TRANSLATION

gorenje

Summary prospectus for the public offer of shares of Gorenje gospodinjski aparati d.d., Partizanska 12, 3503 Velenje, Slovenia

Velenje, Slovenia, November 2013

SUMMARY

This Summary consists of disclosure requirements known as "”Elements"” in accordance with Annex XXII (Disclosure Requirements in Summaries) of the Prospectus Regulation. These elements are numbered in Sections A – E (A.1 – E.7) below. This Summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary and is described as 'not applicable'.

Section A – Introduction and warnings

Element / Title	Disclosure
A.1 Introduction and warnings	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities contemplated in this Prospectus should be based on consideration by the investor of this Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor may, under the national legislation of the EU Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. The civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**The permission of the Issuer or the person responsible for the preparation of this Prospectus to use the Prospectus for the purposes of resale of the securities or their ultimate placement by financial intermediaries.** **The validity period of the Offering in which the financial intermediaries may resell or ultimately place the securities, for which the permission to use this Prospectus is granted.** **Any other clear and objective conditions for granting the permission which apply to the use of this Prospectus.** **A bold-faced notice to the investors that the financial intermediary is obligated to provide information regarding the Offering at the time of making the Offering.** Not applicable.

Section B – Issuer

Element / Title	Disclosure
B.1 Legal and commercial name	Gorenje gospodinjski aparati,d.d.
B.2 Domicile / legal form / legislation / country of incorporation	The Company is a joint stock company incorporated under the laws of Slovenia, having its registered office at Partizanska 12, 3503 Velenje, Slovenia. The Company operates in accordance with the Slovenian Companies Act, the Articles of Association and other of its internal regulations.

B.3 Key factors regarding current operations, principal activities, categories of products sold and services performed.	The Group designs and manufactures a wide range of home appliances for residential use, in particular refrigerators, washing machines, dishwashers and cooking appliances. The Group operates in three business segments: Business Segment Home, Business Segment Ecology and Business Segment Portfolio Investments, of which Business Segment Home represents the core activity of the Group and the other two segments are comprised of supplementary services rendered by the Group. **Business Segment Home** This is the main business segment of the Group, and has more than 60 years of history, It accounted for 73.4% of Group revenue in 2010, 76% in 2011, 84.8% in 2012 and 85.6% in first half of 2013. The Company intends to further develop the importance of this business segment. According to both the Strategic Plan and the Updated Strategic Plan, this segment will remain the core activity of the Group and, by the end of 2018, is expected to account for approximately 90% of the Group's operations. The Group is building its global market position around its major global brand Gorenje. In 2011 a new concept line "gorenje+" was launched to market built products of the Group. The Company intends to further strengthen the position of those two, well recognised brands and develop marketing of premium global brand ASKO, as well as its local brands. Business Segment Home comprises: (i) production of various major and small domestic appliances, including MDA's (refrigerators and freezers, washing machines, dishwashers and cooking appliances) and SDA's (microwave ovens, vacuum and steam cleaners, various small kitchen appliances (mixers, stick blenders, juicers, toasters, kettles, irons, etc.); (ii) production of heating appliances, air filtering systems and air-conditioning appliances; and (iii) sales of kitchen furniture, production and sales of ceramic tiles, sales of spare parts accompanied by the product design services. As at the date of this Prospectus, the Group had a total annual production capacity of 4,665,720 pieces of major household appliances, i.e. 19,770 pieces of major household appliances per day. The Group owns a 93,500 m2 manufacturing complex located in Velenje, Slovenia, a 43,600 m2 manufacturing complex in Valjevo, Serbia, a 27,700 m2 facility in Stara Pazova, Serbia, a 9,300 m2 manufacturing facility in Zaječar, Serbia and a 45,000 m2 manufacturing complex in Mora, Czech Republic, as well as other manufacturing and warehouse facilities across Europe. In the third quarter 2013 the Group finished the production relocation process, which started in 2012. After completion of the manufacturing relocation, from September 2013 production is carried out only in Slovenia, Serbia and the Czech Republic. Research and development department of the Company plays an important role in the process of designing new products, marketing of the brands and optimizing production costs. The Group has its own wholesale distribution network in most countries where the Group operates and own retail distribution network in Slovenia, Serbia, Bosnia and Herzegovina, Croatia and the Czech Republic. Where the Group has no distribution network, products of the Group are distributed through the third party distributors. For the years ended 31 December 2010, 2011, 2012, and in the first half of 2013 the Company's operating income was EUR 1,382,185 thousand, EUR 1,386,629 thousand, EUR 1,263,082 thousand, and EUR 590,098 thousand respectively. ***Main markets*** The Groups operates globally and sells products in approximately 90 countries. The main markets in 2012 (top 10 according to the sales value under the Group's own brands) were the following: Germany, the Netherlands, Scandinavia, Russia, Serbia,

	Czech Republic, Ukraine, Croatia, Slovenia, Australia. According to the Updated Strategic Plan the Company is planning to expand its presence in markets outside Europe, being mostly Australia, USA, Asian markets, including India, Turkey and Brazil. The Group is also planning to maintain or even improve its presence in the Group's traditional European markets, especially in Russia, Germany, Scandinavia and Poland. **Supplementary business segments** Business Segment Ecology covers the Group's supplementary activity in the scope of the comprehensive waste management in Slovenia and Southeastern Europe. The main company in Business Segment Ecology is Gorenje Surovina, d.o.o., which directly or indirectly holds majority of the ownership in other companies in that business segment. The second pillar of Business Segment Ecology consists of hazardous waste management, where the Company is collecting, recycling and disposing of hazardous waste, except of radioactive wastes, in environmental-friendly way. As a part of this segment the Group also offers services in the field of municipal waste management. Revenues of Business Segment Ecology amounted EUR 101,711 thousand (7.4% of total Group's revenue) in 2010, EUR 113,406 thousand (8.2% of total Group's revenue) in 2011, EUR 97,346 thousand (7.7% of total Group's revenue) in 2012, and EUR 46,413 thousand in first half of 2013 (7.9% of the total revenues of the Group). Business Segment Portfolio Investments covers the Group's supplementary activity products and services in energy and renewable sources of energy. The activity of Business Segment Portfolio Investments is conducted through the Company's ownerships in various Group companies operating in that field. The Group's companies Gorenje Orodjarna, d.o.o. and Gorenje GAIO, d.o.o. have more than 20 years tradition in engineering, development and manufacturing tools and industrial equipment for household and automotive industry across Europe. Within this business segment the Group also offers canteen and catering services, engineering in different business sectors and sell different products and services as authorised dealer for different brands. Business Segment Portfolio Investments supports activities of the core Business Segment Home, however more than 90.6% of the revenue generated by this segment in 2012 was generated with third party customers. Revenues of Business Segment Portfolio Investments amounted EUR 265,729 thousand (19.2% of total Group's revenue) in 2010, EUR 219,854 thousand (15.8% of total Group's revenue) in 2011, EUR 94,457 thousand (7.5% of total Group's revenue) in 2012 and EUR 38,708 thousand in the first half of 2013 (6.5% of the total revenues of the Group). The decrease of revenues in this business segment is mainly a result of sale of the participating interest in the company Istrabenz Gorenje, d.o.o., in July 2011 (and thus the winding-up of the energy business segment). Total revenue of Istrabenz Gorenje, d.o.o. amounted to EUR 167,503 thousand in 2010, and in the period January – June 2011 to EUR 104,819 thousand.
B.4a Significant recent trends affecting the industry	The most significant trends affecting the Group and the home appliance industry are the following: **World**: According to the United Nations, global growth of the gross domestic product is still forecast at a rate of 2.4 percent in 2013 and 3.2 percent in 2014, which is considerably below the potential growth rate. Moderate growth at this pace will mean that many economies will not be able to recover the major losses of jobs from the onset of the global economic crisis. **Western Europe**: Due to a weak starting point and further negative pressure, GDP will

	grow at a negligible rate of around 0.3 percent in 2013, while in 2014 it is expected to grow at a rate of 1.4 percent. Consumption of durables is expected to remain weak, with increasing differences between respective countries in the region. Austerity programs tend to decrease consumption, but they also differ from one country to the next. Organization and operation of the markets is another key factor for employment and wages that differs considerably between the countries in the region. The level of uncertainty in the region as the core of the euro zone has a major effect on the entire EU and other neighbouring countries, and it undermines consumer confidence. **"New" EU members**: total GDP of the new EU member states in 2012 rose by 1.2 percent, despite the many uncertainties and risks. **Transition countries**: As expected in the context of moderate recovery of the global growth rate, GDP in the Southeastern Europe is anticipated to rise by 3.6 percent.
B.5 Group description. Position of the Company within the Group.	As of the date of this Prospectus, the Group consists of the Company and 86 subsidiaries (i.e. entities in which the Company's shareholding is more than 50% of the votes at the respective entity's general meeting) and 5 affiliates (i.e. entities in which the Company's shareholding amounts from 20% up to (and including) 50% of the respective entity's general assembly), directly or indirectly controlled by the Company. In addition, the Company has 7 representative offices in foreign locations.
B.6 Persons, directly or indirectly, having interest in the Company's capital or voting rights notifiable under Slovenian law and the amount of such interest. Voting rights of major shareholders. Direct or indirect control of the Company.	As at 11 October 2013, the following shareholders of the Company holds interest in the Company's share capital which is notifiable under Slovenian law: • KAPITALSKA DRUŽBA, D.D. holding 3,534,615 shares which constitute 19.39% of the Company's share capital and give the right to 19.52% of votes at Shareholder Meeting. • PANASONIC CORPORATION. holding 2,320,186shares which constitute 12.73% of the Company's share capital and give the right to 12.81% of votes at Shareholder Meeting. • IFC holding 1,876,876 shares which constitute 10.30% of the Company's share capital and give the right to 10.37% of votes at Shareholder Meeting. • HOME PRODUCTS EUROPE B.V. holding 1,070,000 shares which constitute 5.87% of the Company's share capital and give the right to 5.91% of votes at Shareholder Meeting. None of the Company's shareholders have voting rights that differ from any other of the Company's shareholders. As at the date of this Prospectus there are no agreements known to the Company which may result in a change of control of the Company.

B.7 Selected historical key financial information. Narrative description of significant change in the Company's financial condition and operating results subsequent to the period covered by selected historical key financial information.	The following selected historical financial and other data, as of and for the three years ended 31 December 2010, 2011, 2012, the six-month period ended 30 June 2012 and the six-month period ended 30 June 2013, have been prepared in accordance with the provisions of the Slovenian Companies Act, the IFRS and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. In 2012 and in the period January-June 2013, the Gorenje Group has been in the process of discontinuing, disposing of and restructuring the activities (including its furniture program and sales organisations) which, in the past, have had a negative impact on the Group's profitability and cash flow. The classification of activities among its discontinued operations is stipulated and defined by IFRS 5 (Non-current assets held for sale and discontinued operations). The income statement and balance sheet for the year ended 31 December 2012 and six-month period ended 30 June 2013, and the income statement for year ended 31 December 2011 and six month period ended 30 June 2012 have been adjusted in accordance to the standard, while the financial statements for the remaining years are included as audited and published. Below presented comparative figures from income statement for the year ended 31 December 2011 and for the six-month period, ended 30 June 2012 are different than originally published as they were adjusted in accordance to the mentioned standard, while the financial statements for the remaining years are included as originally published.

Income statement data

	Year ended 31 December			Six-month period ended 30 June	
	2010	2011	2012	2012	2013
		(audited)		*(unaudited)*	
			(EUR in thousand)		
Income Statement Data					
Net sales	**1,382,185**	**1,386,629**	**1,263,082**	**606,455**	***590,098***
Change in inventories	-13,510	8,897	11,881	17,367	15,489
Other operating income	47,554	50,564	40,929	17,092	13,374
Gross profit	**1,416,229**	**1,446,090**	**1,315,892**	**640,914**	**618,961**
Costs of goods, material and services	-1,040,509	-1,076,437	-946,215	-459,730	-447,618
Employee benefits expense	-244,442	-253,333	-258,680	-127,403	-124,971
Amortisation and depreciation expense	-52,237	-48,347	-45,665	-23,551	-21,254
Other operating expenses	-22,603	-24,303	-20,411	-8,854	-9,588
Operating profit	**56,438**	**43,670**	**44,921**	**21,376**	**15,530**
Net finance expense	**-33,966**	**-25,346**	**-30,416**	**-12,364**	**-18,712**
Share in profits or losses of associates	**0**	**-9**	**301**	**50**	**-42**
Profit before tax	**22,472**	**18,315**	**14,806**	**9,062**	**-3,224**
Income tax expense	-2,448	-1,880	-5,633	-1,834	-1,812
Profit or loss without discontinued operation		**16,435**	**9,173**	**7,228**	**-5,036**
Profit or loss from discontinued operation		-7,329	-8,883	-4,904	-2,785
Profit or loss for the period	**20,024**	**9,106**	**290**	**2,324**	**-7,821**

**Source: Financial Statements and Interim Financial Statements*

Statement of Financial Position Information

Balance Sheet Data	Year ended 31 December 2010	2011	2012	Six-month period ended 30 June 2012	2013
		(audited)		*(unaudited)*	
			(EUR in thousand)		
ASSETS	**1,317,754**	**1,251,658**	**1,197,324**	**1,188,908**	**1,189,034**
Non-current assets	**563,435**	**556,345**	**550,965**	**551,287**	**558,431**
Intangible assets	160,161	158,620	159,607	158,945	157,247
Property, plant and equipment	375,400	358,840	341,171	343,821	351,792
Other non-current assets	27,874	38,885	50,187	48,521	49,392
Current assets	**754,319**	**695,313**	**646,359**	**637,621**	**630,603**
Inventories	257,593	245,608	247,365	255,033	267,003
Trade receivables	306,284	255,911	218,516	272,392	225,084
Other current assets	190,442	193,794	153,257	110,196	131,676
Assets held for sale			27,221		6,840
EQUITY AND LIABILITIES	**1,317,754**	**1,251,658**	**1,197,324**	**1,188,908**	**1,189,034**
Equity	**392,096**	**397,819**	**392,145**	**391,464**	**381,830**
Non-current liabilities	**356,027**	**385,330**	**349,411**	**345,004**	**337,561**
Other non-current liabilities	95,095	82,871	72,531	76,962	72,203
Non-current financial liabilities	260,932	302,459	276,880	268,042	265,358
Current liabilities	**569,631**	**468,509**	**455,768**	**452,440**	**469,643**
Current financial liabilities	223,015	181,649	155,846	186,957	190,982
Trade payables	237,020	194,248	212,430	171,189	183,123
Other current liabilities	109,596	92,612	79,170	94,294	91,237
Liabilities held for sale			8,322		4,301

* *Source: Financial Statements and Interim Financial Statements*

Capitalization	Year ended 31 December 2010	2011	2012	Six-month period ended 30 June 2012	2013
		(audited)		*(unaudited)*	
			(EUR in thousand)		
Cash and cash equivalents	82,728	101,620	53,488	30,639	24,701
Short-term debt	223,015	181,649	155,846	186,957	190,982
Long-term debt	260,932	302,459	276,880	268,042	265,358
Total debt	**483,947**	**484,108**	**432,726**	**454,999**	**456,340**
Equity					
Share capital	66,378	66,378	66,378	66,378	66,378
Share premium	175,575	175,575	175,575	175,575	175,575
Legal reserves and statutory reserves	21,990	22,719	22,719	22,719	22,719
Retained earnings	107,382	115,618	113,454	117,994	105,509
Fair value reserves	13,294	8,886	8,976	8,748	10,224
Own shares	-3,170	-3,170	-3,170	-3,170	-3,170
Translation reserve	8,842	9,990	5,861	1,301	2,182
Equity of holders of the parent	**390,291**	**395,996**	**389,793**	**389,545**	**379,417**
Equity of non-controlling interest	1,805	1,823	2,352	1,919	2,413
Equity	**392,096**	**397,819**	**392,145**	**391,464**	**381,830**
Total capitalisation	**876,043**	**881,927**	**824,871**	**846,463**	**838,170**

**Source: Financial Statements and Interim Financial Statements*

	Year ended 31 December			Six-month period ended 30 June	
	2010	2011	2012	2012	2013
		(audited)		*(unaudited)*	
			(EUR in thousand)		
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the period	**20,024**	**9,106**	**290**	**2,324**	**-7,821**
Adjustments for:					
– depreciation of property, plant and equipment	46,227	43,767	40,433	20,992	18,046
– amortisation of intangible assets	6,010	6,431	6,553	3,236	3,455
– investment income	-12,485	-15,199	-6,871	-6,092	-2,556
– finance expenses	46,451	40,587	37,474	18,529	21,280
– gain or loss on sale of property, plant and equipment	-2,321	-3,644	-1,486	-903	-4,727
– negative goodwill (gain on bargain purchase)	-13,337	0	0	0	0
– gain on sale of investment property	0	0	-365	0	0
– revaluation operating income	0	-3,563	-3,387	0	0
– income tax expense	2,448	2,006	5,644	1,850	1,812
Operating profit before changes in net operating current assets and provisions	**93,017**	**79,491**	**78,285**	**39,936**	**29,489**
Change in trade and other receivables	-80,635	10,297	6,752	-19,995	-11,320
Change in inventories	-39,612	11,344	-8,060	-9,425	-18,548
Change in provisions	25,664	-12,021	-7,243	-5,056	-518
Change in trade and other liabilities	60,162	-38,265	12,064	-22,230	-15,677
Cash generated from operations	**-34,421**	**-28,645**	**3,513**	**-56,706**	**-46,063**
Interest paid	-23,607	-24,194	-25,593	-12,842	-10,914
Taxes paid	-7,272	-4,595	-6,544	-1,850	-1,743
Net cash from operating activities	**27,717**	**22,057**	**49,661**	**-31,462**	**-29,231**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment	6,775	7,302	11,095	1,819	9,223
Proceeds from sale of investment property	5,621	0	2,161	0	9,250
Interest received	3,046	3,678	2,688	1,023	1,171
Dividends received	305	118	417	0	0

Liquidation of subsidiary, without disposed financial assets	0	10,747	0	0	0
Disposal of subsidiary, without disposed financial assets	0	7,143	0	0	0
Acquisition of subsidiary	1,144	0	0	0	0
Acquisition of property, plant and equipment	-39,358	-41,089	-53,527	-12,238	-30,626
Acquisition of investment property	0	-9,819	0	0	-7,281
Available-for-sale investment	-1,695	-33	-337	0	0
Loans	-2,564	9,325	2,073	0	0
Other investments	14,341	-14,246	-898	505	-4,108
Acquisition of intangible assets	-5,310	-6,379	-7,217	-1,519	-1,512
Net cash used in investing activities	**-17,695**	**-33,253**	**-43,545**	**-10,410**	**-23,883**
CASH FLOWS FROM FINANCING ACTIVITIES					
Repurchase of non-controlling interest	-6,902	0	0	0	0
Capital increase	24,920	0	0	0	0
Borrowings/Repayment of borrowings	27,558	30,088	-50,881	-29,109	23,611
Dividends paid	0	0	-2,267	0	0
Net cash used in financing activities	**45,576**	**30,088**	**-53,148**	**-29,109**	**23,611**
Net change in cash and cash equivalents	55,598	18,892	-47,032	-70,981	-29,503
Cash and cash equivalents at beginning of period	27,130	82,728	101,620	101,620	54,588
Cash and cash equivalents at end of period	82,728	101,620	54,588	30,639	25,085

**Source: Financial Statements and Interim Financial Statements*

	Other Financial Information (see tables below)
B.8 Selected key pro forma financial information	Not applicable.
B.9 Profit forecast	**Profit or loss forecast for the period** (see table below)

Other Financial Information

Other financial Information	Year ended 31 December			Six-month period ended 30 June	
	2010	2011	2012	2012	2013
		(audited)		*(unaudited)*	
			(EUR in thousand)		
Gross profit	1,416,229	1,446,090	1,315,892	640,914	618,961
EBIT	56,438	43,670	44,921	21,376	15,530
EBIT margin (%)	4.1%	3.2%	3.6%	3.5%	2.6%
Amortisation and depreciation expense	52,237	48,347	45,665	23,551	21,254
EBITDA	108,675	92,017	90,586	44,927	36,784
EBITDA margin (%)	7.9%	6.6%	7.2%	7.4%	6.2%
Total debt	483,947	484,108	432,726	454,999	456,340

**Source: Financial Statements and Interim Financial Statements*

Profit or loss forecast for the period

EUR in thousand	Year ended 31 December 2010	2011	2012	Forecast 2013
Net Sales	1,382,185	1,386,629	1,263,082	1,273,536
EBITDA	108,675	92,017	90,586	83,280
Operating Profit (“EBIT”)	56,438	43,670	44,921	39,465
Profit without discontinued operations	20,024	16,435	9,173	2,410
Loss from discontinued operations	N/A	-7,329	-8,883	-11,223
Profit or loss for the period	20,024	9,106	290	-8,813

** Source: the Company*

Key financial projections are summarised in final column of the table above, with a summary of historical financials for the preceding three years. The historical financial information has been extracted from audited financial statements except for EBITDA. EBITDA provides an additional performance measure of the effects of the Group’s operations which are difficult to recognise directly from the Group’s consolidated financial statements. EBITDA calculations have not been subject to an independent auditor’s review, although items used for calculation of EBITDA have been derived from the Group’s audited consolidated financial statements, with the exception of the projected figure for 2013.

Note that EBITDA measures should not be considered in isolation or as an alternative to

	net profit for the period, or other data presented as indicators of financial performance. The presented EBITDA measures may not be comparable to other similarly titled measures of performance for other companies. KPMG Slovenija, d.o.o., the independent auditor of the Group's consolidated financial statements for each of the years 2010 to 2012, has issued an assurance report on the profit or loss forecast for 2013.
B.10 Qualifications in the audit report on the historical financial information	Not applicable. The audit reports on the historical financial information did not contain any qualifications.
B.11 Working capital	Not applicable. The Company's working capital is appropriate and sufficient to cover its needs in the period of at least twelve months from the date of this Prospectus.

Section C – Securities

Element / Title	Disclosure
C.1 Type and class of securities and security identification number	The ticker symbol of the existing Shares is GRVG, ISIN code: SI0031104076. The Shares are registered (imenske), and no-par value shares (kosovne delnice). All Shares are of the same class. The Shares have been issued and are governed by the Slovenian Companies Act and the Slovenian Book Entry Securities Act. The Shares are dematerialised book-entry shares and are evidenced by the KDD. The Shares are entered in the central securities register kept by the KDD.
C.2 Currency of the issue	EUR
C.3 Number of shares issued and fully paid / issued but not fully paid. Par value per share.	As at the date of this Prospectus, the share capital of the Company amounts to EUR 76,060,181.93 and consists of 18,227,062 ordinary no-par value registered Shares with voting rights.
C.4 Rights attached to the securities	**Right to dividend** The Shareholders Meeting decides on the use of profits (*bilančni dobiček*) upon a proposal from the Management Board or the Supervisory Board. The Shareholders Meeting is not bound by this proposal, however, it is bound by the relevant provisions of the Slovenian Companies Act indicating the maximum amount of proceeds that may be distributed to shareholders. The loan agreement concluded on 21 June 2010 between the Company and IFC restricts the Company from declaring or paying dividends in excess of one third of the Group's consolidated net profit of the previous year when the covenant net debt to EBITDA exceeds 3,5 ratio. **Right to share in the assets in the case of the liquidation** If the Company is liquidated, any assets remaining after the satisfaction of, or establishment of security for the benefit of the creditors, shall be divided among the

	shareholders on a *pro rata* basis in proportion to the contributions the shareholders made to the share capital. **Voiting right on the Shareholders Meeting** Each shareholder has a right to participate in the Shareholders Meeting. Each Share (including the Offer Shares) confers the right to cast one vote. Shareholders exercise their voting rights based on the proportion of their Shares held. The voting right shall only be attached to Shares that have been fully paid for. Pursuant to the Articles of Association, the Shareholders Meeting is convened by the Management Board at its own initiative, at the request of the Supervisory Board or at the request of minority shareholders whose total interest accounts for at least 5% of the subscribed capital. Requests by the minority shareholders must be accompanied by a written agenda, with a proposed resolution for each item suggested on the agenda.
Restrictions on free transferability of securities	The Articles of Association do not provide for any limits on the transferability of shares. All shares are freely transferable.
C.6 Admission to trading / Name of the regulated market	The Existing Shares of the Company are listed on the main market of the Ljubljana Stock Exchange. The Company intends to admit (i) up to 10,440,835 Offer Shares to trading on the main market of the Ljubljana Stock Exchange (*Ljublijanska borza d.d., Ljubljana*); and (ii) up to 28,667,897 of Shares, including up to 10,440,835 of the Offer Shares, to trading on the main market of the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*).
C.7 Dividend policy	The Management Board and Supervisory Board make a recommendation on the amount of dividend per share to be paid, for approval by the shareholders at the Shareholders Meeting, which is held within eight months following the end of the preceding financial year. A resolution on the distribution of profit is then adopted by the Shareholders Meeting. The dividend policy under the Updated Strategic Plan stipulates that up to one third of the Group's net profit for the period shall be allocated to annual dividend payments. The actual amount of any future dividend payments then depends on the shareholders' resolutions for each financial year. Under the loan agreement dated 21 June 2010 concluded between the Company and IFC, the Company may not declare or pay dividends in excess of one third of the Group's consolidated net profit of the previous year if the covenant net debt to EBITDA exceeds 3.5 ratio. Further, the Company may not declare or pay dividend when the financial covenants, as agreed with the IFC, are not within the agreed limits. The loan with the IFC matures in June 2017.

Section D – Risks

Element / Title	**Disclosure**
D.1 Key risks specific to the Company or the industry	**Risks relating to the Group's business and the industry in which the Group operates:** • The Group's results depend on the macroeconomic situation; • The Group is exposed to volatility in pricing of raw materials; • Malfunction and/or incorrect operation of the Group's products may cause

	damage to the Group's customers and/or third parties which, in turn, may lead to product liability for the Group; • The Group's investments and development projects may not bring about the expected results; • The Group may be exposed to social unrest relating to labour conflicts; • The Group may fail to retain or attract new qualified personnel, which may hinder the Group's growth in line with its adopted assumptions; • The Group is exposed to risk relating to liquidity of its business partners; • The Group is exposed to currency risks resulting from the geographical diversification of its operations; • The Group's results may be affected by interest rate fluctuations; • The Group is exposed to operational risks; • The Group entered into a number of related-party transactions which are material to the Group's business; • The Group's current and planned operations are located in several markets with which the Group may not be entirely familiar; • The Group is exposed to fluctuations of transport costs; • The Group is subject to stringent environmental, health and safety regulations; • The Group is exposed to tax risk from its interpretation of tax legislation in various jurisdictions; • The Group's operations may be exposed to the risk of fire and other natural disasters, as well as terrorist attacks and other similar occurrences which may cause interruptions or disruptions to the Group's operations; • The Group's insurance policies may not cover all future risks; • The Group is exposed to risk from revaluation of its assets; and • The Group's success is dependent on its ability to quickly adapt new technologies to its own production processes. • The Group's revenues depend on the competitiveness of its sales of products and services; • The Group relies on the performance of its external sales and distribution network; • If the Group fails to maintain its competitive position, the Group's business, financial condition and results of operations would be adversely affected; • Any failure to protect the Group's brand names and other intellectual property may adversely affect the Group's business; • Problems or delays in accessing raw materials could have a material adverse affect on the Group's operations; • The Group's ability to meet its financial commitments in a timely manner may be limited and the Group may fail to generate or raise the necessary capital for future development strategies, or to refinance its debt on acceptable terms, or at all; • The Group may be unable to implement its Updated Strategic Plan; • The Group is exposed to risk from potential reorganisations, including divestments; and • Amendments to proposed Slovenian property tax regulations could adversely affect the Group's business
D.3 Key risks that are	**Risks related to investment in Offer Shares** • The Offering may be cancelled or suspended

specific to the Shares	• The Issuer may be unable to list the Offer Shares on the LJSE • The Issuer may be unable to list the Shares on the WSE • Trading in the Shares on the LJSE may be suspended • Trading in the Shares on the WSE may be suspended **Risks related to listing and the market** • The Company may be delisted from trading on the LJSE. • The Company may be excluded from trading on the WSE • The price of the Shares may considerably fluctuate • The marketability of the Shares may decline, and the market price of the Shares may fluctuate disproportionately in response to adverse developments that are unrelated to the Group's operating performance, and the market price may decline below the Offer Price • The market value of the Shares may be adversely affected by future sales or issues of substantial amounts of shares • There can be no assurance regarding the future development of the market for the Shares and its liquidity • Dual listing of the Shares will result in differences in liquidity, settlement and clearing systems, trading currencies, prices and transaction costs between the two exchanges where the Shares will be listed. These and other factors may hinder the transferability of the Shares between the two exchanges • Impact of securities or industry analysts • The Company's ability to pay dividends may be limited and there is no guarantee that the Company will pay dividends in line with the adopted dividend policy or that it will pay any dividend in a given year at all • The Company has broad discretion on the use of its net proceeds from this Offering and may not use them effectively • The Company will have a limited free float, which may have a negative effect on the liquidity, marketability or value of its Shares • Investors in the Offer Shares will be subject to obligations resulting from various national laws • Non-Slovenian shareholders may have difficulties exercising rights which are governed by Slovenian law • Tax treatment of non-Slovenian investors in a Slovenian company may vary • Judgments of courts against the Company, other Group Companies and members of the Management Board may be difficult to enforce • The Polish reform of Polish open pension funds, which comprise the second pillar of the pension system in Poland, may have an adverse effect on Poland's capital market and result in a decrease in investments in shares of companies listed on the WSE

Section E – Offer

Element / Title	Disclosure
E.1 Total net proceeds. Estimate of total expenses of the	The net proceeds which the Company will receive from the Offering, provided that all of the Offer Shares are sold, are estimated at approximately EUR 44,300 thousand after deduction of the estimated commissions, costs and expenses of the Offering. Preliminary estimates put the costs of the Offering at approximately EUR 700

Offering (including estimated expenses charged to the investor).	thousand. The subscribers shall not bear any additional costs of subscription and payment of the Offer Shares, except a potential banking fee for the executed payment transaction.
E.2a Reasons for the Offering / Use of proceeds / Estimated net amount of proceeds	The Offering and the Admission are expected to provide a number of benefits to the Company and the Group, including: • enabling the Company to raise funds to co-finance the Updated Strategic Plan and thus to facilitate the achievement of its strategic goals; • improving the liquidity of the Company's shares; • decreasing its leverage; • strengthening the Company's profile with credit institutions, which offers an important competitive advantage; • facilitating the Group's access to wider capital markets and expanding its funding sources for further growth, expansion and development of its business; • increasing international awareness of the Group among its customers and business partners, and • strengthening the Group's reputation as one of the leading manufacturers of domestic appliances in Europe, which may have an influence on the extension of its customer base and create better conditions for long-term customer and business relations.
E.3 Terms and conditions of the Offering	**The Offer Price and total value of the Offering** The Offering shall consist of no more than 10,440,835 ordinary registered shares with an issue value totalling no more than EUR 44,999,998.85, and shall be equal to the product of the number of Offer Shares and the issue price of one new share. **Terms and conditions on which the Offering is carried out** In accordance with the resolution of the Shareholders Meeting of 23 August 2013, the Offering shall be carried out in two rounds, whereby the second round shall be divided into two steps. In the first round, the Offer Shares shall be offered on the basis of the priority rights of the existing shareholders to all shareholders entered into the share register as at 23 August 2013 ("**First Round of the Offering**"). These shareholders (the "**Existing Shareholders**") will have the right to subscribe for the amount of shares proportional to their current shareholding in the total share capital of the Company. Offer Shares not subscribed for and fully paid in the First Round of the Offering will be offered in the second round of the Offering ("**Second Round of the Offering"**) to: • the Issuer's employees, including employees of Group companies invited by the Issuer ("**Second Round of the Offering – First Step"**), and • third parties ("**Second Round of the Offering – Second Step**"). The Issuer's employees, including employees of Group companies invited by the Issuer (the "**Employees"**), may subscribe for and pay in the total number of Offer Shares available for the Second Round of the Offering in the Second Round of the Offering – First Step. If the Offer Shares are still available after the completion of the Second Round of the Offering – First Step, the Offer Shares shall be offered in the Second Round of the

Offering – Second Step to investors in Poland and Slovenia. In Poland, the Offering will be directed to retail investors (which term includes both natural and legal persons) (the “**Retail Investors**”), as well as legal persons who are institutional investors (which term includes entities managing securities portfolios for their clients, as well as unincorporated organisations) invited by the Issuer or DM BZ WBK (the “**Institutional Investors**”, and together with Retail Investors, the “**Investors**”). In Slovenia, the Offering will be directed to investors invited by the Issuer or NLB (the “**Invited Investors**”).

The First Round of the Offering: subscription period for Existing Shareholders and payment for the Offer Shares at the Offer Price	From or around 18th November 2013 to or around 2nd December 2013
The Second Round of the Offering – First Step: subscription period for Employees and payment for the Offer Shares at the Offer Price	On or around 4rd December 2013
The Second Round of the Offering – Second Step: subscription period for Retail Investors and payment for the Offer Shares at the Offer Price in PLN	From or around 5th to or around 10th December 2013
The Second Round of the Offering – Second Step: bookbuilding for Institutional Investors in Poland and Invited Investors in Slovenia	From or around 6th to or around 10th December 2013
The Second Round of the Offering – Second Step: subscriptions in tranche for Institutional Investors in Poland and tranche for Invited Investors in Slovenia and payment for the Offer Shares at the Offer Price in PLN and the Offer Price, respectively	From or around 11th to or around 16th December 2013
Final Allocation of the Offer Shares to the Existing Shareholders, Employees, Retail Investors, Institutional Investors and Invited Investors	On or around 16th December 2013
Publication of the results of the Offering	On or around 16th December 2013
Issue of the Offer Shares by the KDD	On or around 27th December 2013
Delivery of the Shares to the NDS	On or around 30th December 2013
First day of trading in the Offer Shares on the LJSE	On or around 31st December 2013
First day of trading in the Shares on the WSE	On or around 31st December 2013

**Source: the Company.*

The timetable for the Offering is indicative, as the execution of certain milestones in the Offering might take longer than anticipated by the Company. In particular, the procedure for increasing the share capital of the Company, the issue of the Offer

	Shares upon conclusion of the Offering and the listing of Offer Shares on the LJSE and the listing of Shares and the Offer Shares on the WSE are all beyond the control of the Company. Any notices relating to the timetable of the Offering, or amendments to the timetable of the Offering, or extension of the dates of the Offering, will be published as press releases and announced on the websites of the LJSE (www.ljse.si), the Company (www.gorenjegroup.com), DM BZ WBK (www.dmbzbwk.pl) and NLB (www.nlb.si), and in a manner compliant with applicable regulations. **Pricing** The Offer Price of the Offer Shares shall be EUR 4.31. The Offer Price is the same as the price per share paid by Panasonic Corporation in the first increase of the share capital. The price has been calculated as the Issuer's six month volume weighted average price on 4th July 2013, achieved on the organised stock exchange market. For the purpose of subscriptions by Retail Investors in the Second Round of the Offering – Second Step, the Offer Price will be determined in PLN and will be the equivalent of the Offer Price of EUR 4.31, calculated based on the EUR/PLN exchange rate available to the Issuer on the day preceding commencement of the subscription period for Retail Investors. Institutional Investors may choose to pay the Offer Price in PLN or the Offer Price in EUR. **Placement agreement** The Issuer intends, prior to the First Round of the Offering, to enter into a placement agreement (the "**Placement Agreement**") in respect of the Offering, with Dom Maklerski BZ WBK S.A. and Nova Ljubljanska banka d.d., Ljubljana, in which Dom Maklerski BZ WBK S.A. and Nova Ljubljanska banka d.d., Ljubljana will commit, on a best-efforts basis, to procure subscribers for the Offer Shares. Dom Maklerski BZ WBK S.A., whose registered office is at Plac Wolności 15, 60-967 Poznań, Poland, acts as the Sole Global Coordinator, Joint Bookrunner and the Offering Agent in Poland for the purposes of the Offering in Poland and admission to trading on the WSE. Nova Ljubljanska banka d.d., Ljubljana whose registered office is at Trg republike 2, 1520 Ljubljana, Slovenia, acts as the Joint Bookrunner and the Offering Agent in Slovenia for the purposes of the Offering in Slovenia and admission to trading on the LJSE. Bank Zachodni WBK S.A., whose registered office is at Rynek 9/11, 50-950 Wrocław, Poland, acts as Financial Advisor in the Offering, providing financial advice to the Issuer in preparing the Offering. In connection with the Offering, the Issuer has agreed to pay a combined fee calculated as a percentage of the gross proceeds from the placement of the Offer Shares. In addition, the Issuer has agreed to indemnify Dom Maklerski BZ WBK S.A. and Nova Ljubljanska banka d.d., Ljubljana against certain liabilities and to reimburse certain expenses incurred by Dom Maklerski BZ WBK S.A. and Nova Ljubljanska banka d.d., Ljubljana in connection with the management of the Offering. Dom Maklerski BZ WBK S.A. and Nova Ljubljanska banka d.d., Ljubljana shall be entitled, under certain circumstances, to be released and discharged from their respective obligations under the Placement Agreement prior to the date of listing of the Offer Shares on the LJSE and the WSE. Such circumstances include the non-satisfaction of certain conditions precedent and the occurrence of certain force majeure events. **Underwriting agreement**

<table>
<tr><td></td><td>The Issuer does not intend to enter into any underwriting agreements in connection with the Offering.

Overallotment option

The Issuer has not granted and will not grant any overallotment option.

Stabilisation

The Offering Agent in Poland and the Offering Agent in Slovenia did not undertake to enter into any transactions to stabilise the price of the Offer Shares.</td></tr>
<tr><td>E.4
Interests material to the Offering / Conflicting interests</td><td>The Offering Agents have commercial interests that depend on the success of the Offering.
In connection with the Offering, the Issuer has agreed to pay a combined fee calculated as a percentage of the gross proceeds from the placement of the Offer Shares.</td></tr>
<tr><td>E.5
Name of the person or entity offering to sell the security.
Lock-up agreements: parties involved; period of lock- up.</td><td>Gorenje gospodinjski aparati, d.d. incorporated as a joint stock company under the laws of the Slovenia, having its registered office at Partizanska 12, 3503 Velenje, Slovenia registered by the Court Register of the District Court in Celje under inlay no. 1/00461/00, is the entity offering to sell the Offer Shares in the Offering.
Subject to certain exceptions, Gorenje gospodinjski aparati, d.d. has agreed that for a period of 12 months from the date of listing of the Offer Shares on the LJSE and the WSE, the Issuer will not, without the prior written consent of the Offering Agent in Poland, propose or otherwise support an offering of any of the shares, announce any intention to offer new shares and/or to issue any securities convertible into shares or securities that in any other manner represent the right to acquire the Issuer's shares, or sell or conclude any transaction (including any transaction involving derivatives), of which the economic effect would be similar to the effect of selling the shares. This obligation does not apply for Third capital increase, within which, in accordance with the Shareholders meeting resolution, dated 23 August 2013, the Company's share capital may be increased by amount no more than EUR 9,681,964.61 with the issue of 2,320,186 new, freely transferable registered no par value shares, in exchange for non-cash (in-kind) contributions.</td></tr>
<tr><td>E.6
Immediate dilution.
Amount and percentage of immediate dilution if Existing Shareholder not Subscribing during Offering.</td><td>The table below presents information on the dilution of shares after the Offering, based on the assumption that all the Offer Shares are sold in the Offering.

<table>
<tr><th></th><th colspan="2">Before the Offering</th><th colspan="2">After the Offering</th></tr>
<tr><th></th><th>Number</th><th>Percentage of shares</th><th>Number</th><th>Percentage of shares</th></tr>
<tr><td>Shares</td><td>18,227,062</td><td>100%</td><td>18,227,062</td><td>63.58%</td></tr>
<tr><td>Offer Shares</td><td>0</td><td>0%</td><td>10,440,835</td><td>36,42%</td></tr>
<tr><td>Total:</td><td>18,227,062</td><td>100.0%</td><td>28,667,897</td><td>100.0%</td></tr>
</table>
*Source: the Company</td></tr>
</table>

E.7 Estimated expenses charged to the investor by the Company	The subscribers shall not bear any additional costs of subscription and payment of the Offer Shares, except a potential banking fee for the executed payment transaction.