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**Unaudited
Consolidated
Financial Statements**

January–December 2015

Gorenje Group and the parent company Gorenje, d.d., prepared pursuant to International Financial Reporting Standards (IFRSs)

Management Board of Gorenje, d. d.
Velenje, March 2016

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PERFORMANCE HIGHLIGHTS OF THE GORENJE GROUP

CORE FINANCIAL INDICATORS FOR Q4 2015

- **In terms of sales and profitability, the Q4 2015 was the best quarter of this year.** The Group generated EUR 349.8m of revenue while EUR 299.9m of revenue was recorded by the core activity Home. **The high growth rates over the first three quarters** were achieved and recorded in terms of revenue at the Group level, in terms of revenue generated by the core activity Home, partly in terms of revenue outside the European markets, and revenue generated through the sale of premium Asko brand products. All these segments also recorded **growth relative to the Q4 2014 balance.**
- The dynamics of Group's sales and business operations in 2015 discloses gradual improvement from one quarter to the next.

Trends in revenue	Q4 2015 / Q1 2015	Q4 2015 / Q2 2015	Q4 2015 / Q3 2015	Q4 2015 / Q4 2014
Gorenje Group	+30.6%	+20.7%	+10.2%	+3.3%
Core activity Home	+33.9%	+20.5%	+5.9%	+2.9%
Outside of Europe	+37.2%	-11.0%	-11.3%	+10.4%
Asko	+24.5%	+0.9%	-5.9%	+18.9%

- **EBITDA was EUR 29.3m** with the EBITDA margin recorded at 8.4%.
- **EBIT was EUR 18.1m**, and the EBIT margin at 5.2 %.
- The Group's operations resulted in positive figures with a **profit recorded at EUR 1.4m.**

Trends in profitability	Q4 2015 / Q1 2015	Q4 2015 / Q2 2015	Q4 2015 / Q3 2015	Q4 2015 / Q4 2014
EBITDA	+85.6%	+63.7%	+70.6%	+35.1%
EBIT	+306.9%	+188.9%	+224.9%	+66.7%
Net profit or loss	/	/	/	/

- **We have generated positive cash flows from operating and investing activities** of EUR 64.7m, which shows an improvement over the Q4 2014 balance by EUR 0.6m.

CORE FINANCIAL INDICATORS FOR 2015

- We have generated **EUR 1,225.0m of revenue** or 2.3% less than in 2014.
- The lower balance of revenue is **in accordance with the planned sales** of the Gorenje Group.
- Revenue recorded and made through the **Home** segment's core activity amounted to **EUR 1,056.0m** (1.7% less than in 2014) and **1.2% more than planned** for this segment.
- **Without the impact of exchange rate fluctuations¹** in 2015, the **Home segment's balance of revenue exceeds the figures recorded in 2014 by 1.7%.**

¹ While calculating the impacts of foreign currency fluctuations on the sale's organic growth, we take into account revenue generated in the local currency in 2015, which is evaluated with the average exchange rates achieved in each currency in 2014. The calculated revenue in EUR is thereupon compared with the actual generated revenue in EUR recorded in the observed period.

- **EBITDA amounted to EUR 80.1m** and indicates a decline of 6.4% over the 2014 balance and 12.4% if compared to the planned amounts. The EBITDA margin of 6.5% was lower by 0.3 p.p. in comparison to 2014 and 1.0 p.p. below plans.
- **EBIT was EUR 34.4m** and shows a 19 percent decline and a 17.3% less than planned. The EBIT margin dropped to 2.8%, which is below the 2014 balance by 0.6 p.p. and 0.6 p.p. below plans.
- 2015 was marked by the **negative impact of the USD strengthening over the EUR. The negative impact on the Gorenje Group's margin (EBITDA/EBIT) was recorded at EUR 6.1m and EUR 3.9m on the Group's net profit or loss.**
- Due to the **economic crisis in Russia**, the Group's revenue declined by **EUR 33.8m relative to the 2014 balance**. With respect to the previous period, we recorded a **margin shortfall (EBITDA/EBIT) of EUR 5.0m** (EUR -3.6m less was generated with respect to the 2015 business plan), which is attributable to the lower volume of sales but mostly also the **time gap between adjusting the prices to the market and the RUB/EUR movement**. The impact of lower sales and the said time gap additionally worsened the **effect of exchange losses related to the Russian rouble by EUR 12.7m**. Conducting business operations in Ukraine was still difficult and revenue was slightly lower from the planned balance.
- **Without the stated negative effects of the USD strengthening over the EUR and the negative impact caused by the crisis in Russia, the Gorenje Group would have recorded a positive balance in 2015 and the targeted profitability for 2015.** The worsening of EBITDA and EBIT is also mostly the result of the negative effects of the USD/EUR (EUR 6.1m) and RUB/EUR (EUR 3.6m) fluctuations.
- In 2015, the Group **invested additional EUR 8m funds in marketing and development** if compared to the previous year. **Without these additional investments, the Group would already in 2015 record positive results.**
- Negative macroeconomic impacts on Group's operations were mitigated by means of activities that increase the sales under our premium Asko and Atag brands and thereby raise the sales share in the premium and innovative segment. By increasing the sales on markets outside Europe, we diminish our dependency from Russian and European markets and simultaneously increase our investments in marketing and development, thereby enhancing the Group's positions on its traditional markets.

EURm	Q4 2014	Q4 2015	Index	2014	2015	Index	Plan 2015	2015/ Plan 2015
Revenue	338.7	349.8	103.3	1,253.7	1,225.0	97.7	1,224.1	100.1
EBITDA	21.7	29.2	135.1	85.6	80.1	93.6	91.4	87.6
<i>EBITDA margin (%)</i>	6.4%	8.4%	/	6.8%	6.5%	/	7.5%	/
EBIT	10.9	18.1	166.7	42.5	34.4	81.0	41.7	82.7
<i>EBIT margin (%)</i>	3.2%	5.2%	/	3.4%	2.8%	/	3.4%	/
Profit or loss before tax	-2.8	3.3	/	3.9	-4.0	/	9.3	/
Profit or loss for the period	-2.8	1.4	/	1.2	-8.0	/	6.1	/
<i>ROS (%)</i>	-0.8%	0.4%	/	0.1%	-0.7%	/	0.5%	/
Net financial debt²	331.5	330.4	99.7	331.5	330.4	99.7	321.0	102.9
Net financial debt / EBITDA	3.8	4.1	/	3.8	4.1	/	3.5	/

² Financial debt - cash

MANAGEMENT REPORT

OPERATING PERFORMANCE OF THE GORENJE GROUP

EURm	Q4 2014	Q4 2015	Index	2014	2015	Index
Revenue	338.7	349.8	103.3	1.253.7	1.225.0	97.7
Contribution margin ³	134.4	137.8	102.5	521.3	510.6	97.9
<i>Contribution margin (%)</i>	39.7	39.4	/	41.6	41.7	/
EBIT	10.9	18.1	166.7	42.5	34.4	81.0
<i>EBIT margin (%)</i>	3.2	5.2	/	3.4	2.8	/
Profit or loss for the period	-2.8	1.4	/	1.2	-8.0	/
<i>ROS (%)</i>	-0.8%	0.4%	/	0.1%	-0.7%	/

The Group generated EUR 1,225.0m of **revenue**, indicating a decline of 2.3% over the 2014 balance. The Home segment recorded a 1.7 percent fall in revenue. **Without the impact of exchange rate fluctuations**, the **Home segment would have exceeded the revenue balance** of 2014 by 1.7%.

We **succeeded increasing the relative contribution margin** by means of an **improved sales structure** and **partial price increases** in individual markets. The absolute amount of the generated contribution margin has decreased mostly due to the **decline in revenue in Russia, Ukraine and Scandinavia**.

The **strengthening of the USD against EUR** also had an adverse effect on the contribution margin. The previously mentioned strengthening had a **negative impact on the profitability of the small household appliances programme**, which is predominantly purchased in USD. A similar trend also prevails in the **purchase of large household appliances that are not manufactured in-house**. The strengthening of USD compared to EUR also **adversely affected the input prices of material and raw materials** purchased in USD. The negative effects of the strengthening of the USD/EUR ratio were mitigated by means of **accelerating sales in USD, in particular on the North American markets** (increase in sales by more than 50%). Nonetheless, the said currency ratio had a **negative impact on the margin (EBITDA/EBIT) in the amount of EUR 6.1m**. The negative effects were additionally mitigated by **purchasing forward contracts that were earmarked for hedging against USD exchange rate fluctuations (EUR 2.2m of positive effects)**, which failed, however, to neutralise the already mentioned margin shortfall in full.

³ Contribution margin at the level of difference between revenue and cost of goods and material.

Foreign currency fluctuations significantly affected sales revenue mostly in Eastern Europe. Without considering other categories (i.e. exchange rate hedging, adjusting prices to markets, product structure, etc.), the impact of foreign currency fluctuations on the Business Segments Homes's organic growth in revenue in key markets was as follows:

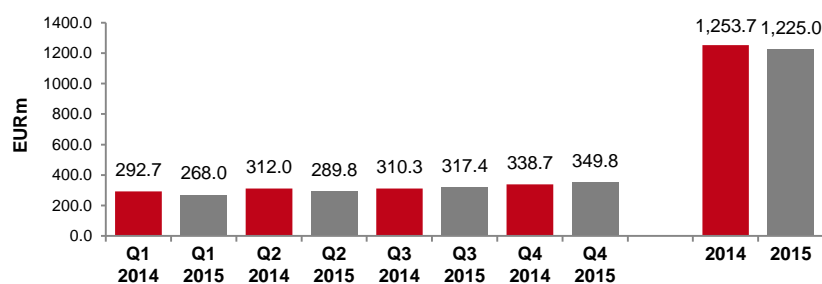
Foreign currency fluctuations and impacts on the Home's organic growth in revenue

Business Segment Home	Actual revenue 2015	Actual revenue 2015 valued at exchange rate 2014	Currency impact on revenue	Actual revenue 2014	Actual growth (%)	Organic growth (%)
EURm						
West	452.7	452.7	0.0	457.7	-1.1%	-1.1%
East	492.8	531.2	-38.4	507.3	-2.9%	+4.7%
Other	110.5	108.5	2.1	109.0	+1.4%	-0.5%
TOTAL	1.056.0	1,092.4	-36.3	1,074.0	-1.7%	+1.7%

The Group applies a centralised policy of exchange rate hedging within the policy of its **currency risk management**. The Group is exposed to changes in local currencies against the euro, which is the Group's main functional currency. This exposure is measured and managed in connection with cash flows planned in the annual period, and the revaluation of balance sheet items expressed in local currencies. The fundamental goal of currency risk management lies in hedging against the business plan's exposure by minimising the adverse impact of exchange rate fluctuations on the Group's net profit or loss and cash flows. In order to hedge against currency risks, we primarily apply the balancing of cash flows and the balance sheet items and entering into derivatives (particularly forward exchange contracts) for the currencies to which the Group is exposed.

SALES

Revenue of the Gorenje Group



- **Group's sales increased in all geographical regions** in Q4 2015 if compared to the sales results recorded in the Q4 2014.

Revenue by geographical segment

EURm	Q4 2014	%	Q4 2015	%	Change (%)	2014	%	2015	%	Change (%)
Western Europe	120.0	35.4	126.2	36.1	+5.2%	467.2	37.3	464.3	37.9	-0.6%
Eastern Europe	191.9	56.7	196.2	56.1	+2.2%	677.5	54.0	650.2	53.1	-4.0%
Other	26.8	7.9	27.4	7.8	+2.2%	109.0	8.7	110.5	9.0	+1.4%
Total Group	338.7	100.0	349.8	100.0	+3.3%	1,253.7	100.0	1,225.0	100.0	-2.3%
Western Europe	116.8	40.1	122.6	40.9	+5.0%	457.7	42.6	452.7	42.9	-1.1%
Eastern Europe	147.8	50.7	149.9	50.0	+1.4%	507.3	47.2	492.8	46.7	-2.9%
Other	26.8	9.2	27.4	9.1	+2.2%	109.0	10.2	110.5	10.4	+1.4%
Total Home	291.4	100.0	299.9	100.0	+2.9%	1,074.0	100.0	1,056.0	100.0	-1.7%

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

DEVELOPMENT AND NEW PRODUCTS

- Pursuant to the Group's strategic goal, we have **increased investments in product development costs to 2.7% in the Group's revenue structure** in 2015 (0.3 p.p. more than in 2014).
- Key innovations that were launched in 2015 encompass:
 - a **new generation of built-in ovens under the Gorenje brand** that were launched on most markets,
 - the new **Essential washing machine**,
 - the new **Magna and Matrix** premium collection of cooking appliances **for the Atag brand**,
 - the new **Gorenje by Starck** appliances designed by Philippe Starck and showcased at the IFA fair in Berlin,
 - the new collection of the Gorenje Infinity line appliances,
 - the upgraded **built-in undercounter refrigerators**.

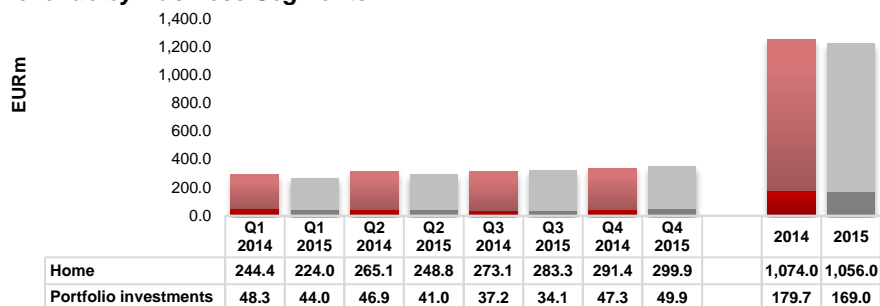
MARKETS OF THE BUSINESS SEGMENT HOME

- The business segment Home as well recorded an **increase in sales** in all geographical regions in Q4 2015 relative to the same period in the previous year.
- Sales growth was recorded on individual **Eastern European** markets i.e. the Czech Republic, Slovakia, Poland, Hungary, Slovenia, Bosnia and Herzegovina, Macedonia, Montenegro, Bulgaria and Romania. The lower sales in Eastern Europe were in 2015 primarily the result of lower sales made in Russia (mostly in the first half-year).
- As for **Western Europe**, sales growth was recorded on the **markets of Benelux**, mostly in the **Netherlands** where our market shares are growing. If compared to 2014, **growth was again recorded in Germany and Great Britain** in Q4 2015, regardless the lower annual sales in 2015. Sales is still declining in Scandinavia and Greece.

- By increasing the sales outside Europe, we diminish the dependency on European markets and improve our sales structure (increasing the share of premium appliances). Significant growth, with respect to markets outside Europe, was recorded in **Australia, Near and Far East, and Asia**. **Sales to industrial partners** also strengthened. The Home segment's sales structure recorded **outside Europe represents a share of 10.4%** (0.2 p.p. more than in 2014).
- Regardless of the unstable macroeconomic circumstances and the distinctive Russian rouble fluctuation, **the last quarter of 2015 recorded the highest revenue balance. No signs of improvement were recorded by operations in Ukraine**, although we are maintaining our market shares. As no improvement is expected shortly in this market, we are implementing measures based on which costs of the sales organisation were adjusted to harsh market conditions in a scope that enables the retaining of market shares in this demanding market.
- Higher sales in the premium segment is generated by means of sales under the **Asko premium brand products**. Sales of Asko premium appliances recorded within the Home's sales structure a 9.4-percent share (0.4 p.p. more than in 2014).
- As for sales of **small household appliances**, the sales in 2015 recorded a 5.6-percent growth in revenue. The sale of small household appliances accounts within the Home's sales structure **a share of 4.1% (0.3 p.p. more than in 2014)**. Growth was recorded in Russia and Ukraine, as well as in Western Europe.
- **Sales of innovative⁴ appliances increased**; consequently, the share of these appliances within the total sales structure rose to 9.9% (2.5 p.p. more than in 2014). Regardless of lower sales, the share of **premium⁵ appliances** within the overall sales increased to 16.7% (0.3 p.p. more than in 2014).

SALES BY GROUP'S BUSINESS SEGMENTS

Revenue by Business Segments



EUR 1,056.0m of revenue was generated within the **Home Business Segment**, showing a 1.7 percent decline compared to 2014 balance. In comparison to the Q4 2014, however, revenue increased in the last quarter of 2015 by 2.9%.

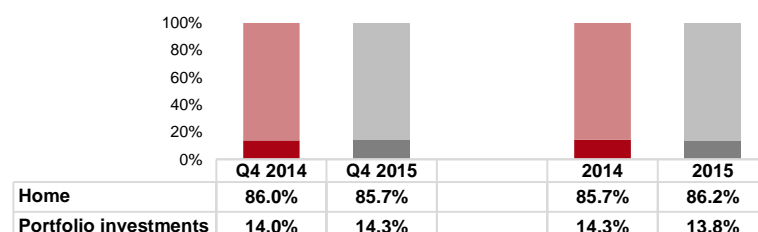
⁴ Innovative appliances: appliances within individual group of products with the so-called »innovative functionalities« are more energy efficient (efficient storage, lower energy and water consumption).

⁵ Premium appliances or higher class appliances: Atag and Asko brands, appliances from the Gorenje Design lines (Gorenje Simplicity, Gorenje Ora-Ito, Gorenje Pininfarina, Gorenje Classico, Gorenje One, Gorenje Karim Rashid, Gorenje Color edition, Gorenje +, Gorenje Retro).

If the **impact of exchange rate fluctuations** is not taken into account, the **Home segment would generate an organic growth in revenue of 1.7% over the 2014 balance.**

EUR 169.0m of revenue was generated in the **Portfolio Investments Business Segment**, which is 5.9% or EUR 10.7m less if compared to 2014. The decline in revenue is the result of lower sale of coal, machine and tool manufacture, and ecology. Revenue growth in Q4 2015 was recorded at 5.6% or EUR 2.6m more if compared to the 2014 balance.

Group's revenue structure by business segment



The achieved **revenue structure by business segments** indicates that the Home segment generated 86.2% of the Group's total revenue (an increase of 0.5 p.p. if compared to 2014). The share's change is attributable to lower revenue generated through the sale of coal (by 9.2%) within portfolio-related activities, and lower revenue from machine and tool manufacture (by 5.1%), and lower revenue generated by the ecology segment (by 8.2%).

PROFITABILITY OF THE GORENJE GROUP

Movement of profitability of the Group at the EBIT level:

EURm	Development
EBIT 2014	42.5
Contribution margin at the level of cost of goods and material	-10.7
Cost of services	-2.1
Employee benefits expense	-2.9
Amortisation and depreciation expense	-2.6
Other operating expenses	0
Other operating income	10.2
EBIT 2015	34.4

- **Earnings before interest and taxes (EBIT):** we achieved an EBIT of EUR 34.4m. With respect to 2014, the EBIT was lower by EUR 8.1m or 19.0%, which is primarily attributable to the lower contribution margin at the level of cost of goods and material due to:
 - **lower sales, mostly in Russia**, where the margin shortfall (EBITDA / EBIT) amounted to EUR 5.0m if compared to 2014,
 - **strengthening of the USD against EUR** that adversely affected the profitability of the programme of small and large household appliances not manufactured in-house and mostly purchased in USD (the estimated margin shortfall (EBITDA / EBIT) exceeds EUR 5.5m), and

- **strengthening of the USD** compared to EUR that **negatively impacted the input prices of material and raw materials**, which are purchased in USD (estimated effect exceeds EUR 4.0m).

COST MANAGEMENT

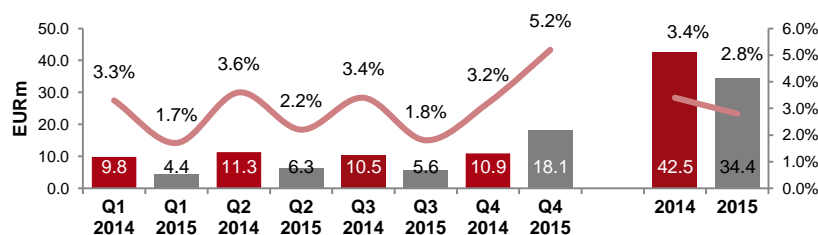
- By means of successful work in the field of supply and production based on:

- **managing the purchase prices of global material and raw materials** and activities for **optimising costs of transportation**,
- **activities related to optimising the use of material** in direct production, and
- **supply with components** from the most competitive countries,

we have **adjusted the costs of material and raw materials** with respect to lower sales and production. The latter is attributable also to activities related to **optimising the supply**. The effects of lower purchase prices would have been even higher if the USD had not strengthened against the EUR.

- **The strengthening of the USD against the EUR adversely affected the increased purchase values of appliances that are not manufactured in-house** (small household appliances and appliances of the supplementary programme). The effect was partly mitigated by higher sales on the dollar-denominated markets and price increases on the market.
- **The negative impact of the strong USD on the purchase prices was partly mitigated** through forward contracts used to hedge against exchange rate fluctuations.
- **Costs of services increased by 1.0% or EUR 2.1m in comparison to 2014**. The reason behind the slower adjustment of costs of services to revenue movement lies in **higher investments referring to sales acceleration**, where the increase was planned in comparison to 2014. The decrease in costs of **logistics (e.g. optimisation of logistics line and lower retail fuels prices)** and costs related to **quality management failed to fully compensate for higher marketing costs**.
- **Employee benefits expense increased by 1.3% or EUR 2.9m**. As the volume of production increased in Q4 2015, the employee benefits expenses increased at the production facilities. Due to a higher volume of orders, the number of employees has increased in October and November 2015. Employee benefits expense were additionally impacted by **provisions created for retirement benefits and jubilee premiums in the amount of EUR 2.4m**. The actuary conducts a calculation of provisions required for retirement benefits and jubilee premiums on a 3-year basis. The decline in interest rates resulted in lower discount rates and consequently higher provisions for retirement benefits and jubilee premiums.

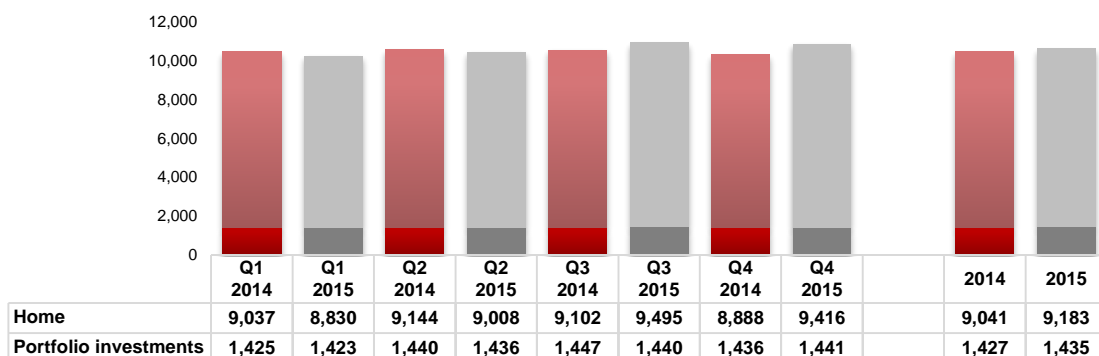
EBIT and EBIT margin



The Gorenje Group's average number of employees was 10,618 or 150 more than in 2014. The average number of employees in the manufacturing companies grew by 133, while in individual companies of the Home segment the number of staff declined by 7 partly as a result of adjusting to the lower volume of sales activities. The number of staff in the Business Segment Portfolio Investments increased by 8 employees.

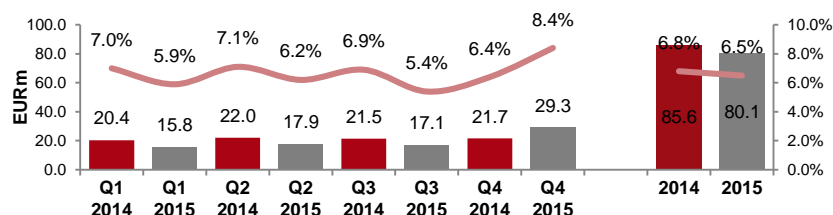
Average number of employees by business segment

Total: 10,462 10,253 10,584 10,444 10,549 10,935 10,324 10,857 10,468 10,618



The Group recorded **earnings before interest, taxes, depreciation and amortisation (EBITDA)** of EUR 80.1m, which is EUR 5.5m or 6.4% less than in 2014. The EBITDA was EUR 29.3m in Q4 2015, or 35.0% more than in 2014.

EBITDA and EBITDA margin



The Group's result from financing activities was negative in the amount of EUR 38.8m, which indicates a decline over the 2014 balance by EUR 0.1m. The negative result from financing activities was primarily impacted by interest expenses that amounted in 2015 to EUR 18.0m and show a decline by 7.9% over 2014, and the negative balance of exchange losses in the amount of EUR 13.0m, which is EUR 11.4m worse than in 2014 and also worse than planned by EUR 6.2m.

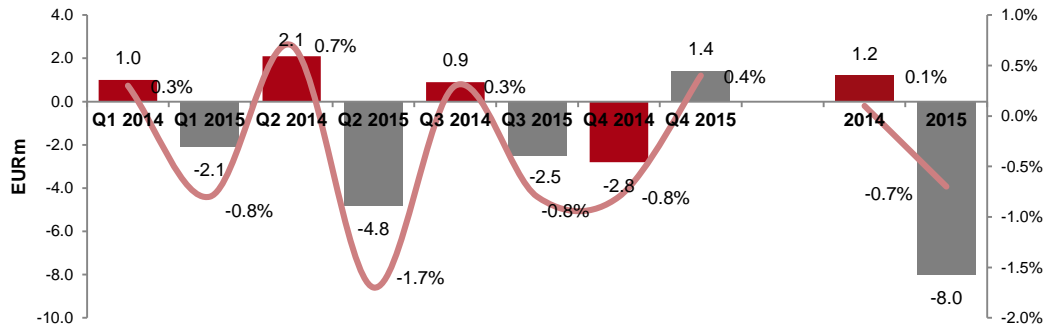
Income tax expense, disclosed at EUR 4.0m and higher by EUR 1.4m in comparison to 2014, includes current and deferred income tax. The increase is mostly the result of the higher withholding tax and higher sales, and thereby profitability in companies, which are net contributors of income tax. The amount of income tax is impacted also by the parent company's lower formation of deferred tax assets as the result of high tax incentives from previous years, which can be used by the company in future periods.

Current tax refers to the tax that will be paid on profit for the period per individual Group companies. Deferred tax is disclosed upon the accounting of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts for tax reporting purposes. Temporary differences, which generally have through deferred tax assets and liabilities the biggest impact on deferred taxes, are tax relief amounts that are disclosed in connection with investments, investments relating to research and development, and amounts of tax losses from previous periods, which largely refer to the parent company.

PROFIT OR LOSS FOR THE PERIOD

The Gorenje Group's **loss for the period** amounted to EUR -8.0m. **The Group generated profit in Q4 2015** in the amount of EUR 1.4m.

Profit or loss for the period and ROS



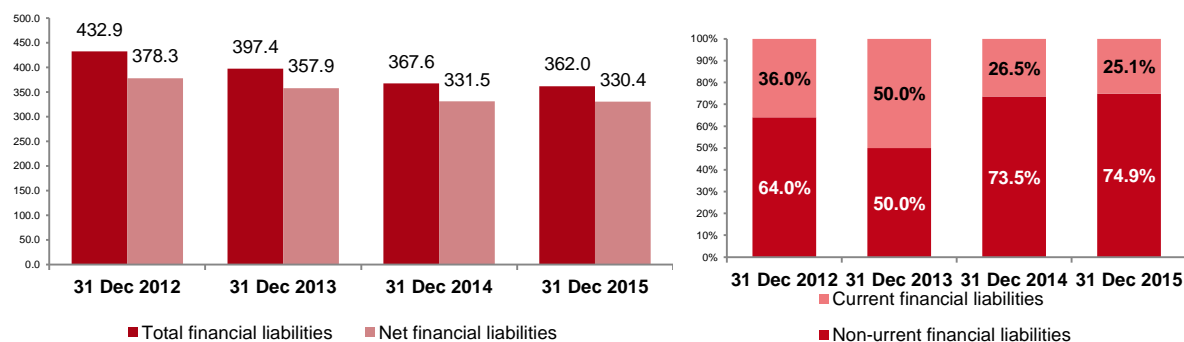
GROUP'S FINANCIAL MANAGEMENT

GROUP'S FINANCIAL OPERATIONS

The primary source of the Group's liquidity for servicing financial and other liabilities is provided through operative sales activities in the Home and Portfolio Investments segments, and within these the free cash flow generated. The policy of replacing currently due long-term financial sources by raising new ones is hereby observed, based on which we strive to improve the relevant maturity structure. In addition, we are constantly renewing current loans or increasing them for the purpose of increasing the liquidity reserve.

In 2015, the Group repaid EUR 99.8m of non-current borrowings and the third issue of commercial paper in the total par value of EUR 29.1m that was made at the end of 2015. The issue of commercial paper aims at balancing the interim dynamics of generating cash flows, hence the commercial paper's issue was conducted at the beginning of 2016. Prolonging the average maturity of financial sources and about one fourth of borrowing on the capital market are reflected in a considerable lower level of alternative borrowing required for settling currently due long-term financial liabilities in 2016, which is recorded at EUR 81.5m or less if compared to previous years.

Movement of total and net financial liabilities in years 2012-2015 (EURm) and the maturity structure of financial liabilities



As at 31 December 2015, **total financial liabilities** amounted to EUR 362.0m, showing a decrease of EUR 5.6m in comparison to the equivalent period in 2014. The movement of financial liabilities complies with the interim seasonal dynamics when most of the Group's negative cash flows from operating and investing activities are generated in the first six months of the financial year. The dynamics in Q4 2015 was more favourable than in the equivalent period last year. As for the **maturity structure of financial liabilities**, 74.9% refer to non-current sources whereby the remaining stake represents current sources. Compared to the 31 December 2014 balance, the maturity structure improved by 1.4 p.p.

As at 31 December 2015, **net financial liabilities** (measured as the difference between total financial liabilities and cash and cash equivalents) amounted to EUR 330.4m and indicate a decrease of EUR 1.1m over the same period in 2014.

As at 31 December 2015, the Group disclosed liquidity reserves in the amount of EUR 115.9m in the form of approved but undrawn current and non-current borrowings in addition to bank balances, which may also be used to bridge payments on currently due liabilities.

Together with existing and new bank and other partners, the Group is engaged in activities to further servicing due financial liabilities and optimising the costs of financing, to an additional maintaining of the loans' maturity structure, and balancing the amount of the liquidity reserve. Based on the latter, Gorenje achieved that most of the new non-current loan agreements

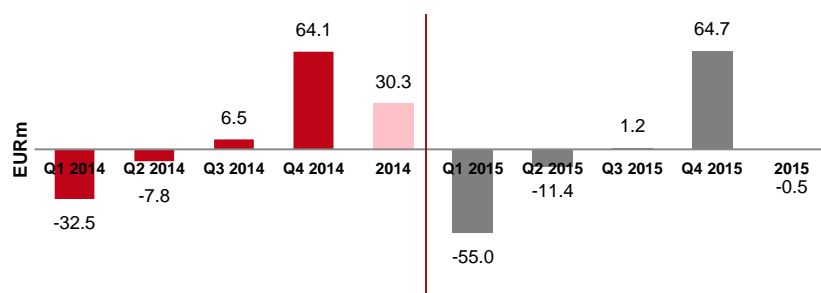
were included provisions on lowering the interest rates during the repayment period by taking into account the net financial debt/ EBITDA ratio (e.g. margin grid); this will in view of the Group's planned relative deleveraging have an impact on additional lowering of costs of financing in the future, without requiring an adjustment of the signed loan contracts. The aforesaid activities already at present significantly ensure sources of financing for servicing currently due long-term borrowings for 2016 and current balancing of cash flow requirements.

None of Group's borrowings are secured; for most of the borrowings, Gorenje is accordingly obliged to meet contractually stipulated financial ratios. In 2015, we have exceeded the contractually stipulated financial ratio, which defines the relation between the net financial debt and EBITDA (it amounted 4.13), for which all banks issued a waiver for 2015.

In Q4 2015, the Group generated EUR 64.7m of positive cash flows from operating and investing activities, which shows an improvement of EUR 0.6m if compared to Q4 2014. These dynamics are typical, as the Group generates most of its negative cash flows from operating and investing activities in the first six months of the year.

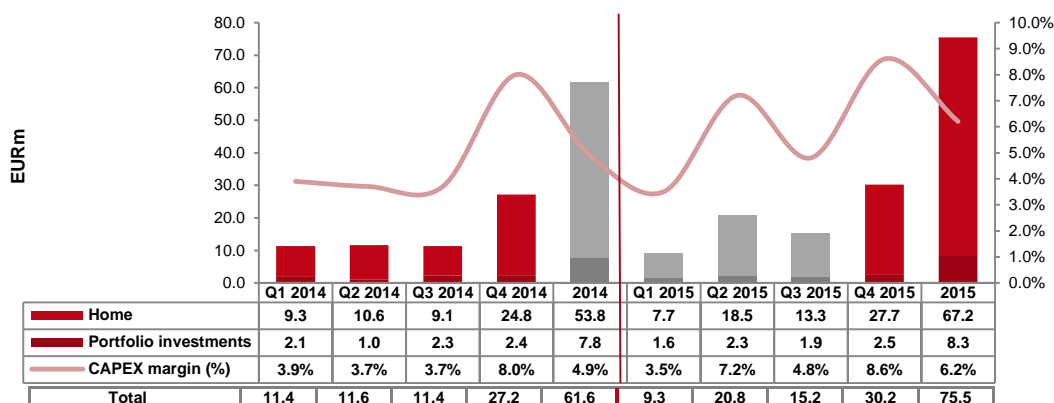
In 2015, EUR 0.5m of negative cash flows from operating and investing activities were recorded, and these worsened over 2014 by EUR 30.8m. This is primarily attributable to the loss for the period and higher investments made with respect to the previous year.

Cash flows from operating and investing activities



Investments amounted to EUR 75.5m in 2015 and show an increase of EUR 13.9m over 2014. Investments in property, plant and equipment amounted to EUR 52.6m, the largest portion thereof in the amount of EUR 34.7m refers to investments in technological equipment, mostly for developing new products. The largest portion of investments recorded at EUR 67.2m refers to the Home segment. As for the total investments structure, EUR 20.1m refers to non-material investments which comprise capitalised costs of developing new products. Investments recorded by the Portfolio Investments segment in 2015 amounted to EUR 8.3m, and the largest portion thereof was invested in ecology (EUR 5.9m).

Investments by business segment



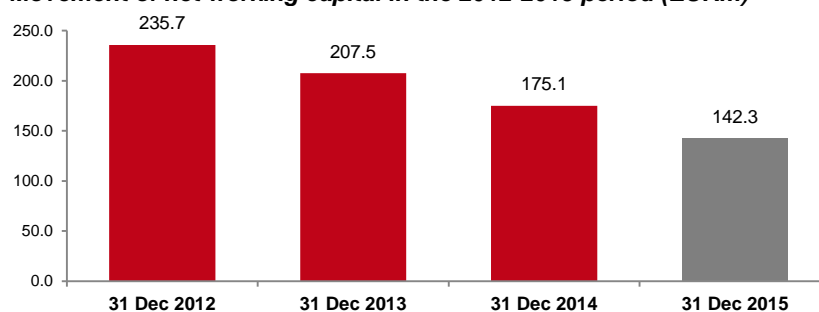
WORKING CAPITAL

As at 31 December 2015, the Group's investments in net working capital⁶ amounted to EUR 142.3m and, compared to 31 December 2014, indicates a decline of EUR 32.8m. The working capital's decrease was mostly impacted by lower trade receivables and higher trade payables.

Investments in net working capital

EURm	31 Dec 2012	31 Dec 2013	31 Dec 2014	31 Dec 2015
+ Inventories	253.7	236.4	219.8	225.9
+ Trade receivables	224.1	208.6	182.6	161.0
+ Other current assets	53.1	51.3	48.9	52.2
- Trade payables	-216.3	-214.0	-202.6	-221.0
- Other current liabilities	-78.9	-74.8	-73.6	-75.8
= Net working capital	235.7	207.5	175.1	142.3

Movement of net working capital in the 2012-2015 period (EURm)



At the end of 2015, **trade receivables** were recorded at EUR 161.0m and show a decrease of EUR 21.6m in comparison to 31 December 2014. The average turnover of receivables was 50 days, which is six days shorter than the average turnover of receivables in the previous year's equivalent period.

⁶ Net working capital = inventories + trade receivables + other current assets – trade payables – other current liabilities

Inventories amounted to EUR 225.9m and with respect to 31 December 2014 show an increase of EUR 6.1m. Inventory turnover amounted to 65 days and equals the level of 2014.

As at 31 December 2015, **trade payables** amounted to EUR 221.0m and show an increase of EUR 18.4m in comparison to 31 December 2014. Turnover of liabilities equalled the level of the year-end of 2014.

Certain financial risks have a significant impact on the Group's cash flow management

With regard to the category of **financial risks**, the fierce macroeconomic situation and political risks in certain markets led the Group to pay special attention to efficient **credit risk** management. Credit risk is thereby balanced through the on-going control of credit limits approved by credit insurance companies, the appropriate collection of receivables, and regular communication with credit insurance companies and business partners. The system of permanent non-recourse factoring was launched and is applied in cases where costs of relevant activities do not exceed the costs of financing. The balance of bad debts is reviewed and analysed on an on-going basis, and proper measures are implemented (e.g. collection, mortgage collections, suspension of supplies to customers with weak credit ratings, etc.). We have a strict set of rules on what is deemed suitable collateral for the sale of goods, and a defined level of the maximum possible exposure to individual companies, customers, etc.

Currency risks are to the widest possible extent hedged and minimised by natural cash flow balancing for each currency that, mostly in the case of sales companies, is impossible to be fully implemented. The Group systematically applies forward exchange contracts for most of the currencies that are not part of the euro zone in order to hedge against currency risk. In addition, we are seeking additional possibilities for increasing the scope of natural hedging. In the medium term, we hedge against currency risk by adjusting sales prices on an on-going basis, by applying cost optimisation and by means of increasing natural hedging on the purchase/sale side.

In 2015, the biggest exchange gains due to forward exchange contracts were recorded with the US dollar as a result of forward exchange contracts concluded for hedging against cash flow exposure on the purchase side and exchange losses with the Russian rouble, where the new exposure of cash flows is hedged on the selling side.

We are managing the **risk of short-term liquidity** by means of approved revolving credit lines per Group companies, approved bank account overdrafts, and bank balances. As at the end of December 2015, the undrawn part of current and non-current credit lines amounted to EUR 84.3m and bank balances to an additional EUR 31.6m.

**BUSINESS PERFORMANCE OF THE MAIN COMPANY
GORENJE, D.D.**

Operating performance of Gorenje, d.d.

EURm	Q4 2014	Q4 2015	Index	2014	2015	Index
Revenue	182.5	195.0	106.8	687.2	683.4	99.4
Contribution margin⁷	55.4	64.0	115.5	218.6	220.2	100.7
<i>Contribution margin (%)</i>	30.4%	32.8%	/	31.8%	32.2%	/
EBITDA	10.2	17.1	167.6	39.6	39.4	99.5
<i>EBITDA margin (%)</i>	5.6%	8.8%	/	5.8%	5.8%	/
EBIT	4.5	11.1	247.5	18.0	15.5	86.1
<i>EBIT margin (%)</i>	2.5%	5.7%	/	2.6%	2.3%	/
Profit or loss before tax	0.7	3.3	498.6	5.9	-3.1	/
Profit or loss for the period	0.8	2.4	307.5	6.3	-4.0	/
<i>ROS (%)</i>	0.4%	1.2%	/	0.9%	-0.6%	/
<i>ROA (%)</i>	0.3%	1.0%	/	0.7%	-0.4%	/
<i>ROE (%)</i>	0.8%	2.6%	/	1.8%	-1.1%	/
Employee / end of period	4,081	4,138	101.4	4,081	4,138	101.4
Employee / average	4,094	4,286	104.7	4,139	4,163	100.6

In 2015, **revenue** generated by the parent company amounted to EUR 683.4m, indicating a decrease of EUR 3.8m or 0.6% over the last year.

The parent company's Home Business Segment recorded revenue of EUR 641.0m or 0.2% less than in 2014, which is primarily the result of:

- lower sales of products (quantity) manufactured in-house by 4.9%,
- lower volume of production by 6.1%,
- lower other sales by the Home Business Segment by 1.4%, primarily referring to marketing material and raw materials.

Revenue generated through sales beyond the Home Business Segment amounted to EUR 35.7m and shows a decrease over 2014 by 8.5%, which is mostly attributable to lower income from the sale of coal and lower income generated through the Solar programme. Revenue from the sale of kitchens amounted to EUR 6.7m, which is 17.0% more if compared to 2014.

The contribution margin increased by EUR 1.6m over the previous period. The absolute amount of gross margin increased mostly due to the favourable adjustment of direct costs of material (decrease of 1.2%) in view of the revenue-related movement (-0.6%).

Employee benefits expense increased by 3.0%, which is the result of higher provisions for retirement benefits and jubilee premiums that were formed on the basis of the actuarial calculation. Costs of severance pays increased as well.

The average number of employees was higher in the second half-year of 2015 based on more orders.

In comparison to 2014, amortisation and depreciation expense increased by 10.8%, largely as a result of completing development projects that were

⁷ Contribution margin at the level of difference between revenue and cost of goods and material.

activated in the second half-year of 2014, as well as the lines of washing machines and dryers activated in the first months of 2015.

The result from financing activities worsened by 54.2% or by EUR 6,510k, which is primarily the result of the negative effect of implemented derivatives that were used to hedge against currency risks.

The elements mentioned above had an adverse effect on EBIT and the profit or loss for the period.

Movement of the parent company's profitability at the level of profit or loss for the period:

EURm	Development
Profit of loss for 2014	6.3
Contribution margin at the level of cost of goods and material	1.7
Cost of services	-6.5
Employee benefits expense	-2.9
Amortisation and depreciation expense	-2.3
Other operating expenses	0.9
Other operating income	6.6
Financial result	-6.5
Income tax expense and deferred taxes	-1.3
Profit or loss for 2015	-4.0

Costs of services had the largest adverse impact on the profit or loss for the period (in addition to financial trends), which show an increase of **EUR 6.5m** over the previous year. Higher costs of services are mostly attributable to accelerating the sales and ensuring quality aftersales services. Lower costs of logistics had, however, a positive impact on costs of services due to lower retail selling prices of fuels and the search for optimum logistics solutions.

As at 31 December 2015, **trade receivables** were recorded at EUR 145.3m and show a decrease of EUR 22.4m in comparison to 31 December 2014. The average turnover of receivables was 82 days, which is 13 days shorter than the average turnover of receivables in the previous year's equivalent period. Most of the receivables refers to related entities (77,7%).

Inventories amounted to EUR 92.0m and with respect to 31 December 2014 show a decrease of EUR 4.2m. Inventory turnover amounted to 50 days and equals the level of 2014. The turnover days of material and raw materials were reduced by 3 days, whereby they increased for inventories of finished products and merchandise by 2 days.

As at 31 December 2015, **trade payables** amounted to EUR 167.4m and show an increase of EUR 12.6m in comparison to 31 December 2014. Turnover of liabilities equalled the level recorded at year-end of 2014.

As at 31 December 2015, **total financial liabilities** amounted to EUR 394.2m, showing an increase of EUR 46.1m in comparison to the equivalent period in 2014. The relevant increase is attributable to the ever growing centralised financial policy of the Group, which borrows funds via the parent company for the purpose of alternative financing. As for the **maturity structure of financial liabilities**, 63.3% refer to non-current sources whereby the remaining stake represents current sources. Compared to the same period in 2014, the maturity structure worsened by 3.8 p.p.

As at 31 December 2015, **net financial liabilities** (measured as the difference between total financial liabilities and cash and cash equivalents) amounted to EUR 386.5m and indicate an increase of EUR 48.7m over the 31 December 2014 balance.

Unaudited Consolidated Financial Statements
January-December 2015

EUR 39.3m of positive cash flows from operating and investing activities was recorded in Q4 2015, showing an improvement of EUR 23.7m over the comparable period in 2014. This trend complies with the interim dynamics when most of the parent company's positive cash flows from operating and investing activities is generated in the last quarter of the year.

In 2015, the parent company generated EUR 9.6m of positive cash flows from operating and investing activities, which is EUR 2.0m less than in 2014. This is primarily the result of the poor profit or loss for the period and higher investments (by EUR 13.9m) made in comparison to 2014.

Investments amounted to EUR 50.1m in 2015 (66.3% of the Group's total investments). Investments in property, plant and equipment amounted to EUR 34.3m, the largest portion thereof in the amount of EUR 24.5m refers to investments in technological equipment, mostly for developing new products. As for the total investments structure, EUR 15.4m refers to non-material investments which comprise capitalised costs of developing new products.

OWNERSHIP STRUCTURE AND THE GRVG SHARE

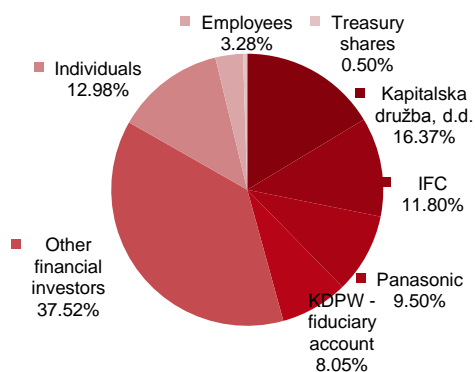
OWNERSHIP STRUCTURE

As at **31 December 2015**, **16,248** shareholders were entered in the share register, indicating that the number of shareholders declined by 4.4% over the year-end balance of 2014 (17,000).

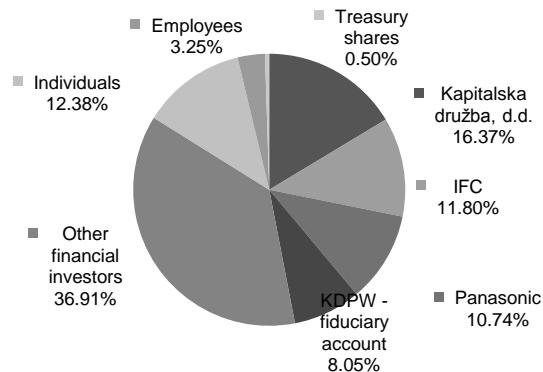
Gorenje's ten major shareholders and owners

Ten major shareholders	No. of shares (31 Dec 2015)	Share in %
KAPITALSKA DRUŽBA, D.D.	3,998,653	16.37%
IFC	2,881,896	11.80%
PANASONIC CORPORATION	2,623,664	10.74%
KDPW – FIDUCIARY ACCOUNT	1,966,735	8.05%
HOME PRODUCTS EUROPE B.V.	1,069,450	4.38%
Alpen.SI, mixed flexible sub-fund	981,188	4.02%
ZAGREBAČKA BANKA D.D. – FIDUCIARY ACCOUNT	717,413	2.94%
AUERBACH GRAYSON & COMPANY LLC	647,165	2.65%
RAIFFEISEN BANK AUSTRIA D.D. – FIDUCIARY ACCOUNT	629,805	2.58%
KD BALKAN, EQUITY FUND	615,955	2.52%
Total major shareholders	16,131,924	66.05%
Other shareholders	8,292,689	33.95%
Total	24,424,613	100%

Ownership structure as at 31 December 2014



Ownership structure as at 31 December 2015



The number of own shares or treasury shares equals the 2014 year-end balance i.e. at **121,311 treasury shares**, which accounts for **0.4967%** of total share capital.

The number of shares held by Supervisory Board and Management Board members

Supervisory Board	31 Dec 2014		31 Dec 2015	
Total:	3,508	0.0144%	3,508	0.0144%
Peter Kobal	1,355	0.0055%	1,355	0.0055%
Krešimir Martinjak	115	0.0005%	115	0.0005%
Jurij Slemenik	2,038	0.0083%	2,038	0.0083%

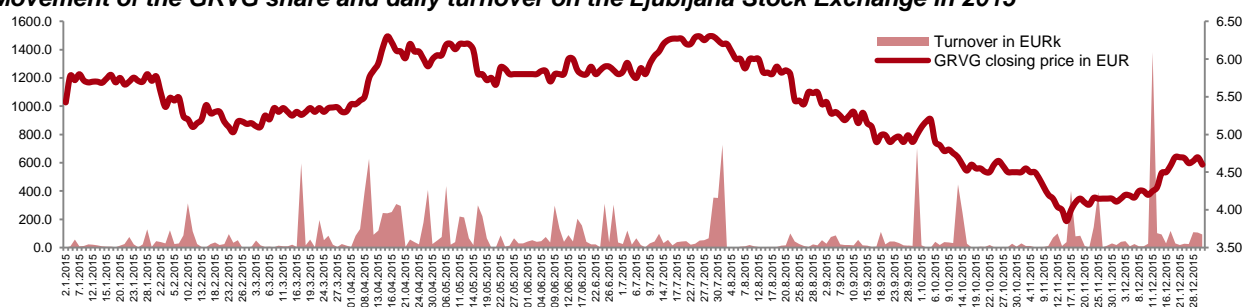
Management Board	31 Dec 2014		31 Dec 2015	
Total:	21,394	0.0876%	21,394	0.0876%
Franco Bobinac	4,096	0.0168%	4,096	0.0168%
Branko Apat	626	0.0026%	626	0.0026%
Drago Bahun	9,082	0.0372%	9,082	0.0372%
Marko Mrzel	450	0.0018%	450	0.0018%
Peter Groznik	7,140	0.0292%	7,140	0.0292%

The number of the company's shares held by Supervisory Board and Management Board members has not changed in the period from 31 December 2015 to the date of this public announcement. Marko Mrzel no longer acts as Management Board member, responsible for Sales since 29 February 2016.

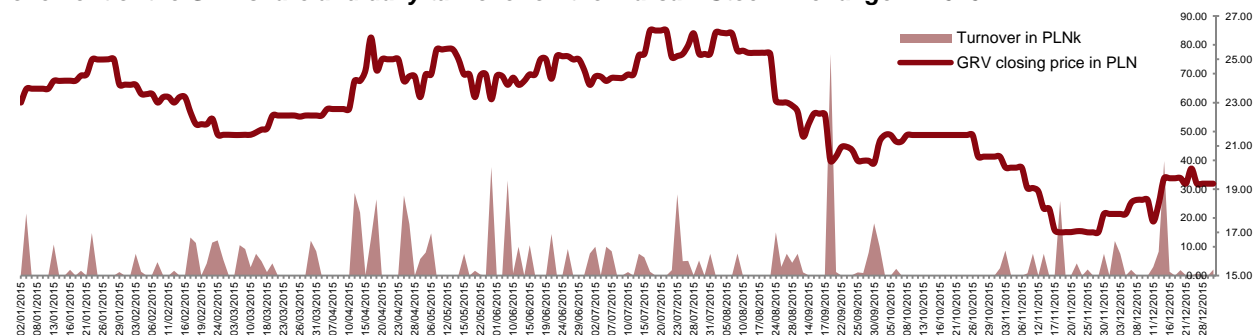
GRVG SHARE IN 2015

As at the last trading day in December 2015, the **closing price per share** on the Ljubljana Stock Exchange as the primary market was recorded at EUR 4.60 and shows a decline of 18.1% in comparison to the last trading day in 2014 (EUR 5.62). The prime market index SBITOP declined in the same period by 11.2%. Total turnover on the Ljubljana and Warsaw Stock Exchanges was 2,470,289 shares, indicating that the average daily turnover on the Ljubljana Stock Exchange was 9,642 shares and 162 shares on the Warsaw Stock Exchange. Compared to the year-end balance of 2014, the closing price of the share on the Warsaw Stock Exchange decreased by 19.2% (from PLN 23.82/EUR 5.58 to PLN 19.25/EUR 4.51).

Movement of the GRVG share and daily turnover on the Ljubljana Stock Exchange in 2015



Movement of the GRV share and daily turnover on the Warsaw Stock Exchange in 2015



Basic and diluted earnings per share are calculated as the ratio between the profit or loss of the parent company's owners and the average number of shares issued, less the average balance of treasury shares (24,303,302 shares), amounts to EUR -0.34 (2014: EUR 0.04).

The book value of the GRVG share as at 31 December 2015 amounted to EUR 15.14 (EUR 15.65 as at 31 December 2014). It is calculated as the ratio between the book value of the Group's ordinary share capital and the number of issued shares, exclusive of the number of treasury shares as at 31 December 2014 (24,303,302 shares).

The ratio between the market value and the book value of the GRVG share is recorded at 0.30 (0.36 as at 31 December 2014).

Dividend policy: A dividend payout of EUR 0.06 gross per share was carried out for the 2014 financial year. Due to the economic crisis, which has had a fundamental impact on Gorenje Group's operations since the last quarter of 2008, no dividends were paid out for the years 2008, 2009, 2010, 2012 and 2013. As for the 2011 fiscal year, dividends were paid in the amount of EUR 0.15 gross.

The strategy of generating added value for all stakeholders (including the dividend policy): Gorenje generates added value for all its participants and enables its stakeholders a dividend yield in accordance with the results (dividends up to 1/3 of net profit). Furthermore, we provide for our employees and Gorenje's sustainable development.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

At the 17th correspondence session, the Supervisory Board of Gorenje, d.d., was informed about the statement of resignation handed in by the Management Board member and Chief Sales Officer Marko Mrzel. The Supervisory Board accepted his resignation on 12 February 2016. He performed his duties until 29 February 2016. The Management Board will temporarily continue to work with five members. Until the appointment of a new Chief Sales Officer, sales will be managed by Suad Hadžić, Executive Director of the Eastern European region.

In order to obtain funds for seasonal financing of its operations, Gorenje, d. d. has as at 3 February 2016 successfully completed its fourth consecutive issue of commercial paper (GRV04) in the amount of EUR 28.9m. The commercial paper, with the start of its interest accrual period on 3 February 2016, and date of maturity on 22 December 2016, has the lowest interest rate to date i.e. at 2.00 percent p.a.

Gorenje, d.d. published on 15 January 2016 its business plan for 2016, the first year of the new strategic period.

No other significant events occurred after the date of compiling the balance sheet as at 31 December 2015.

SIGNIFICANT BUSINESS EVENTS IN 2015

JANUARY

Gorenje presenting advanced solutions for more cooking enjoyment at LivingKitchen in Cologne



We again took part in the biennial LivingKitchen show, a part of the globally renowned furniture fair IMM in Cologne, Germany. Gorenje presented customers and fair visitors its new generation of cooking built-in appliances and other innovations.

FEBRUARY

As at 20 February 2015, we have issued 10-month commercial papers bearing an interest rate of 2.20% p.a., in the total par value of EUR 29.1m or 35% more than initially planned.

MARCH

Gorenje's heating segment at the Dom and ISH tradeshows



From 9 to 15 March 2015, Gorenje participated at the Dom tradeshow in Ljubljana and the ISH tradeshow in Frankfurt and presented its innovations in the heating segment, among them the new generation of water heaters that offers energy-efficient use. The new water heater from the Style line, which is the thinnest water heater produced in Europe, and the new sanitary heat pump, distinguished by its technical characteristics and advanced design, received most of the attention. Gorenje also exhibited the latest air-conditioning appliances and boilers at the Dom tradeshow, whereas in Frankfurt the sanitary equipment was on display.

APRIL

Negotiations on the possible divestment of the majority shareholding in Gorenje Surovina

On 3 April 2015, Gorenje and the Polish company Elemental Holding SA started negotiations on the divestment of the majority shareholding in its subsidiary Gorenje Surovina. Negotiations also involve certain other subsidiaries of Gorenje Surovina. The purpose of these negotiations is to specify the scope, value, and terms of sale.

Silver medal for Orodjarna



Gorenje Orodjarna again participated at the international Forma Tool tradeshow, which commenced in Celje from 21 to 24 April 2015. A tool for recasting sheet metal and a measurement device for permanent testing of dishwashers were exhibited. We received a silver medal for developing and manufacturing a tool that produces the outer face of the front side of the Panasonic washing machine, which consists of four recasting operations.

MAY

Gorenje the most trusted home appliance brand for the 9th consecutive year

In the Trusted Brand consumer survey conducted annually by the Reader's Digest magazine, for the ninth consecutive year Gorenje was voted the most trusted brand in Slovenia in the global competition of home appliance brands.

Gorenje available also through the John Lewis online shop



The retailer John Lewis has chosen Gorenje to be among the brands offered on their website www.johnlewis.com. John Lewis, as one of the biggest retailers, with an annual turnover of GBP 10b and 5 million customers, is an ideal option for promoting Gorenje's high-quality products.

Opening of the new Gorenje Studio in Sarajevo and the Family Day event



A new Gorenje Studio was opened in Sarajevo on 16 May 2015, extending over 215 square meters. A Gorenje Family Day was also organised on this occasion and a donation made to the Vladimir Nazor Education and Rehabilitation Centre.

JUNE

Gorenje awarded the exclusive OPUS Kuala Lumpur project in Malaysia

In Kuala Lumpur on 10 June 2015, representative of investor Star Effort, signed a partnership agreement with Gorenje and the Calvin Klein Furniture Company, to fit all 357 units in the future exclusive Opus Kuala Lumpur residential area.



Opus Kuala Lumpur, with a total value of EUR 73m, is part of the new emerging centre in Kuala Lumpur, covering over 740,000 m². The project is expected to be completed in 2017.

Gorenje will contribute the whole set of products for kitchen and home (oven, hood, cooker, refrigerator, washer-dryer appliances) and thus provide the future residents a true Gorenje "Life Simplified" experience.



In recent years, Gorenje has been gaining a reputation with project-related business in Asia. To date, Gorenje has participated in more than 20 exclusive projects in Hong Kong and in past two years also appeared in South-East Asia. It has

been present in Malaysia since 2013 and the Opus represents the first step to greater recognisability of the Gorenje brand also on that market.

Gorenje – Best from Serbia

Organised by Serbia's Chamber of Commerce, the Ministry of Trade, Tourism, and Telecommunication, and the daily newspaper *Privredni pregled* (Business Review), the campaign "Best from Serbia" was carried out for the

11th consecutive year. The campaign presents awards to the best domestic brands and companies for their financial and market achievements.

According to consumers and the expert jury, Gorenje was named *The Best International Brand Made in Serbia*. Gorenje is present in Serbia with three factories (in Valjevo, Stara Pazova, and Zaječar) as well as a sales organisation in Belgrade and broad sales network. It employs nearly 2,000 staff and ranks among the top five Serbian exporters.

JULY

Panasonic and Gorenje expand their strategic partnership to other business segments

On 7 July 2015, the Panasonic Corporation and the Gorenje Group signed an amendment to the Strategic Alliance Agreement of 5 July 2013, with which they have agreed to expand their strategic partnership to several new business segments, in addition to the already existing areas of cooperation. Based on this amendment, the strategic cooperation will be expanded mainly to the following new business segments: purchase of materials and components, manufacturing innovation, aftersales services, logistics, quality assurance, and distribution of large and small domestic appliances on selected markets.

Gorenje signed a contract on divesting the majority holding in Gorenje Surovina

On 24 July 2015, Gorenje, d.d. signed with the Polish company Tesla Recycling S.K.A., a subsidiary of Elemental Holding, S.A., a contract on selling its majority holding in the subsidiary Gorenje Surovina, d.o.o., including the latter's subsidiaries Kemis Valjevo, d.o.o., Kemis BH, d.o.o., and Cleaning System S, d.o.o., Šabac.

First official presentation of the new HomeMade line in Asia



The Architect Expo tradeshow was held in the Impact Arena in Bangkok this year, where our distributor Hafele for the first time officially presented Gorenje's HomeMade line of built-in appliances. Thus, 200,000 visitors had the opportunity to see Gorenje's ovens, hoods, refrigerators and cookers for the first time in Asia, among which the small-sized (45 cm) steam oven, refrigerators of the Ion

Generation and the IQcook hob draw most of interest. On a daily basis, the Hafele team demonstrated the simple use of Gorenje appliances and we are proud that the response was so positive.

First launch of Asko products at the exhibition-sales showroom in Israel



After the successful launch and strengthening of the Gorenje trademark on the Israeli market, the Gorenje Group opened its showroom in Jerusalem, where the Asko brand was premiered. It was very well received by visitors as a range of premium appliances for the most demanding customers.

Gorenje is distinguished on the demanding Israeli market by its technologically perfected and superiorly designed home appliances that offer numerous competitive advantages. The showrooms in Tel Aviv and Jerusalem significantly contribute to the latter.

Red Dots for eight Gorenje Group appliances



This year, the Gorenje Group was also among the receivers of the Red Dot Award, which is deemed one of the most significant international design awards. The Gorenje+ hood, the Atag gas-induction hob, the warming drawer, the steam oven, and the Asko and Atag hoods were given awards for their exceptional design achievements.

AUGUST

Gorenje Group continues to divest its non-core ecology segment

On 19 August 2015, Gorenje, d.d. and Gorenje Surovina, d.o.o. signed an agreement with the company HIS gradbeništvo in inženiring d.o.o., which holds a 49 percent stake in the company Publicus, d.o.o., to divest their majority holding in their subsidiary Publicus, d.o.o., Ljubljana, including the subsidiary Ekogor, d.o.o., Jesenice.

Atag Nederland wins the Business Success Award



The Gorenje Group's subsidiary Atag Nederland from Duivn wins the Business Success Award in the category of kitchen appliances. The award is granted by the Dutch National Business Success Awards Institute.

Asko Duo Fusion received the Good Design Award®



The Asko Duo Fusion has received Australia's oldest and most prestigious award for excellence in design and innovation.



The ASKO Duo Fusion is a 90cm cooktop, which combines two energy sources: an induction cooktop and a gas wok burner. No other cooktop on the market combines these two energy sources. The beauty of it lies in experiencing true wok cooking but also having the speed, safety and precision of induction cooking.

SEPTEMBER

Gorenje at the IFA in Berlin



IFA in Berlin, the leading consumer electronics and home appliance fair, sees the unveiling of Gorenje's designer line of kitchen appliances Gorenje by Starck designed by the globally renowned Philippe Starck, the Infinity lifestyle line, and Gorenje's other latest home appliances. At the event, the Group also presented the new identity and appearance of the Gorenje brand. The core message of

the revised identity is a promise of comfortable quality and superior user experience.



Gorenje at the prestigious design festival in London



Gorenje was among nine exhibitors that showcased products created by Slovenian designers.

The successful collective exhibition entitled Slovenia Design represents also the first step of enhancing recognisability of Slovenian design.

Gorenje showcased its latest innovations in technologies, such as the HomeChef technology oven, the popular refrigerator collection and the energy saving induction hob.

OCTOBER

7th Biennial of Slovenia's visible messages



finalists.

Gorenje regularly participates and presents its design solutions at numerous respective events. During this year's 7th biennial of Slovenia's visible messages, the Gorenje Group's gift bags designed by Marko Marinšek, the fair layout at the IFA 2015, and the collection of the Fischer Alpine women skies designed in the Gorenje design studio were among the



Official launch of the Gorenje brand in Vietnam

On 17 October 2015, Gorenje Group marked another successful milestone in Asia, officially launching the Gorenje brand that coincides with the opening ceremony of the first exclusive Gorenje showroom in Hanoi.



NOVEMBER

Gorenje wins the best annual report award for the third time

The best annual report contest organised by the Finance Business Academy and Finance Daily was held for the 16th consecutive year. Gorenje's annual report received by the 5-member jury the highest rating among Slovenian companies for the 3rd consecutive year. This is already the sixth best annual report award to Gorenje.

Gorenje's new strategic plan up to 2020 is founded on global growth

Gorenje's seeks new opportunities in this changed and unforeseeable environment and compiled a new 2016 – 2020 strategic plan for the Gorenje Group, which is founded on global growth. Sales shall be doubled in the high price segments with premium and innovative products in overseas countries.

DECEMBER

Gorenje repays commercial paper holders GRV03

As at 18 December 2015, Gorenje paid out the holders of the 10-month commercial paper GRV03 issued by Gorenje, d.d. on 20 February 2015 in the total par value of EUR 29.1m and bearing interest at 2.20%. The purpose of the issue is seasonal financing of business operations and diversification of short-term financing sources.

Panasonic Corporation increased its equity interest in Gorenje

Panasonic Corporation acquired on 11 December 2015 303,478 GRVG shares issued by the company Gorenje, d.d., and thereby increased its stake of voting rights from 9.499% (2,320,186) to 10.742% (2,623,664) of total voting rights in Gorenje, d.d. The Gorenje Group and the Panasonic Corporation successfully cooperate in several business areas. Panasonic acquired the initial capital share while concluding a long-term strategic partnership with Gorenje Group in 2013, and at the same time committed not to increase its equity interest above 13 per cent within five years, without a prior written consent of the Gorenje's Management and Supervisory Board. In

addition, the groups have expanded their successful partnership in July 2015 to new business areas.

Gorenje the most energy saving brand

Hungarian agency E.ON which on a yearly basis selects and rewards the most energy saving household appliances of the year on the Hungarian market, awarded Gorenje two prizes this year. Gorenje's vacuum cleaner is the most energy saving in its category and Gorenje brand the most energy saving brand, winning the Energy Saving Award in different categories as many as eight times in the past six years.

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 2015 have been prepared in compliance with provision 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 2015 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.

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 Gorenje Group up to and including 31 December 2015 were as follows:

- As at 11 February 2015, the parent company Gorenje, d.d., acquired from GEOPLIN, d.o.o., Ljubljana an equity interest in the company GGE, družba za izvajanje energetskih storitev, d.o.o., Ljubljana and thereby became its 50 percent owner.
- Gorenje Studio d.o.o. Beograd recorded changes in its ownership structure, according to which the company Gorenje, d.o.o., Beograd has withdrawn as its shareholder and was as at 30 April 2015 succeeded by Gorenje Beteiligungs m.b.h., Austria,
- Gorenje Studio d.o.o. Ljubljana recorded changes in its ownership structure, according to which the company Gorenje GSI, d.o.o., has withdrawn as its shareholder and was as at 25 May 2015 succeeded by Gorenje Beteiligungs m.b.h., Austria.
- As at 18 August 2015, the company Gorenje Solago, d.o.o., Serbia merged with the company Gorenje aparati za domačinstvo, d.o.o., Serbia.
- As at 28 September 2015, the company Kemis, d.o.o., Vrhnika sold its investment in Kemis - BH, d.o.o., Bosnia and Herzegovina to the company Gorenje Surovina, d.o.o., Maribor.
- As at 28 September 2015, the company Gorenje Surovina, d.o.o., Maribor sold its investment in Kemis – SRS, d.o.o., Bosnia and Herzegovina to the company Kemis, d.o.o., Vrhnika.
- As at 13 October 2015, the company Gorenje Surovina increased the share capital of the company Publicus, d.o.o. The equity interest of Gorenje Surovina in that company increased to 64.99%.
- As at 9 November 2015, the company Gorenje Chile SpA, Chile was established; its sole (100%) owner is the company Gorenje Beteiligungs GmbH, Austria.
- As at 23 November 2015, the company Gorenje Sola Home, d.o.o., Serbia was merged with the company Gorenje Home d.o.o., Serbia.
- As at 15 December 2015, the liquidation procedure of the company Gorenje AS, Norway was completed.

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- As at 16 December 2015, the company Gorenje AB, Sweden was sold.
- As at 17 December 2015, the liquidation procedure of the company Gorenje Belux S.a.r.l., Belgium was completed.
- As at 29 December 2015, the company Gorenje EKOINVEST ekološke naložbe, d.o.o., was founded as a result of the split-off from the company Gorenje Surovina, d.o.o. The company Gorenje, d.d., is the sole shareholder of the new company.

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

Companies operating in Slovenia		Equity interest in %	Business segment
1.	Gorenje I.P.C., d.o.o., Velenje	100.00	BSH
2.	Gorenje GTI, d.o.o., Velenje	100.00	BSPI
3.	Gorenje Gostinstvo, d.o.o., Velenje	100.00	BSPI
4.	Energygor, d.o.o., Velenje	100.00	BSPI
5.	Kemis, d.o.o., Vrhnika	100.00	BSPI
6.	Gorenje Orodjarna, d.o.o., Velenje	100.00	BSPI
7.	ZEOS, d.o.o., Ljubljana	51.00	BSPI
8.	Gorenje Surovina, d.o.o., Maribor	100.00	BSPI
9.	Indop, d.o.o., Šoštanj	100.00	BSPI
10.	ERICo, d.o.o., Velenje	51.00	BSPI
11.	Gorenje design studio, d.o.o., Velenje	52.00	BSH
12.	PUBLICUS, d.o.o., Ljubljana	64.99	BSPI
13.	EKOGOR, d.o.o., Jesenice	64.99	BSPI
14.	Gorenje GAIO, d.o.o., Šoštanj	100.00	BSPI
15.	Gorenje GSI, d.o.o., Ljubljana	100.00	BSH
16.	Gorenje Keramika, d.o.o., Velenje	100.00	BSPI
17.	Gorenje Surovina Fotoreciklaža, d.o.o., Maribor	51.00	BSPI
18.	Gorenje Studio, d.o.o., Ljubljana	100.00	BSH
19.	Gorenje EKOINVEST, d.o.o., Ljubljana	100.00	BSPI
Foreign operations		Equity interest in %	Business segment
1.	Gorenje Beteiligungs GmbH, Austria	100.00	BSH
2.	Gorenje Austria Handels GmbH, Austria	100.00	BSH
3.	Gorenje Vertriebs GmbH, Germany	100.00	BSH
4.	Gorenje Körting Italia S.r.l., Italy	100.00	BSH
5.	Gorenje France S.A.S., France	100.00	BSH
6.	Gorenje Espana, S.L., Spain	100.00	BSH
7.	Gorenje UK Ltd., Great Britain	100.00	BSH
8.	Gorenje Group Nordic A/S, Denmark	100.00	BSH
9.	Gorenje OY, Finland	100.00	BSH
10.	Gorenje spol. s r.o., Czech Republic	100.00	BSH
11.	Gorenje real spol. s r.o., Czech Republic	100.00	BSH

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12.	Gorenje Slovakia s.r.o., Slovakia	100.00	BSH
13.	Gorenje Magyarország Kft., Hungary	100.00	BSH
14.	Gorenje Polska Sp. z o.o., Poland	100.00	BSH
15.	Gorenje Bulgaria EOOD, Bulgaria	100.00	BSH
16.	Gorenje Zagreb, d.o.o., Croatia	100.00	BSH
17.	Gorenje Skopje, d.o.o., Macedonia	100.00	BSH
18.	Gorenje Commerce, d.o.o., Bosnia and Herzegovina	100.00	BSH
19.	Gorenje, d.o.o., Serbia	100.00	BSH
20.	Gorenje Podgorica, d.o.o., Montenegro	99.975	BSH
21.	Gorenje Romania S.r.l., Romania	100.00	BSH
22.	Gorenje aparati za domaćinstvo, d.o.o., Serbia	100.00	BSH
22.	Mora Moravia s r.o., Czech Republic	100.00	BSH
24.	Gorenje - kuchyně spol. s r.o., Czech Republic	100.00	BSH
25.	KEMIS-Termoclean, d.o.o., Croatia	100.00	BSPI
26.	Kemis - BH, d.o.o., Bosnia and Herzegovina	100.00	BSPI
27.	Gorenje Studio, d.o.o., Serbia	100.00	BSH
28.	Gorenje Gulf FZE, United Arab Emirates	100.00	BSH
29.	Gorenje Tiki, d.o.o., Serbia	100.00	BSH
30.	Gorenje Istanbul Ltd., Turkey	100.00	BSH
31.	Gorenje TOV, Ukraine	100.00	BSH
32.	ST Bana Nekretnine, d.o.o., Serbia	100.00	BSPI
33.	Kemis Valjevo, d.o.o, Serbia	100.00	BSPI
34.	Kemis – SRS, d.o.o., Bosnia and Herzegovina	100.00	BSPI
35.	Atag Nederland BV, the Netherlands	100.00	BSH
36.	Atag Belgie NV, Belgium	100.00	BSH
37.	Intell Properties BV, the Netherlands	100.00	BSH
38.	Gorenje Nederland BV, the Netherlands	100.00	BSH
39.	Gorenje Kazakhstan, TOO, Kazakhstan	100.00	BSH
40.	»Euro Lumi & Surovina« SH.P.K., Kosovo	51.00	BSPI
41.	OOO Gorenje BT, Russia	100.00	BSH
42.	Gorenje GTI, d.o.o., Beograd, Serbia	100.00	BSPI
43.	Asko Appliances AB, Sweden	100.00	BSH
44.	Gorenje North America, Inc., USA	100.00	BSH
45.	Asko Appliances Pty, Australia	100.00	BSH
46.	Asko Appliances OOO, Russia	100.00	BSH
47.	»Gorenje Albania« SHPK, Albania	100.00	BSH
48.	Gorenje Home d.o.o., Zaječar, Serbia	100.00	BSH
49.	ORSES d.o.o., Beograd, Serbia	100.00	BSPI
50.	Gorenje Ekologija, d.o.o., Stara Pazova, Serbia	100.00	BSPI
51.	Gorenje Corporate GmbH, Austria	100.00	BSH
52.	Cleaning system S, d.o.o., Serbia	100.00	BSPI
53.	ZEOS eko-sistem d.o.o., Bosnia and Herzegovina	49.45	BSPI
54.	Gorenje do Brasil Ltda., Brasil	100.00	BSH
55.	Gorenje Asia Ltd., China	100.00	BSH

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56.	Gorenje MDM d.o.o. Kragujevac, Serbia	100.00	BSPI
57.	Gorenje Chile SpA, Chile	100.00	BSH

BSH – Business Segment Home
BSPI – Business Segment Portfolio Investments

Associates:

- Gorenje Projekt, d.o.o., Velenje
- GGE družba za izvajanje energetske storitve, d.o.o. (GGE d.o.o.), Ljubljana
- Econo Projektiranje d.o.o., Ljubljana
- ENVITECH D.O.O., Belgrade, Serbia
- Gorenje Electronics Trading LLC, Dubai, United Arab Emirates
- Gorenje Projekt, d.o.o., Belgrade, Serbia
- Tosidos, d.o.o., Ljubljana

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

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

Planned changes in the Gorenje Group composition

*In July 2015, Gorenje, d.d. signed with the Polish company Tesla Recycling S.K.A., a contract on selling its majority holding in the subsidiary Gorenje Surovina, d.o.o., including the latter's subsidiaries Kemis Valjevo, d.o.o., Kemis BH, d.o.o., and Cleaning System S, d.o.o., Šabac. Signing the contract on the disposal of the majority holding in Gorenje Surovina is the next step to enhancing the core activity, whereby the sale will also have a material impact on Group's further deleveraging and its financial stability. **Once the transaction is completed, with 31 March 2016 being its final deadline, the stated companies will become Gorenje Group's associated companies.** In the period since the contract's signing, we are engaged in implementing activities related to contractual provisions, whose realisations is required by the completion of the transaction.*

In August 2015, Gorenje, d.d., and Gorenje Surovina, d.o.o., signed an agreement with the company HIS gradbeništvo in inženiring d.o.o., which holds a 49 percent stake in the company Publicus, d.o.o., to divest their majority holding in their subsidiary Publicus, d.o.o., Ljubljana, including the subsidiary Ekogor, d.o.o., Jesenice. The relevant agreement is the first step of signing a contract on selling an equity interest, which the new company, within the framework of Gorenje Group, and the company HIS, d.o.o., will conclude should the agreed preconditions be met. Key preconditions are bound by the withdrawal of own shares in Gorenje Surovina, the change of legal form of the company Gorenje Surovina, within which Gorenje Surovina's investments will be split off, including the investment in Publicus, to the new company, and the assurance of refinancing the existing financial liabilities of Publicus and Ekogor, which are supported by Gorenje Group's guarantees. Since the agreement's signing, both Gorenje and HIS are engaged in activities that are required for meeting the preconditions as defined. Once the transaction is complete, the companies Publicus, d.o.o., and Ekogor, d.o.o., will no longer be part of the Gorenje Group.

Unaudited Consolidated Financial Statements of the Gorenje Group

Consolidated Balance Sheet of the Gorenje Group

EURk	Balance at 31 Dec 2014	%	Balance at 31 Dec 2015	%
ASSETS	1,102,398	100.0%	1,101,274	100.0%
Non-current assets	594,578	53.9%	614,125	55.8%
Intangible assets	181,600	16.5%	196,032	17.8%
Property, plant and equipment	356,089	32.3%	366,210	33.3%
Investment property	18,931	1.7%	17,148	1.6%
Non-current investments	5,125	0.5%	2,942	0.3%
Investments in associates	1,122	0.1%	1,570	0.1%
Non-current trade receivables	6,988	0.6%	5,743	0.5%
Deferred tax assets	24,723	2.2%	24,480	2.2%
Current assets	507,820	46.1%	487,149	44.2%
Non-current assets held for sale	1,648	0.1%	309	0.0%
Inventories	219,799	19.9%	225,906	20.5%
Current investments	20,481	1.9%	16,370	1.5%
Trade receivables	182,589	16.6%	161,020	14.6%
Other current assets	47,241	4.3%	51,934	4.7%
Cash and cash equivalents	36,062	3.3%	31,610	2.9%
EQUITY AND LIABILITIES	1,102,398	100.0%	1,101,274	100.0%
Equity	380,267	34.5%	368,062	33.4%
Share capital	101,922	9.3%	101,922	9.2%
Share premium	175,698	15.9%	175,698	15.9%
Revenue reserves	99,301	9.0%	99,301	9.0%
Treasury shares	-3,170	-0.3%	-3,170	-0.3%
Retained earnings	10,365	0.9%	747	0.1%
Translation reserve	-17,600	-1.6%	-19,049	-1.7%
Fair value reserve	10,912	1.0%	9,485	0.9%
Equity of holders of the parent	377,428	34.2%	364,934	33.1%
Equity of non-controlling interests	2,839	0.3%	3,128	0.3%
Non-current liabilities	348,390	31.6%	345,298	31.4%
Provisions	64,125	5.8%	62,269	5.7%
Deferred income	5,270	0.5%	5,350	0.5%
Non-current operating liabilities	5,937	0.5%	4,178	0.4%
Deferred tax liabilities	2,988	0.3%	2,515	0.2%
Non-current financial liabilities	270,070	24.5%	270,986	24.6%
Current liabilities	373,741	33.9%	387,914	35.2%
Current financial liabilities	97,536	8.8%	91,038	8.2%
Trade payables	202,615	18.4%	221,027	20.1%
Other current liabilities	73,590	6.7%	75,849	6.9%

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Consolidated Income Statement of the Gorenje Group

EURk	Q4 2014	%	Q4 2015	%	2014	%	2015	%
Revenue	338,754	104.9%	349,815	100.0%	1,253,717	99.3%	1,225,029	96.4%
Change in inventories	-22,678	-7.0%	-18,290	-5.3%	-12,042	-1.0%	13,370	1.1%
Other operating income	6,722	2.1%	18,558	5.3%	21,694	1.7%	31,866	2.5%
Gross profit	322,798	100.0%	350,083	100.0%	1,263,369	100.0%	1,270,265	100.0%
Cost of goods, materials and services	-236,056	-73.1%	-254,041	-72.5%	-927,686	-73.4%	-937,245	-73.8%
Employee benefits expense	-58,308	-18.1%	-60,155	-17.2%	-228,479	-18.1%	-231,362	-18.2%
Amortisation and depreciation expense	-10,794	-3.4%	-11,141	-3.2%	-43,019	-3.4%	-45,644	-3.6%
Other operating expenses	-6,763	-2.1%	-6,614	-1.9%	-21,650	-1.7%	-21,570	-1.7%
Operating profit	10,877	3.3%	18,132	5.2%	42,535	3.4%	34,444	2.7%
Finance income	4,378	1.4%	2,691	0.8%	8,685	0.7%	7,396	0.6%
Finance expenses	-18,268	-5.7%	-17,766	-5.1%	-47,422	-3.8%	-46,188	-3.6%
Net finance expenses	-13,890	-4.3%	-15,075	-4.3%	-38,737	-3.1%	-38,792	-3.0%
Share in profits or losses in associates	197	0.1%	217	0.0%	65	0.0%	360	0.0%
Profit or loss before tax	-2,816	-0.9%	3,274	0.9%	3,863	0.3%	-3,988	-0.3%
Income tax expense	42	0.0%	-1,880	-0.5%	-2,624	-0.2%	-4,000	-0.3%
Profit or loss for the period	-2,774	-0.9%	1,394	0.4%	1,239	0.1%	-7,988	-0.6%
Attributable to non-controlling interests	-1	0.0%	93	0.0%	220	0.0%	215	0.0%
Attributable to equity holders of the parent	-2,773	-0.9%	1,301	0.4%	1,019	0.1%	-8,203	-0.6%
Basic and diluted earnings per share (in EUR)	-0.11		0.05		0.04		-0.34	

**Consolidated Statement of Other Comprehensive Income of the
Gorenje Group**

EURk	2014	2015
Profit or loss for the period	1,239	-7,988
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	0	-1,962
Change in fair value of land	0	628
Actuarial gains or losses	0	-2,590
Items that may be reclassified subsequently to profit or loss	-11,260	-914
Net change in fair value of available-for-sale financial assets	-41	13
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge	-145	-527
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge, reclassified to profit or loss	2,472	867
Income tax on other comprehensive income	-381	182
Translation reserve	-13,165	-1,449
Other comprehensive income for the period	-11,260	-2,876
Total comprehensive income for the period	-10,021	-10,864
Attributable to equity holders of the parent	-10,241	-11,079
Attributable to non-controlling interests	220	215

Consolidated Statement of Cash Flows of the Gorenje Group

EURk	2014	2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit or loss for the period	1,239	-7,988
Adjustments for:		
-Depreciation of property, plant and equipment	35,950	36,776
-Amortisation of intangible assets	7,069	8,868
-Investment income	-8,750	-7,396
-Finance expenses	47,422	46,188
-Gain on sale of property, plant and equipment	-288	-2,671
-Revaluation operating income on property, plant and equipment	-83	0
-Income tax expense	2,624	4,000
Operating profit before changes in net operating current assets and provisions	85,183	77,777
Change in trade and other receivables	20,196	12,493
Change in inventories	16,552	-6,107
Change in provisions	-4,452	-1,776
Change in trade and other payables	-19,483	5,588
Cash generated from operations	12,813	10,198
Interest paid	-21,526	-18,868
Income tax paid	-4,048	-5,137
Net cash from operating activities	72,422	63,970
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	5,477	11,579
Proceeds from sale of investment property	3,274	0
Interest received	1,793	1,877
Dividends received	120	52
Sale of subsidiary	10	0
Acquisition of property, plant and equipment	-40,371	-52,610
Acquisition of investment property	-9	0
Other investments	-3,258	1,885
Acquisition of intangible assets	-21,264	-22,886
Net cash used in investing activities	-54,228	-60,103
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Capital increase	9,812	0
Borrowings / Repayment of borrowings	-31,444	-6,861
Dividend payout	0	-1,458
Net cash used in financing activities	-21,632	-8,319
Net change in cash and cash equivalents	-3,438	-4,452
Cash and cash equivalents at beginning of period	39,500	36,062
Cash and cash equivalents at end of period	36,062	31,610

Consolidated Statement of Changes in Equity of the Gorenje Group

EURk	Share capital	Share premium	Revenue reserves				Treasury shares	Retained earnings		Translation reserve	Fair value reserve	Equity holders of the parent	Non-controlling interests	Total
			Legal reserves	Statutory reserves	Treasury share reserve	Other revenue reserves		Profit or loss from previous periods	Profit or loss for the period					
Opening balance at 1 Jan 2014	92,240	175,568	12,896	6,923	3,170	72,829	-3,170	39,540	-26,711	-4,435	9,007	377,857	2,813	380,670
Total comprehensive income for the period														
Profit or loss for the period									1,019			1,019	220	1,239
Total other comprehensive income										-13,165	1,905	-11,260	0	-11,260
Total comprehensive income for the period	0	0	0	0	0	0	0	0	1,019	-13,165	1,905	-10,241	220	-10,021
Transactions with owners (when acting as owners) recognised directly in equity														
Contributions by owners and distribution to owners														
Capital increase	9,682	318										10,000		10,000
Costs of capital increase		-188										-188		-188
Transfer of profit or loss from previous period to retained earnings or losses								-26,711	26,711			0		0
Transfer of part of profit for 2014 to other reserves						2,850			-2,850			0		0
Formation of statutory reserves				633					-633			0		0
Total contributions by owners and distributions to owners	9,682	130	0	633	0	2,850	0	-26,711	23,228	0	0	9,812	0	9,812
Change in equity interests in subsidiaries that do not result in a loss of control														
Change in equity interests												0	-194	-194
Total changes in equity interests in subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	-194	-194
Total transactions with owners	9,682	130	0	633	0	2,850	0	-26,711	23,228	0	0	9,812	-194	9,618
Closing balance at 31 Dec 2014	101,922	175,698	12,896	7,556	3,170	75,679	-3,170	12,829	-2,464	-17,600	10,912	377,428	2,839	380,267

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EURK	Share capital	Share premium	Revenue reserves				Treasury shares	Retained earnings		Translation reserve	Fair value reserve	Equity holders of the parent	Non-controlling interests	Total
			Legal reserves	Statutory reserves	Treasury share reserve	Other revenue reserves		Profit or loss from previous periods	Profit or loss for the period					
Opening balance at 1 Jan 2015	101,922	175,698	12,896	7,556	3,170	75,679	-3,170	12,829	-2,464	-17,600	10,912	377,428	2,839	380,267
Total comprehensive income for the period														
Profit or loss for the period									-8,203			-8,203	215	-7,988
Total other comprehensive income										-1,449	-1,427	-2,876	0	-2,876
Total comprehensive income for the period	0	0	0	0	0	0	0	0	-8,203	-1,449	-1,427	-11,079	215	-10,864
Transactions with owners (when acting as owners) recognised directly in equity														
Contributions by owners and distribution to owners														
Transfer of profit or loss from previous period to retained earnings or losses								-2,464	2,464			0		0
Dividend payout								-1,458				-1,458		-1,458
Transfer of fair value reserve of land to retained earnings or losses								43				43		43
Total contributions by owners and distributions to owners	0	0	0	0	0	0	0	-3,879	2,464	0	0	-1,415	0	-1,415
Change in equity interests in subsidiaries that do not result in a loss of control														
Change in equity interests												0	74	74
Total changes in equity interests in subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	74	74
Total transactions with owners	0	0	0	0	0	0	0	-3,879	2,464	0	0	-1,415	74	-1,341
Closing balance at 31 Dec 2015	101,922	175,698	12,896	7,556	3,170	75,679	-3,170	8,950	-8,203	-19,049	9,485	364,934	3,128	368,062

Unaudited Financial Statements of Gorenje, d.d.
Balance Sheet of Gorenje, d.d.

EURk	Balance at 31 Dec 2014	%	Balance at 31 Dec 2015	%
ASSETS	910,137	100.0%	959,570	100.0%
Non-current assets	487,383	53.6%	520,038	54.2%
Intangible assets	33,247	3.7%	44,509	4.6%
Property, plant and equipment	180,660	19.8%	193,572	20.2%
Investment property	16,729	1.8%	15,276	1.6%
Investments in subsidiaries	238,363	26.2%	246,863	25.7%
Investments in associates	341	0.1%	509	0.1%
Other non-current investments	689	0.1%	1,690	0.2%
Deferred tax assets	17,354	1.9%	17,619	1.8%
Current assets	422,754	46.4%	439,532	45.8%
Inventories	96,138	10.6%	91,986	9.6%
Current investments	137,280	15.1%	182,911	19.1%
Trade receivables	167,714	18.4%	145,322	15.1%
Other current assets	11,368	1.2%	11,714	1.2%
Cash and cash equivalents	10,254	1.1%	7,599	0.8%
EQUITY AND LIABILITIES	910,137	100.0%	959,570	100.0%
Equity	365,910	40.2%	358,914	37.5%
Share capital	101,922	11.2%	101,922	10.6%
Share premium	157,835	17.3%	157,835	16.5%
Revenue reserves	99,301	10.9%	99,301	10.4%
Treasury shares	-3,170	-0.3%	-3,170	-0.3%
Retained earnings	4,220	0.5%	-1,196	-0.1%
Fair value reserve	5,802	0.6%	4,222	0.4%
Non-current liabilities	256,032	28.1%	271,101	28.2%
Provisions	21,929	2.4%	21,418	2.2%
Non-current financial liabilities	234,103	25.7%	249,683	26.0%
Current liabilities	288,195	31.7%	329,555	34.3%
Current financial liabilities	113,990	12.5%	144,470	15.1%
Trade payables	154,786	17.0%	167,363	17.4%
Other current liabilities	19,419	2.2%	17,722	1.8%

Income Statement of Gorenje, d.d.

EURk	Q4 2014	%	Q4 2015	%	2014	%	2015	%
Revenue	182,461	101.3%	194,969	97.8%	687,210	98.5%	683,408	97.0%
Change in inventories	-5,653	-3.1%	-5,177	-2.6%	-95	-0.1%	4,522	0.6%
Other operating income	3,361	1.8%	9,655	4.8%	10,252	1.6%	16,876	2.4%
Gross profit	180,169	100.0%	199,447	100.0%	697,367	100.0%	704,806	100.0%
Cost of goods, materials and services	-143,234	-79.5%	-153,396	-76.9%	-555,271	-79.7%	-559,895	-79.4%
Employee benefits expense	-24,905	-13.8%	-27,259	-13.7%	-96,898	-13.9%	-99,791	-14.2%
Amortisation and depreciation expense	-5,736	-3.2%	-6,039	-3.0%	-21,618	-3.1%	-23,960	-3.4%
Other operating expenses	-1,821	-1.0%	-1,683	-0.8%	-5,631	-0.8%	-5,700	-0.8%
Operating profit	4,473	2.5%	11,070	5.6%	17,949	2.5%	15,460	2.2%
Finance income	3,433	1.9%	4,515	2.3%	16,578	2.4%	14,546	2.1%
Finance expenses	-7,250	-4.0%	-12,314	-6.2%	-28,585	-4.1%	-33,063	-4.7%
Net finance expenses	-3,817	-2.1%	-7,799	-3.9%	-12,007	-1.7%	-18,517	-2.6%
Profit or loss before tax	656	0.4%	3,271	1.7%	5,942	0.8%	-3,057	-0.4%
Income tax expense	114	0.1%	-903	-0.5%	392	0.1%	-944	-0.1%
Profit or loss for the period	770	0.5%	2,368	1.2%	6,334	0.9%	-4,001	-0.5%
Basic and diluted earnings per share (in EUR)	0.03		0.10		0.28		-0.16	

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

EURk	2014	2015
Profit or loss for the period	6,334	-4,001
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	0	-1,660
Change in fair value of land	0	-43
Actuarial gains or losses	0	-1,617
Items that may be reclassified subsequently to profit or loss	1,857	80
Net change in fair value of available-for-sale financial assets	-41	13
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge	-192	-958
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge, reclassified to profit or loss	2,472	867
Income tax on other comprehensive income	-382	158
Other comprehensive income for the period	1,857	-1,580
Total comprehensive income for the period	8,191	-5,581

Statement of Cash Flows of Gorenje, d.d.

EURk	2014	2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit or loss for the period	6,334	-4,001
Adjustments for:		
-Depreciation of property, plant and equipment	18,446	19,488
-Amortisation of intangible assets	3,172	4,472
-Investment income	-16,578	-14,546
-Finance expenses	28,585	33,063
-Gain on sale of property, plant and equipment	-36	-225
-Gain on sale of investment property	-83	0
-Revaluation operating expenses	0	0
-Tax expenses	-392	944
Operating profit before changes in net operating assets and provisions	39,448	39,195
Change in trade and other receivables	25,219	21,448
Change in inventories	-327	4,152
Change in provisions	-2,404	-511
Change in trade and other payables	-16,471	1,369
Cash generated from operations	6,017	26,458
Interest paid	-17,054	-18,510
Income tax paid	0	-1,049
Net cash from operating activities	28,411	46,094
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	7,391	1,964
Proceeds from sale of investment property	3,274	1,448
Interest received	6,731	6,402
Dividends received	5,349	4,026
Disposal of subsidiary	266	0
Acquisition of subsidiary	-4,506	-8,500
Acquisition of associate	0	-168
Acquisition of property, plant and equipment	-23,385	-34,323
Acquisition of investment property	-9	-37
Other investments	-44,832	-48,130
Acquisition of intangible assets	-14,767	-15,739
Net cash used in investing activities	-64,488	-93,057
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Capital increase	9,812	0
Borrowing / Repayment of borrowings	21,615	45,766
Dividend payout	0	-1,458
Net cash used in financing activities	31,427	44,308
Net change in cash and cash equivalents	-4,650	-2,655
Cash and cash equivalents at beginning of period	14,904	10,254
Cash and cash equivalents at end of period	10,254	7,599

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

EURk	Share capital	Share premium	Revenue reserves				Treasury shares	Retained earnings		Fair value reserve	Total
			Legal reserves	Statutory reserves	Treasury share reserve	Other re-venue reserves		Profit or loss from previous periods	Profit or loss for the period		
Opening balance at 1 Jan 2014	92,240	157,705	12,896	6,923	3,170	72,829	-3,170	151	1,218	3,945	347,907
Total comprehensive income for the period											
Profit for the period									6,334		6,334
Total other comprehensive income										1,857	1,857
Total comprehensive income for the period	0	0	0	0	0	0	0	0	6,334	1,857	8,191
Transactions with owners (when acting as owners) recognised directly in equity											0
Contributions by owners and distribution to owners											0
Capital increase	9,682	318									10,000
Costs of capital increase		-188									-188
Formation of statutory reserves				633					-633		0
Transfer of net profit or loss from previous period to retained earnings or losses								1,218	-1,218		0
Transfer of part of profit of 2014 to other reserves							2,850		-2,850		0
Total contributions by owners and distribution to owners	9,682	130	0	633	0	2,850	0	1,218	-4,701	0	9,812
Total transactions with owners	9,682	130	0	633	0	2,850	0	1,218	-4,701	0	9,812
Closing balance at 31 Dec 2014	101,922	157,835	12,896	7,556	3,170	75,679	-3,170	1,369	2,851	5,802	365,910

Unaudited Consolidated Financial Statements
January-December 2015

EURk	Share capital	Share premium	Revenue reserves				Treasury shares	Retained earnings		Fair value reserve	Total
			Legal reserves	Statutory reserves	Treasury share reserve	Other revenue reserves		Profit or loss from previous periods	Profit or loss for the period		
Opening balance at 1 Jan 2015	101,922	157,835	12,896	7,556	3,170	75,679	-3,170	1,369	2,851	5,802	365,910
Total comprehensive income for the period											
Profit for the period									-4,001		-4,001
Total other comprehensive income										-1,580	-1,580
Total comprehensive income for the period	0	0	0	0	0	0	0	0	-4,001	-1,580	-5,581
Transactions with owners (when acting as owners) recognised directly in equity											0
Contributions by owners and distribution to owners											0
Transfer of net profit or loss from previous period to retained earnings or losses								2,851	-2,851		0
Dividend payout								-1,458			-1,458
Transfer of fair value reserve of land to retained earnings or losses								43			43
Total contributions by owners and distribution to owners	0	0	0	0	0	0	0	1,436	-2,851	0	-1,415
Total transactions with owners	0	0	0	0	0	0	0	1,436	-2,851	0	-1,415
Closing balance at 31 Dec 2015	101,922	157,835	12,896	7,556	3,170	75,679	-3,170	2,805	-4,001	4,222	358,914

INFORMATION REGARDING THE REPORT AND ITS PUBLIC ANNOUNCEMENT

Pursuant to provisions of the Code of Warsaw Stock Exchange, Rules and Regulations of the Ljubljana Stock Exchange and the applicable legislation, the company Gorenje, d.d., Partizanska 12, SI-3320 Velenje, hereby announces the **unaudited non-consolidated financial statements of Gorenje, d.d., and unaudited consolidated financial statements of the Gorenje Group for the period January–December 2015**. The unaudited financial statements of Gorenje, d.d., and the Gorenje Group were presented to the Supervisory Board at its **18th regular session** held on **10 March 2016**. The financial statements are available for review at the headquarters of Gorenje, d.d., at Partizanska 12, SI-3320 Velenje, whereas announcements shall be available in the Ljubljana Stock Exchange electronic info system, the SEOnet (www.ljse.si), the Warsaw Stock Exchange via the ESPI system (www.gpw.pl), and the company's web site at www.gorenjegroup.com, on **11 March 2016**.

Forward-looking Statements

This announcement 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 and Warsaw 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 but are not necessarily limited to 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 exchange rate fluctuations; competitive downward pressure on downstream prices; major loss of business with a major account/customer; the possibility of 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 their 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 reorganisation and reorganisation in purchasing. If one or more risks or uncertainties are in fact materialised 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 allows any update or revision of these forecasts in light of development differing from the expected events.