

Gorenje's initial corporate note offering a success

Corporate notes issued in the amount of EUR 73 million. Total face value higher than anticipated as a result of overwhelming investor interest

Velenje, October 10, 2014 — On October 10, 2014, Gorenje, d.d., successfully issued 5-year corporate notes with a total face value of EUR 73 million. The company initially planned the total issue of EUR 50 million; however, strong investor interest led it to increase the overall emission amount. The funds raised by the sale of notes will be used by Gorenje to improve the maturity profile of its debt and for partial deleveraging. This is Gorenje's first issue of bonds since its transformation into a public limited (joint stock) company.

Gorenje, d.d., invited investors in Slovenia and other European Union countries to subscribe the 5-year corporate notes, subject to the relevant exceptions regarding the publication of a prospectus for a public offering of bonds. Investor response was solid and as a result, Gorenje decided to increase the total face value from the anticipate EUR 50 million to EUR 73 million. The notes will be listed on the Ljubljana Stock Exchange.

Gorenje President and CEO **Franjo Bobinac** commented on the successful issue of notes: *"The issue of corporate notes is a part of strategic activities aimed at improving Gorenje Group's financial position. Sound investor response proves our decision correct, and it is a sign of confidence on the part of the financial markets into the Group and its future development."*

Gorenje corporate notes with a fixed coupon interest rate of 3.85 percent p.a. were subscribed by a total of 97 investors. They are mostly professional fund managers working with a number of financial institutions.

Gorenje CFO Peter Groznik: *"Gorenje is further pursuing its financial restructuring efforts and activities in international capital markets. We are focused on deleveraging and cutting the*

costs of our borrowings. We seek to provide returns to all who finance our business – both the creditors and the shareholders."

Par value per one note was EUR 1,000, and minimum subscription amount was EUR 10,000, or 10 notes, per subscriber. The principal shall be due for repayment in five equal annual instalments, along with relevant interest. Final maturity date for the notes is October 10, 2019.

Gorenje, d.d., authorized the companies ALTA Skupina, d.d.; ALTA Invest, d.d.; Nova Ljubljanska banka, d.d., Ljubljana (Lead Managers), and Nova KBM, d.d. (Co-Lead Manager) for expert consulting and services related to the issue and sale of notes.