intangible assets	6,553	6,431
Investment income	-6,871	-15,199
Finance expenses	37,474	40,587
Gain on sale of property, plant and equipment	-1,486	-3,644
Revenue from sale of investment property	-365	0
Revaluation operating income	-4,798	-3,563
Income tax expense	5,644	2,006
Operating profit before changes in net operating current assets and provisions	76,874	79,491
Change in trade and other receivables	8,163	10,297
Change in inventories	-8,060	11,344
Change in provisions	-7,243	-12,021
Change in trade and other liabilities	12,064	-38,265
Cash generated from operations	4,924	-28,645
Interest paid	-25,593	-24,194
Taxes paid	-6,544	-4,595
Net cash from operating activities	49,661	22,057
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	11,095	7,302
Proceeds from sale of investment property	2,161	0
Interest received	2,688	3,678
Dividends received	417	118
Liquidation of subsidiary, without disposed financial assets	0	10,747
Disposal of subsidiary, without disposed financial assets	0	7,143
Acquisition of property, plant and equipment	-53,527	-41,089
Acquisition of investment property	0	-9,819
Available-for-sale investments	-337	-33
Loans	2,073	9,325
Other investments	-898	-14,246
Acquisition of intangible assets	-7,217	-6,379
Net cash used in investing activities	-43,545	-33,253
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-50,881	30,088
Dividends paid	-2,267	0
Net cash used in financing activities	-53,148	30,088
Net change in cash and cash equivalents	-47,032	18,892
Cash and cash equivalents at beginning of period	101,620	82,728
Cash and cash equivalents at end of period	54,588	101,620

Consolidated Statement of Change in Equity of the Gorenje Group

EURk	Share capital	Share premium	Legal and statutory reserves	Retained earnings	Own shares	Translation reserve	Fair value reserve	Equity holders of the parent	Non-controlling interests	Total
Opening balance at 1 Jan 2012	66,378	175,575	22,719	115,618	-3,170	9,990	8,886	395,996	1,823	397,819
Total comprehensive income for the period										
Profit for the period				52				52	238	290
Total other comprehensive income						-4,129	90	-4,039		-4,039
Total comprehensive income for the period	0	0	0	52	0	-4,129	90	-3,987	238	-3,749
Transactions with owners (when acting as owners) recognised directly in equity										
Contributions by owners and distribution to owners										
Equity increase								0		0
Dividends				-2,367				-2,367		-2,367
Unpaid dividends				151				151		151
Total contributions by owners and distribution to owners	0	0	0	-2,216	0	0	0	-2,216	0	-2,216
Changes in ownership interests in subsidiaries that do not result in a loss of control										
Change in ownership interests	0	0	0	0	0	0	0	0	291	291
Total changes in ownership interests in subsidiaries	0	0	0	0	0	0	0	0	291	291
Total transactions with owners	0	0	0	-2,216	0	0	0	-2,216	291	-1,925
Closing balance at 31 Dec 2012	66,378	175,575	22,719	113,454	-3,170	5,861	8,976	389,793	2,352	392,145

EURk	Share capital	Share premium	Legal and statutory reserves	Retained earnings	Own shares	Translation reserve	Fair value reserve	Equity holders of the parent	Non-controlling interests	Total
Opening balance at 1 Jan 2011	66,378	175,575	21,990	107,382	-3,170	8,842	13,294	390,291	1,805	392,096
Total comprehensive income for the period										
Profit for the period				8,965				8,965	141	9,106
Total other comprehensive income						1,148	-4,408	-3,260		-3,260
Total comprehensive income for the period	0	0	0	8,965	0	1,148	-4,408	5,705	141	5,846
Transactions with owners (when acting as owners) recognised directly in equity										
Contributions by owners and distribution to owners										
Equity increase								0		0
Dividends								0		0
Formation of statutory reserves			729	-729				0		0
Total contributions by owners and distribution to owners			729	-729				0	0	0
Changes in ownership interests in subsidiaries that do not result in a loss of control										
Change in ownership interests								0	-123	-123
Total changes in ownership interests in subsidiaries								0	-123	-123
Total transactions with owners	0	0	729	-729	0	0	0	0	-123	-123
Closing balance at 31 Dec 2011	66,378	175,575	22,719	115,618	-3,170	9,990	8,886	395,996	1,823	397,819

Unaudited Financial Statements of Gorenje, d.d.

Statement of Financial Position of Gorenje, d.d.

EURk	Balance at 31 Dec 2012	%	Balance at 31 Dec 2011	%
ASSETS	847,894	100.0%	881,299	100.0%
Non-current assets	422,272	49.8%	438,428	49.7%
Intangible assets	14,270	1.7%	15,455	1.8%
Property, plant and equipment	146,748	17.3%	152,758	17.3%
Investment property	16,147	1.9%	15,217	1.7%
Investments in subsidiaries	232,447	27.4%	240,672	27.3%
Investments in associates	976	0.1%	976	0.1%
Other non-current investments	661	0.1%	703	0.1%
Deferred tax assets	11,023	1.3%	12,647	1.4%
Current assets	425,622	50.2%	442,871	50.3%
Inventories	84,217	9.9%	81,118	9.2%
Current investments	110,083	13.0%	94,789	10.8%
Trade receivables	194,043	22.9%	187,903	21.3%
Other current assets	18,307	2.2%	20,971	2.4%
Cash and cash equivalents	18,972	2.2%	58,090	6.6%
EQUITY AND LIABILITIES	847,894	100.0%	881,299	100.0%
Equity	319,466	37.6%	335,326	38.0%
Share capital	66,378	7.8%	66,378	7.5%
Share premium	157,712	18.6%	157,712	17.9%
Legal and statutory reserves	22,719	2.7%	22,719	2.6%
Retained earnings	73,212	8.6%	89,521	10.2%
Own shares	-3,170	-0.4%	-3,170	-0.4%
Fair value reserve	2,615	0.3%	2,166	0.2%
Non-current liabilities	250,247	29.6%	253,694	28.9%
Provisions	21,632	2.6%	26,227	3.0%
Deferred tax liabilities	1,288	0.2%	1,391	0.2%
Non-current financial liabilities	227,327	26.8%	226,076	25.7%
Current liabilities	278,181	32.8%	292,279	33.1%
Current financial liabilities	108,349	12.8%	133,254	15.1%
Trade payables	152,164	17.9%	142,027	16.1%
Other current liabilities	17,668	2.1%	16,998	1.9%

Income Statement of Gorenje, d.d.

EURk	2012	%	2011	%
Revenue	675,896	97.6%	655,274	97.2%
Change in inventories	2,583	0.4%	2,026	0.3%
Other operating income	14,140	2.0%	16,517	2.5%
Gross profit	692,619	100.0%	673,817	100.0%
Cost of goods, materials and services	-547,499	-79.0%	-540,293	-80.2%
Employee benefits expense	-105,068	-15.2%	-100,158	-14.9%
Amortisation and depreciation expense	-20,235	-2.9%	-21,835	-3.2%
Other operating expenses	-5,810	-0.8%	-4,293	-0.6%
Operating profit	14,007	2.1%	7,238	1.1%
Finance income	15,846	2.2%	22,928	3.4%
Finance expenses	-42,451	-6.1%	-23,531	-3.5%
Net finance expenses	-26,605	-3.9%	-603	-0.1%
Profit or loss before tax	-12,598	-1.8%	6,635	1.0%
Income tax expense	-1,495	-0.2%	653	0.1%
Profit or loss for the period	-14,093	-2.0%	7,288	1.1%
Basic and diluted earnings per share (in EUR)	-0,89	/	0,46	/

Statement of Other Comprehensive Income of Gorenje, d.d.

EURk	2012	2011
Profit or loss for the period	-14,093	7,288
Other comprehensive income		
Net change in fair value of available-for-sale financial assets	-6	-114
Net change in fair value of available-for-sale financial assets transferred to profit or loss	626	0
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge	-2,327	-7,230
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge, transferred to profit or loss	2,182	2,155
Income tax on other comprehensive income	-26	1,038
Other comprehensive income for the period	449	-4,151
Total comprehensive income for the period	-13,644	3,137

Statement of Cash Flows of Gorenje, d.d.

EURk	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit or loss for the period	-14,093	7,288
Adjustments for:		
Depreciation of property, plant and equipment	17,450	19,268
Amortisation of intangible assets	2,785	2,567
Investment income	-15,846	-22,928
Finance expenses	42,451	23,531
Gain on sale of property, plant and equipment	-907	-96
Revenue from sale of investment property	-365	0
Revaluation operating income	0	-2,468
Income tax expense	1,495	-653
Operating profit before changes in net operating current assets and provisions	32,970	26,509
Change in trade and other receivables	-3,663	-12,635
Change in inventories	-3,099	12,542
Change in provisions	-4,594	-1,170
Change in trade and other liabilities	9,116	-21,057
Cash generated from operations	2,240	-22,320
Interest paid	-20,729	-19,276
Net cash from operating activities	10,001	-15,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	2,790	919
Interest received	5,864	6,561
Dividends received	5,188	9,985
Disposal of investment property	2,161	0
Liquidation of subsidiary	0	10,747
Disposal of subsidiary	0	15,108
Acquisition of subsidiary	-6,013	-13,600
Acquisition of property, plant and equipment	-16,713	-14,548
Acquisition of investment property	-2,726	-13,522
Loans	-12,682	-17,298
Other investments	-3,505	-9,374
Acquisition of intangible assets	-1,605	-2,595
Net cash used in investment activities	-27,241	-27,617
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-19,611	51,116
Dividends paid	-2,367	0
Net cash used in financing activities	-21,878	51,116
Net change in cash and cash equivalents	-39,118	8,412
Cash and cash equivalents at beginning of period	58,090	49,678
Cash and cash equivalents at end of period	18,972	58,090

Statement of Changes in Equity of Gorenje, d.d.

EURk	Share capital	Share premium	Legal and statutory reserves	Retained earnings	Own shares	Fair value reserve	Total
Opening balance at 1 Jan 2012	66,378	157,712	22,719	89,521	-3,170	2,166	335,326
Total comprehensive income for the period							
Profit or loss for the period				-14,093			-14,093
Total other comprehensive income						449	449
Total comprehensive income for the period	0	0	0	-14,093	0	449	-13,644
Transactions with owners (when acting as owners) recognised directly in equity							
Contributions by owners and distributions to owners							
Dividends paid				-2,367			-2,367
Unpaid dividends				151			151
Creation of statutory reserves							
Total contributions by owners and distributions to owners	0	0	0	-2,216	0	0	-2,216
Total transactions with owners	0	0	0	-2,216	0	0	-2,216
Closing balance at 31 Dec 2012	66,378	157,712	22,719	73,212	-3,170	2,615	319,466

EURk	Share capital	Share premium	Legal and statutory reserves	Retained earnings	Own shares	Fair value reserve	Total
Opening balance at 1 Jan 2011	66,378	157,712	21,990	82,962	-3,170	6,317	332,189
Total comprehensive income for the period							
Profit for the period				7,288			7,288
Total other comprehensive income						-4,151	-4,151
Total comprehensive income for the period	0	0	0	7,288	0	-4,151	3,137
Transactions with owners (when acting as owners) recognised directly in equity							
Contributions by owners and distributions to owners							
Equity increase							
Creation of statutory reserves			729	-729			0
Total contributions by owners and distributions to owners	0	0	729	-729	0	0	0
Total transactions with owners	0	0	729	-729	0	0	0
Closing balance at 31 Dec 2011	66,378	157,712	22,719	89,521	-3,170	2,166	335,326

Information Regarding the Report and its Public Announcement

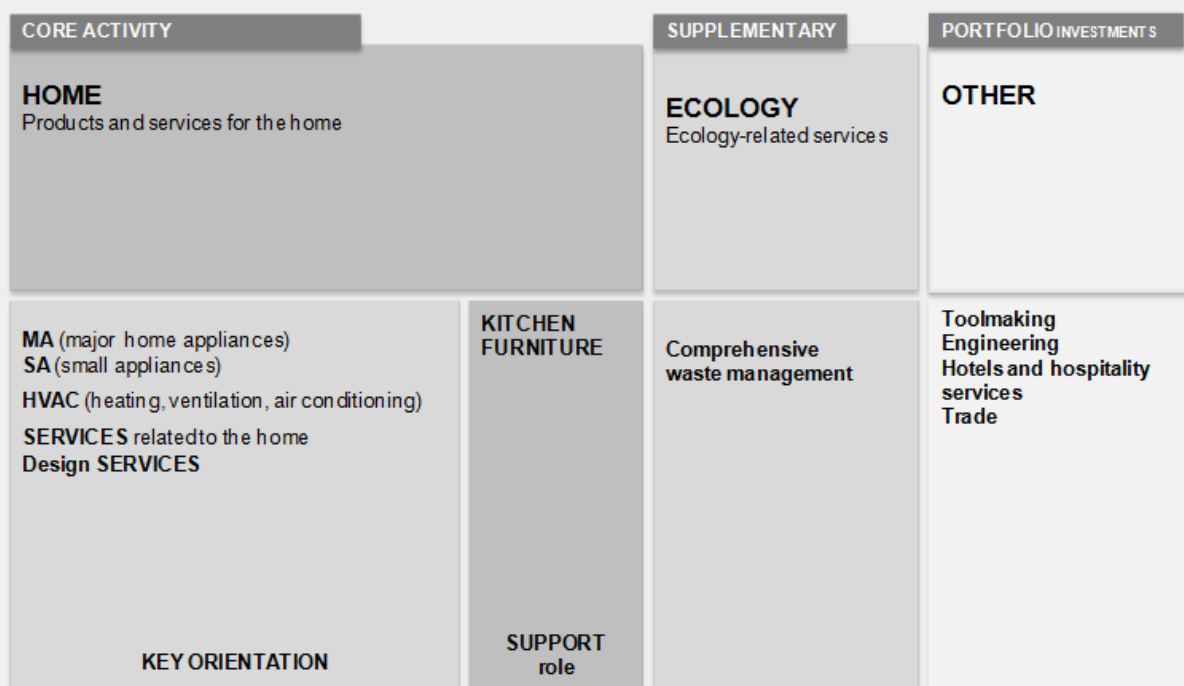
Pursuant to provisions of the Financial Instruments Market Act and Rules and Regulations of the Ljubljana Stock Exchange, the company Gorenje, d.d., Partizanska 12, SI-3503 Velenje, hereby announces the **Unaudited Unconsolidated Business Report of Gorenje, d.d., for the Period January-December 2012** and the **Unaudited Consolidated Business Report of the Gorenje Group for the Period January-December 2012**. Major changes to the information included in the prospectus for stock exchange listing are announced regularly in the Delo daily newspaper, Ljubljana Stock Exchange electronic information dissemination system SEOnet, and the company website at www.gorenje.com. The unaudited report of Gorenje, d.d., and the Gorenje Group was adopted by its Supervisory Board at their **34th regular session** held on **15 March 2013**. The report shall be available at the headquarters of Gorenje, d.d., at Partizanska 12, SI-3503 Velenje. Further, the report hereunder was also announced in the Ljubljana Stock Exchange electronic info system on **15 March 2013**, and published on the issuer's web site at www.gorenje.com.

Forward-looking Statements

This announcement of the Unaudited Business Report for the Period January-December 2012 includes forward-looking information and forecasts – i.e. statements regarding the future, rather than the past, and regarding events within the framework and in relation to the currently effective legislation on publicly traded companies and securities and pursuant to the Rules and Regulations of the Ljubljana Stock Exchange. These statements can be identified by the words such as "expected", "anticipated", "forecast", "intended", "planned or budgeted", "probable or likely", "strive/invest effort to", "estimated", "will", "projected", or similar expressions. These statements include, among others, financial goals and targets of the parent company Gorenje, d.d., and the Gorenje Group for the upcoming periods, planned or budgeted operations, and financial plans. These statements are based on current expectations and forecasts and are subject to risk and uncertainty which may affect the actual results which may in turn differ from the information stated herein for various reasons. Various factors, many of which are beyond reasonable control by Gorenje, affect the operations, performance, business strategy, and results of Gorenje. Thus actual results, performance, or achievements of Gorenje may differ materially from the expected results, performance, or achievements as stated in these forward-looking statements. These factors include, without prejudice to any not mentioned herein, the following: consumer demand and market conditions in geographical segments or regions and in industries in which the Gorenje Group is conducting its operating activities; effects of changes in exchange rates; competitive downward pressure on downstream prices; major loss of business with a major account/customer; the possibility of overdue or late payment on the part of customers; decrease in prices as a result of persistently harsh market conditions, in an extent much higher than currently expected by Gorenje's Management Board; success of development of new products and implementation in the market; development of manufacturer's liability for the product; progress of attainment of operative and strategic goals regarding efficiency; successful identification of opportunities for growth and mergers and acquisitions, and integration of such opportunities into the existing operations; further volatility and aggravation of circumstances in capital markets; progress in attainment of goals regarding structural reorganization and reorganization in purchasing. If one more risks or uncertainties are in fact materialized or if the said assumptions are proven wrong, actual results may deviate materially from those stated as expected, hoped for, forecast, projected, planned, probable, estimated, or anticipated in this announcement. Gorenje does not intend to assume and will not allow for any liability to update or revise these forecasts in light of development differing from the expected events.

Enclosure: New Organisational Structure of the Gorenje Group

- As of the start of this year, the Gorenje Group began reorganising and reforming divisions into Business Segments, namely:
 - the Home Appliances Division was restructured into the Business Segment Home,
 - the reorganised Home Interior Division was at first included in the Business Segment Home,
 - the Ecology Segment was excluded from the Ecology, Energy and Services Division and established as the Business Segment Ecology,
 - the Services Segment was excluded from the Ecology, Energy and Services Division and established as the Business Segment Portfolio Investments.
- As of 2012 the Home Interior Division has been temporarily reorganised as the **Kitchen Segment**, which became an integral part of Gorenje Group's core operational activity i.e. the Business Segment Home. The Kitchen Segment currently consists of three companies: Gorenje Kuhinje (Gorenje Kitchens), Gorenje Keramika (Gorenje Ceramics) and Gorenje Notranja Oprema (Gorenje Home Interior).
- The composition of the Management Board and the micro-organisation of the Group is structured **in terms of function** and no longer in terms of divisions. Emphasis is placed on the area of sale and with the responsible Management Board member for that area, and on the area of other business operations also with the responsible Management Board member for that area.



Picture 1: New organisational structure of the Gorenje Group