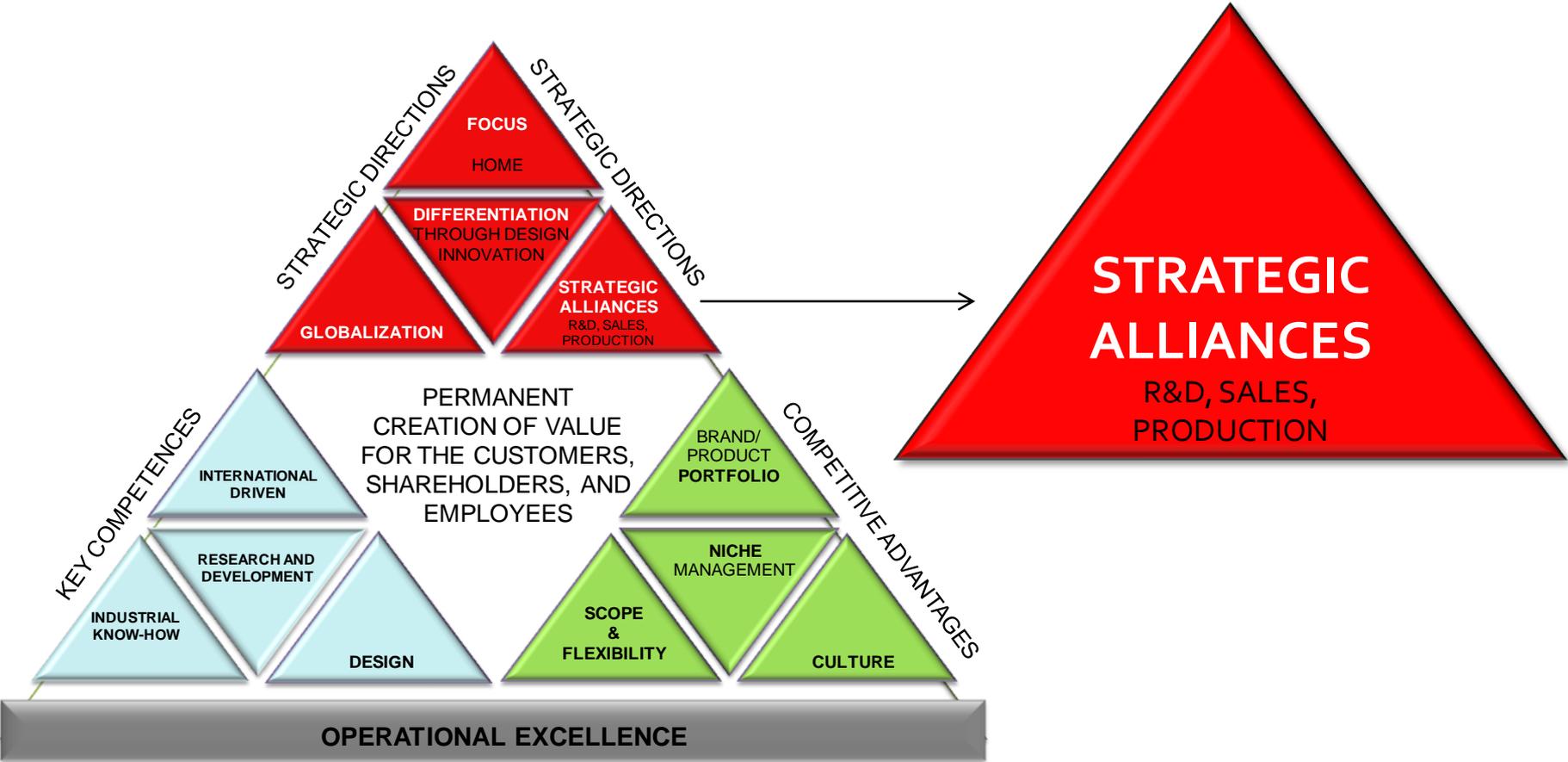


Creation of a Leading Strategic Alliance

STRATEGIC ALLIANCE AN IMPORTANT STEP TOWARDS FULFILLING GORENJE STRATEGIC DIRECTIONS



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STRATEGIC ALLIANCE ALLOWS BOTH COMPANIES TO BETTER SERVE THEIR CUSTOMERS BY CREATING SYNERGIES THAT LEVERAGE BOTH PARTIES' RESPECTIVE STRENGTH AND COMPETITIVE ADVANTAGES

Gorenje and Panasonic establish a long-term business alliance, strengthened by a capital alliance:

- **BUSINESS ALLIANCE**

- Use of Gorenje, Panasonic and **mutually developed products to increase sales**
- **Exchange of manufacturing know-how** to increase competitiveness
- **Use of sales network** and marketing know-how for the distribution of Panasonic brand appliances to Europe

- **CAPITAL ALLIANCE**

- As a sign of the confidence in the success of the alliance and commitment to long-term business relationship, Panasonic will acquire a **minority stake in Gorenje**
- Appropriate **standstill agreement**

BOTH PARTNERS TO BENEFIT FROM THE STRATEGIC ALLIANCE

- **Share best practices and R&D efforts** for selected platforms/products, which might also have **further positive impacts on products and processes not currently included in the alliance**
 - Team composed by Gorenje and Panasonic engineers to enhance the effectiveness of joint R&D efforts
- **Potential for further cooperation**

BOTH PARTNERS TO BENEFIT FROM THE STRATEGIC ALLIANCE

- In addition, **Gorenje** is expected to benefit from
 - **Better absorption of fixed costs**, leveraging on a significant increase in Gorenje's production capacity utilization
 - Ability to **develop new products** that would not be economically viable if done separately, and also **resulting in potential growth opportunities**
- **Panasonic** to have **access to Gorenje's manufacturing capabilities** and **Gorenje's expertise in the European market**

BOTH PARTNERS TO BENEFIT FROM THE STRATEGIC ALLIANCE

- **Consumers will enjoy faster time to market of better value for money and higher quality products**
- **As a sign of confidence in the success of the alliance and a commitment to the long-term business relationship, Panasonic will invest 10 million euros and acquire a minority interest in Gorenje;** and to allow existing and new shareholders to benefit from the alliance, Gorenje will execute an equity increase and dual listing.

KEY ELEMENTS OF THE BUSINESS ALLIANCE

1) R & D

- Joint development projects of **new products**
 - Project for new generation of **washing machines** in preparation
 - Existing **refrigeration** and **kitchen appliances** will be adapted
 - **Ideas for new development projects** to be discussed in the near future
- **Exchange of specific knowledge** of market requirements, technical solutions and development techniques

KEY ELEMENTS OF THE BUSINESS ALLIANCE

2) Production

- Increased production **capacity utilization** at Gorenje factories
 - Panasonic brand **refrigeration** appliances
 - Panasonic brand **built-in ovens**
- Joint investment in **new production facility for washing machines**
 - Panasonic and Gorenje brand washing machines appliances
- Sharing of **manufacturing principles** and culture and **material purchasing power** should result in **lower costs** for Gorenje

KEY ELEMENTS OF THE BUSINESS ALLIANCE

3) Sales

- Joint distribution potential for **kitchen retail sales channel** in Europe
- Potential for extension of **Gorenje's premium product lines with Panasonic manufactured products**
- Improved efficiency of **joint sales-distribution channels**

ECONOMIC BENEFITS OF THE BUSINESS ALLIANCE FOR GORENJE TO PROGRESSIVELY INCREASE OVERTIME

- Additional **yearly revenues** of up to **80 million euros** by **2018**
- Overall impact: **gradual EBITDA improvement** of up to **20 million euros** on a **yearly basis** by **2018**

TO SUPPORT AND STRENGTHEN STRATEGIC ALLIANCE, PANASONIC WILL ACQUIRE A MINORITY STAKE IN GORENJE

- **A 10 million euro investment in a capital increase**
 - Panasonic undertakes to subscribe and pay for 2,320,186 common shares in Gorenje
 - The subscription price is set at €4.31 per subscription share

- **Standstill agreement**
 - Panasonic commits not to increase its stake in Gorenje's share capital above 13% over the duration of the agreement (5 years) without the prior written consent of Gorenje's managing board and the supervisory board

EXPECTED ECONOMIC BENEFITS OF THE CAPITAL ALLIANCE FOR GORENJE

Minority ownership by Panasonic further **strengthens and secures the long-term viability of the business collaboration**

- **Improved capital structure** of Gorenje
- Additional resources to **accelerate investment** and R&D activities
- Improved **visibility** of shares on international capital markets, **better access** to new financial sources, and **improved liquidity** of shares

TWO CAPITAL INCREASES PLANNED

Gorenje plans to execute a capital increase **to strengthen its balance sheet and have more flexibility in the development of the business and the foundation of the alliance**

- The capital increase is planned to be structured as follows:
 - A **special capital increase** procedure of **10 million euros** reserved for **Panasonic**
 - A **second capital increase** procedure, being executed in two rounds:
 - First round dedicated to **existing shareholders** using pre-emptive rights
 - Second round to **new invited investors**
 - **Potential dual listing in Warsaw**
- The proposed issue price for the capital increase procedures will be fixed and equal to **€4.31**, calculated as Gorenje's **6-month volume weighted average price on 4th July 2013**

CONCLUSIONS

Accelerated Growth and Improved Competitiveness

- G & P: Additional sales in Europe and CIS market
- G & P: Improved product range, to the benefit of consumers

Significant Synergies

- G & P: Joint R&D and purchasing
- G: Increased utilization of production capacities
- G & P: Transfer of technological and quality management know-how

Improved financial strength

- G: Improved capital structure
- G: Better access to international capital markets
- G: Higher profitability and ability to generate free cash flow

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