gorenje

Gorenje Group
Business Plan Summary
2014

Management Board of Gorenje, d.d.

31 January 2014

gorenje

2013 was a year of

- **Restructuring**
  - Successfully completed strategic relocations of manufacturing operations
  - Sales network restructuring
  - Withdrawal from furniture manufacturing
  - Improved working capital (assets and receivables) management
- Increase of **market share in Europe** from 4.00% to 4.26%
- Forging a **strategic partnership with the Panasonic Corporation** in industrial design, plus a capital alliance
- **Capital increase** and start of **cross listing of Gorenje, d.d., stock** on the Warsaw Stock Exchange
- Numerous **negative non-recurring effects** (impairments of financial investments, currency translation differences etc.)

4 STEPS

- **Step 1 (2012): COMPLETED**
  Re-location of cooking appliances production from Lahti (FIN) to Mariánské Údolí (CZ), Lahti plant closed.
- **Step 2 (2013): COMPLETED**
  Re-location of FS 600 mm refrigeration appliances from Velenje to Valjevo (SRB)
- **Step 3 (2013): COMPLETED**
  Re-location of WM and TD production from Vara (SWE) to Velenje
- **Step4 (2013): COMPLETED**
  Re-location of DW production from Vara (SWE) to Velenje, Vara plant closed.

POSITIVE EFFECTS

- Annual cost savings may amount to EUR 20m (labour costs savings: EUR 23m, logistic costs & amortization increase: EUR 3m)

2014 will be a year of

- Improvement in **profitability** of operations resulting from:
  - Improved sales structure (improved geographical and product structure of sales)
  - Cost savings in production, resulting from optimization of sales and other business processes, withdrawal from the furniture segment in 2013
  - Further cost savings
- Improved financial strength and further **deleveraging** of the Group (divestment, working capital etc.)
- **The first year of full effects** of strategic manufacturing operations relocations
- Further **internationalization** of operations
- Further **development activities**

gorenje

Key goal in 2014:

PROFIT ENHANCEMENT

(via sales growth and structure and cost reduction)

PROFIT ENHANCEMENT: higher **sales volume** by dispersed **geographical** and **product** structure

- ➔ Higher sales volume is anticipated on **markets of Eastern Europe, Central Europe, overseas markets**.
- ➔ Higher share of sales volume of **appliances with higher value added** (Atag and Asko products, design lines) **to 16.1 % of volume sale** (estimation for 2013: 15 %).

- ➔ PROFIT ENHANCEMENT: **development of new products**
- ➔ **New generation of built-in ovens** (launch in 2014);
- ➔ Upgrade of **free-standing refrigerators and freezers 600 mm;**
- ➔ Joint **development with Panasonic of a new generation of washing machines;**
- ➔ Development of **premium dryers and washing machines ASKO.**

PROFIT ENHANCEMENT: **cost reduction**

- ➔ Decrease of **material and raw material costs;**
- ➔ **Labour cost optimisation due to relocation processes.**

gorenje

Key goal in 2014 :

DELEVERAGING
(divestment and optimization of working capital)

DELEVERAGING by **further divestment of non-operating assets and optional divestment of some portfolio businesses;**

DELEVERAGING by improved management of **inventories;**

DELEVERAGING by improved management of complexity.

GOAL:

➔ **Decrease of gross financial debt by more than EUR 30 million**

Business Plan 2014: European Major Domestic Appliances Market

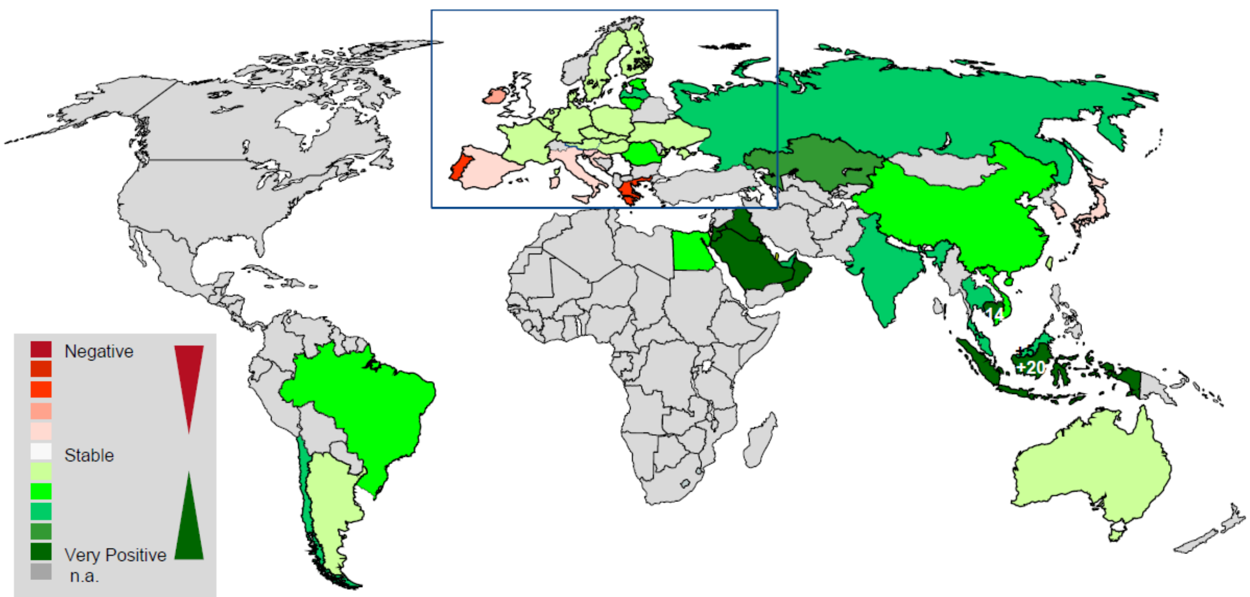
gorenje

- GfK forecasted the highest growth in 2014 in South America, Asia and Russia.
- Central, Western and Northern Europe are expected to grow moderately.
- Central European markets are expected to grow at a faster rate relative to Western Europe.

Gorenje highest growth planned in 2014 :

- Eastern Europe (Russia,...)
- Central Europe
- Overseas markets

GfK forecast for MDA in 2014 (sales units)



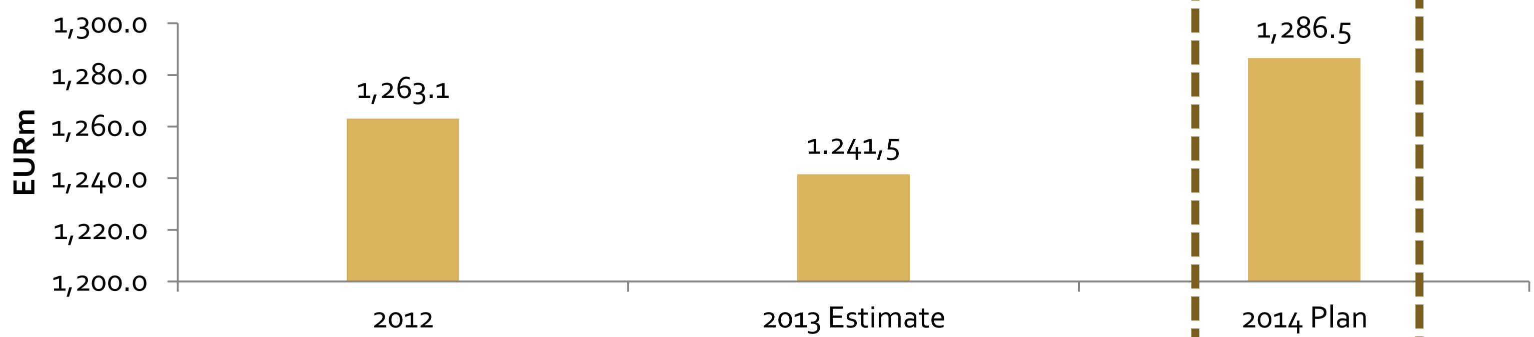
 6

gorenje

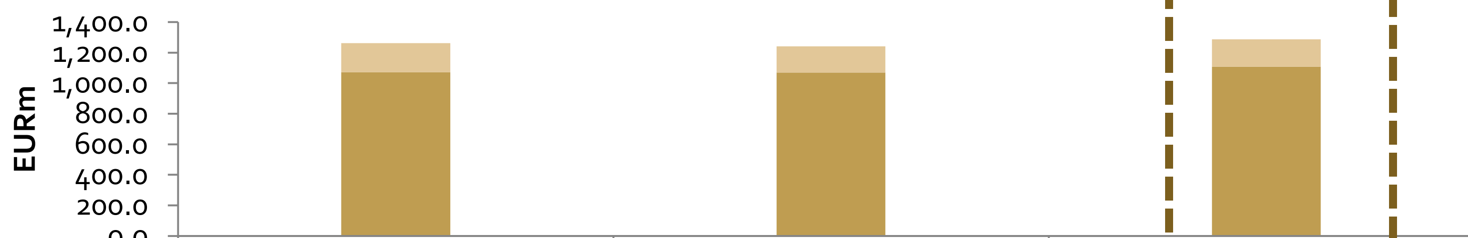
in EURm	Estimation 2013	Plan 2014	Index
Consolidated revenue	1,241.5	1,286.5	*103.6*
EBITDA	76.6	93.7	*122.3*
EBITDA Margin (%)	*6.2%*	*7.2%*	/
EBIT	34.2	46.4	*135.9*
EBIT Margin (%)	*2.8%*	*3.6%*	/
PBT	-17.0	16.4	/
Profit or loss w.o. discounted operation	-13.7	13.2	/
Profit or loss from discounted operation	-11.6	-1.2	/
Profit or loss before tax w.o. non-recurring effects	2.6		
Profit or loss for the period	-25.3	12.1	/
ROS (%)	*-2.0%*	*0.9%*	/

Business Plan 2014: Revenue in EURm

Revenue Group (EURm)



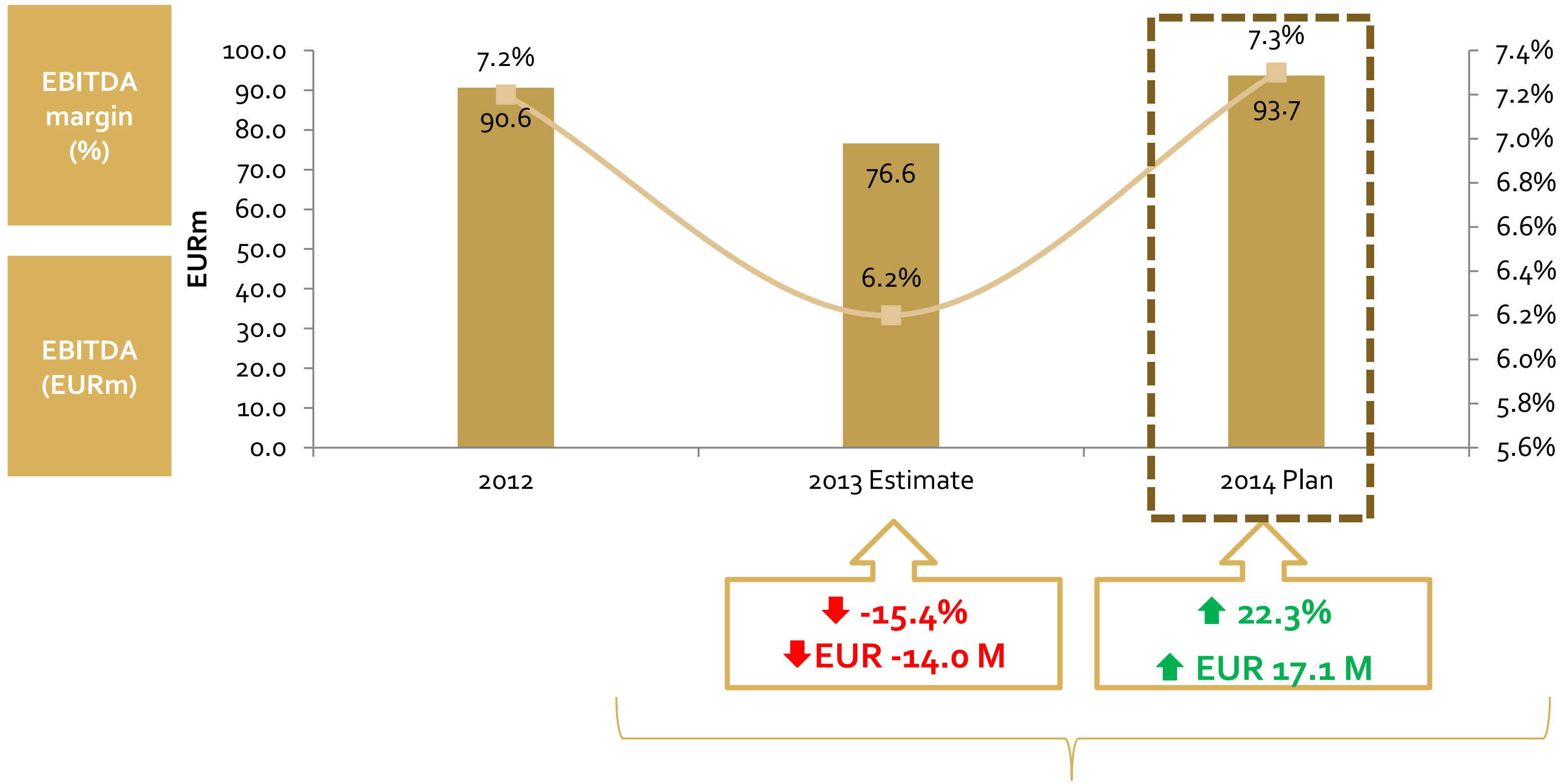
Revenue by Business segments (EURm)



	2012	2013 Estimate	2014 Plan
Portfolio	191.8	170.8	179.0
Home	1,071.3	1,070.7	1,107.5

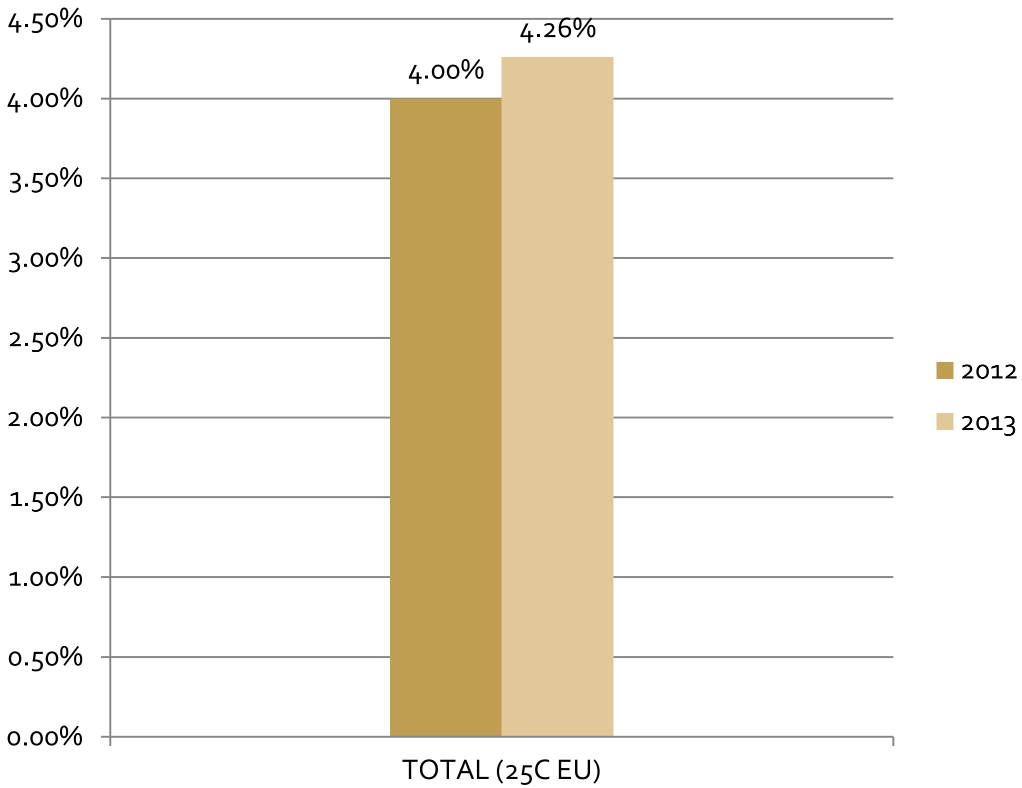
Structure	2012	Estimation 2013	Plan 2014
Home	84,8%	86,2%	86,1%
Portfolio	15,2%	13,8%	13,9%

2014 Business Plan: EBITDA/Gorenje Group



➔ Improvement of performance as measured by EBITDA, especially in the business segment Home, as a result of higher planned sales and improvement in the structure thereof, as well as savings resulting from the relocations of manufacturing operations, savings from sales network reorganization etc.

Market Share of Gorenje Group own brands in 2012 and 2013



Source: CECED statistics Q1-4 2013

Factors Affecting Forward-looking Statements

This Presentation contains "forward-looking" statements and information – that is, statements related to future, not past, events, within the meaning of the Securities Market Act and the Rules and Regulations of the Ljubljana Stock Exchange. These statements may be identified by words such as "expects," "looks forward to," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will," "project" or words of similar meaning. Such statements include, among others, the financial goals and targets of parent company Gorenje, d.d., and Gorenje Group for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. A variety of factors, many of which are beyond Gorenje's control, affect Gorenje's operations, performance, business strategy and results and could cause the actual results, performance or achievements of Gorenje to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include, but may not be limited to the following: consumer demand and market conditions in the geographical areas and industries in which Gorenje Group operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the possibility that customers may delay the conversion of booked orders into revenue or that prices will decline as a result of continued adverse market conditions to a greater extent than currently anticipated by Gorenje's management, the success in developing new products and marketing initiatives, developments in product liability litigation, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates and the integration of these opportunities with existing businesses, continued volatility and a further deterioration of the capital markets, progress in achieving structural and supply-chain reorganization goals. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Gorenje does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.