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2016

**Unaudited
Consolidated
Financial Statements**

January - September 2016

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

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

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PERFORMANCE HIGHLIGHTS OF THE GORENJE GROUP

CORE FINANCIAL INDICATORS FOR Q3 2016

- **Sound business operations** from the first half-year **continued also in the third quarter of 2016**.
- **EUR 319.6 of revenue** was generated, showing an increase of 0.7% over the Q3 2015 balance.
- Revenue generated by the core activity **Home** was recorded at **EUR 282.7m** (comparable with the balance of the last year's same period) and is in line **with the projected dynamics** in revenue.
- **EBITDA was EUR 20.3m** and shows an 18.5% increase over the previous year's result. EBITDA margin of 6.4% grew by 1.0 p.p. if compared to the Q3 2015 balance.
- **EBIT was recorded at EUR 8.5m** indicating an increase of 52.0% over the Q3 2015 balance. EBIT margin grew to 2.7%, which is 0.9 p.p. more than in the same period in 2015.
- **Operations in Q3 2016 were marked by successful operations of the Home core activity as a result of:**
 - **equal sales volume of large household appliances and further growth in sales of as small household appliances** (in view of Q3 2015),
 - **achieved favourable geographical sales structure;** higher sales in markets of **Benelux and East Europe** (including **Russia and Ukraine**),
 - **achieved favourable sales structure of brands;** higher sales recorded by brands **Asko** (+7.2% growth in the third quarter) **and brands Atag, Pelgrim and Etna** (+2.5% growth in the third quarter),
 - **achieved favourable product sales structure;** further enhanced sales of **premium appliances (6.0 percent** growth in terms of volume), **innovative appliances (11.0 percent** growth in terms of quantity), and **dishwashers (7.5 percent** growth in terms of quantity),
 - **well-managed costs of material and raw materials, logistics,** repairs in the warranty period, and good management of currency risks.
- We have continued with **increasing investments in development** in the third quarter of 2016. **Development-related investments** amounted in Q3 2016 to **EUR 8.0m** or a **2.5 percent share in Group's revenue** (increase of 0.23 p.p. over the Q3 2015 balance). **Investments in the marketing amounted to EUR 6.9m** or **2.2 percent share of revenue** generated by the Group (indicating an increase of 0.06 p.p. relative to the Q3 2015 balance). Stated improvement of the sales structure is supported by higher investments in development and marketing.
- The negative result in financing activities recorded at EUR 5.3m improved by **EUR 2.5m** if compared to the previous year's same period. This better financing result is primarily attributable to **interest expenses that declined by 20.3% over** the Q3 2015 balance. We recorded **exchange losses in the amount of EUR 332** at the Group level in Q3 2016, which shows an improvement of EUR 1.4m if compared to Q3 2015 balance.
- Group recorded in the third quarter **profit of EUR 2.0m** showing an improvement over the Q3 2015 balance, when we incurred a loss of EUR 2.5m. **The Home Core activity as well as Non-core activities generated profit.** The Group generates and records profit for the past four consecutive quarters.
- **If compared to the same period in 2015, we have improved the rate between the net financial debt and EBITDA by 1.0, from 5.5 to 4.5.**

CORE FINANCIAL INDICATORS FOR 9M 2016

- We have generated **EUR 900.9m of revenue** indicating an improvement of **2.9%** over the previous year.
- Revenue generated account for **75.0% of revenue planned on an annual basis**. With respect to the fact that the sales process of certain Ecology-related companies was not yet completed in the first nine months, the planned revenue were generated at 71.3%, which is in compliance with the annual plan's general dynamics.
- Revenue generated by the **core activity Home** was recorded at **EUR 782.2m (3.4% more than in the same period in 2015)**.
- Without the impact of exchange rate fluctuations, the **Home's organic growth in revenue** amounted to **5.3%**.
- **EBITDA was EUR 60.5m** and shows a **19.2% increase** over the first nine months in 2015. **EBITDA margin at 6.7%** was **higher by 0.9 p.p.** We have generated **71.3% of the planned EBITDA**. With respect to the fact that the sales process of certain Ecology-related companies was not yet completed this year, the planned EBITDA was generated at 67.2%.
- **EBIT was recorded at EUR 25.2m** indicating a **54.5 percent growth**, while **EBIT margin increased to 2.8%**, which is **0.9 p.p. more** than in the same period last year. **67.0% of the planned EBIT** was generated in the first nine months of 2016. With respect to the fact that the sales process of certain Ecology-related companies was not yet completed this year, the planned EBIT was generated at 62.4%.
- **EUR 23.9m was invested in development** and equals a **2.7 percent share in Group's revenue** (increase by 0.18 p.p. if compared to the last years' same period). **Investments in the marketing amounted to EUR 18.2m** or **2.0 percent share of revenue** generated by the Group (indicating an increase of 0.17 p.p. relative to the previous year's equivalent period).
- The result in negative financing activities recorded at EUR 17.2m improved by **EUR 6.5m** if compared to the previous year's same period. This result is primarily attributable to **interest expenses that declined by 14.9%** over the same period in 2015. We recorded **exchange gains in the amount of EUR 1.0m** on the Group level, which shows an improvement of EUR 7.6m if compared to the first nine months in 2015.
- Group generated a profit of EUR 4.1m in the first nine months of 2016.
- **The net financial debt at EUR 405.1m** remained at the comparable level of 2015. We have improved **the rate between the net financial debt and EBITDA by 1.0** primarily due to the **improved profitability**.

Unaudited Consolidated Financial Statements
January - September 2016

EURm	Q3 2015	Q3 2016	Index	9M 2015	9M 2016	Index	Plan 2016*	Q3 2016/ Plan 2016
Revenue	317.4	319.6	100.7	875.2	900.9	102.9	1.201.0	75.0
EBITDA	17.1	20.3	118.5	50.8	60.5	119.2	84.9	71.3
<i>EBITDA margin (%)</i>	<i>5.4%</i>	<i>6.4%</i>	<i>/</i>	<i>5.8%</i>	<i>6.7%</i>	<i>/</i>	<i>7.1%</i>	<i>/</i>
EBIT	5.6	8.5	152.0	16.3	25.2	154.5	37.6	67.0
<i>EBIT margin (%)</i>	<i>1.8%</i>	<i>2.7%</i>	<i>/</i>	<i>1.9%</i>	<i>2.8%</i>	<i>/</i>	<i>3.1%</i>	<i>/</i>
Profit or loss before tax	-1.9	3.4	<i>/</i>	-7.3	8.1	<i>/</i>	11.2	71.6
Profit or loss for the period	-2.5	2.0	<i>/</i>	-9.4	4.1	<i>/</i>	7.6	54.4
<i>ROS (%)</i>	<i>-0.8%</i>	<i>0.6%</i>	<i>/</i>	<i>-1.1%</i>	<i>0.5%</i>	<i>/</i>	<i>0.6%</i>	<i>/</i>
Net financial debt¹	401.4	405.1	100.9	401.4	405.1	100.9	319.0	<i>/</i>
Net financial debt / EBITDA	5.5	4.5	<i>/</i>	5.5	4.5	<i>/</i>	3.8	<i>/</i>

**Business Plan 2016 is exclusive of the companies of the Ecology segment, which were subject to divestment (Gorenje Surovina d. o. o., Maribor, Kemis-BH, d.o.o., BiH, Kemis Valjevo d. o. o., Serbia, Cleaning System S, d. o. o., Serbia, PUBLICUS, d. o. o., Ljubljana, EKOGOR, d. o. o., Jesenice).*

BUSINESS FORECAST FOR Q4 2016

The upward trend in sales continued also in the third quarter of 2016. The sales generated in this quarter were the highest quarterly sales recorded in this financial year. Revenue generated in Q3 2016 were essentially higher than revenue recorded in the second and first quarter of 2016. **The Home core activity as well as the non-core activities generated profit.**

Further improvement in sales of the Home segment is expected also in the last quarter of 2016. In view of the orders received we assess that the Q4 2016 will record this year's **highest quarterly sales**. Revenue of the Home segment will in the fourth quarter range between **EUR 300m and 310m**, indicating an **additional 6 to 7 percent growth** if compared to the revenue generated in Q3 2016 and a 20 percent growth if compared to the average revenue generated in the first two quarters. **The latter signifies a sales growth also with respect to the Q4 2015 balance.** Group's revenue is estimated to range between **EUR 340m and 350m**, which also shows **sales growth if compared to this year's all previous quarters**.

As for **Western Europe**, the highest revenue are in the last quarter of 2016 expected on the **markets of Benelux**. Most of sales on these markets are generated with the **Atag premium brand**. If compared to the last year's equivalent period, the revenue are expected to be higher on these markets by 4 to 5%. Further **sales growth** is also expected in **Germany** and the **Scandinavian markets**.

Increase in revenue is also forecasted for sales of the **Asko premium brand**, mostly on **markets outside Europe**. The revenue growth generated by sales of the Asko premium brand will exceed **10 percent** over the same period in 2015. Further revenue increase is also expected for sales to our industrial partners.

¹ Financial debt - cash

Thus, the **utilisation of production capacities** is also expected to be **higher** in the fourth quarter. The afore-mentioned shall have – in addition to an improved product and regional sales structure – **also a positive impact on further growth of Group's profitability (EBITDA/EBIT).**

In compliance with the last business assessment for the Q4 2016, we expect the Group to record for 2016 a profit of EUR 7m to EUR 8m.

MANAGEMENT REPORT

OPERATING PERFORMANCE OF THE GORENJE GROUP

EURm	Q3 2015	Q3 2016	Index	9M 2015	9M 2016	Index
Revenue	317.4	319.6	100.7	875.2	900.9	102.9
CM ²	131.1	140.9	107.4	372.7	392.5	105.3
CM (%)	41.3%	44.1%	/	42.6%	43.6%	/
EBIT	5.6	8.5	152.0	16.3	25.2	154.5
EBIT margin (%)	1.8%	2.7%	/	1.9%	2.8%	/
Profit or loss for the period	-2.5	2.0	/	-9.4	4.1	/
ROS (%)	-0.8%	0.6%	/	-1.1%	0.5%	/

The Group generated EUR 900.9m of **revenue**, indicating an increase of 2.9% over the first nine months in 2015. The Home core activity recorded a 3.4 percent increase in revenue. **Without the impact of exchange rate fluctuations, the Home segment would record a 5.3 percent organic growth in revenue.**

The generated contribution margin in the amount of EUR 392.5m was improved based on:

- **higher sales by the Home** core activity,
- favourable **geographical sales structure** of the Home core activity; the largest sales growth was recorded on the markets of:
 - **Eastern Europe (7.0 percent growth, 10.6 percent organic growth),**
 - Western Europe, primarily in **Benelux (4.3 percent growth), where higher contribution margins are achieved,**
- favourable **sales structure of brands**, where we have increased primarily the sale of brands: **Asko (7.9 percent growth) and brands Atag, Pelgrim and Etna (4.3 percent growth); growth was also recorded by the sale of Gorenje brand,**
- favourable **product sales structure**; enhancing the sales of **premium appliances (6.7 percent growth** in terms of quantity: premium appliances account in the revenue structure a **27.5 percent share), innovative appliances (16.8 percent growth** in terms of quantity; innovative appliances account in the revenue structure a **16.8 percent share), cooking appliances (5.0 percent growth** in terms of quantity), **dishwashers (14.5 percent growth** in terms of quantity); the sale of **small household appliances generated a 36.3 percent growth in** revenue; the stated product groups of appliances are significant in view of the achieved contribution levels, and
- **successful curbing of input prices of material and raw materials.**

² Contribution margin at the level of difference between revenue and cost of goods and material.

Foreign currency fluctuations significantly affected revenue mostly in Eastern Europe, partly also on markets outside 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 Group's organic growth in revenue of the Home core activity on key markets was as follows:

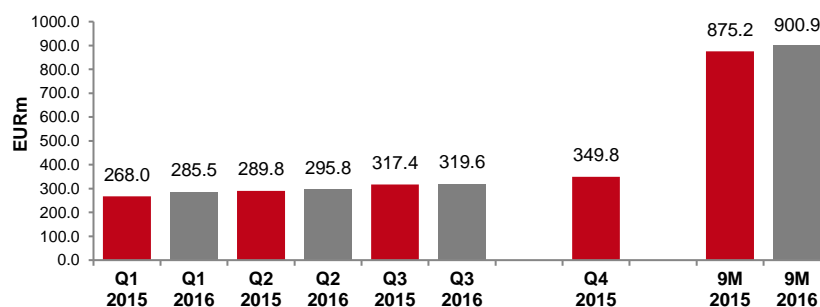
Foreign currency fluctuations and impact on growth of revenue generated by the Home core activity

Home	Actual revenue 9M 2015	Actual revenue 9M 2016	Actual revenue 9M 2016 valued at exchange rate 9M 2015	Impact of currency on revenue	Actual growth (%)	Organic growth (%)
EURm						
West	330.1	335.5	336.2	-0.7	+1.6	+1.8
East	342.9	367.1	379.5	-12.4	+7.0	+10.6
Other	83.1	79.6	80.5	-0.9	-4.3	-3.1
TOTAL	756.1	782.2	796.2	-14.0	+3.4	+5.3

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



- With respect to the result recorded in the first nine months of 2015, a **growth in revenue was recorded by all Group's regions of Eastern and Western Europe** in the 9M 2016 period. As for the markets outside Europe, a 4.3 percent decline in revenue was recorded. If **exchange rate fluctuations** would be eliminated, a **3.1 percent organic decline** would be recorded. In addition to **exchange rate fluctuation**, the sales decline in these markets is attributable to **changed dynamics in the offtake of industrial partners** from Northern America and **lower sales on the markets of Near and Far East** (mostly Saudi Arabia). We expect to regain sales growth in the last quarter of 2016.

Revenue by geographical segment

EURm	Q3 2015	%	Q3 2016	%	Change (%)	9M 2015	%	9M 2016	%	Change (%)
Western Europe	113.4	35.7	113.9	35.6	+0.4	338.1	38.6	345.9	38.4	+2.3
Eastern Europe	172.6	54.4	176.9	55.4	+2.5	454.0	51.9	475.3	52.8	+4.7
Other	31.4	9.9	28.8	9.0	-8.5	83.1	9.5	79.7	8.8	-4.1
Total Group	317.4	100.0	319.6	100.0	+0.7	875.2	100.0	900.9	100.0	+2.9
Western Europe	110.6	39.0	110.0	38.9	-0.5	330.1	43.7	335.5	42.9	+1.6
Eastern Europe	141.3	49.9	144.0	50.9	+1.9	342.9	45.3	367.1	46.9	+7.0
Other	31.4	11.1	28.7	10.2	-8.8	83.1	11.0	79.6	10.2	-4.3
Total Home	283.3	100.0	282.7	100.0	-0.2	756.1	100.0	782.2	100.0	+3.4

- **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 to 2.7% in the Group's revenue structure** (0.18 p.p. more than in the same period in 2015).
- Key innovations that were launched in the first nine months of 2016:
 - the upgraded **built-in undercounter refrigerators (600 mm)**,
 - **the 10 kg washing machine** for the strategic partner Panasonic,
 - **Asko Craft premium built-in ovens** programme,
 - the new **programme of mid-price range dishwashers**.

MARKETS OF THE HOME CORE ACTIVITY

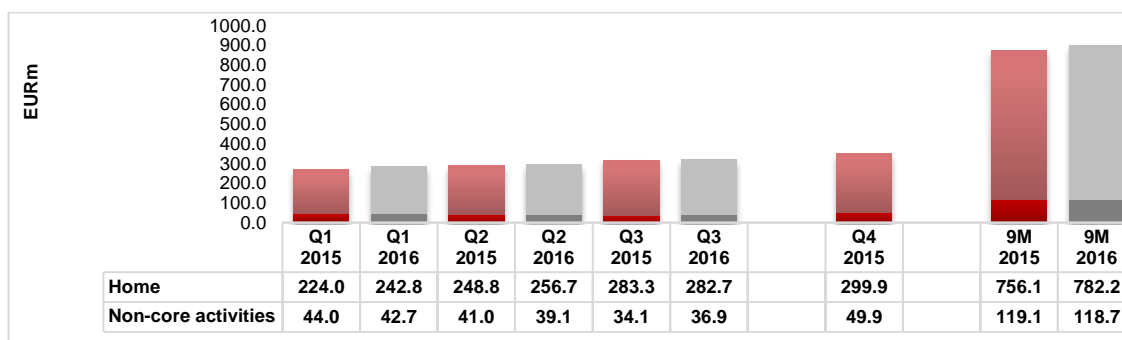
- In view of sales generated in the first nine months of 2015, the core activity Home recorded **higher sales** in all geographical regions in the first nine months of 2016, except in markets outside of Europe.
- Sales growth was recorded on individual markets of **Eastern Europe i.e. the Czech Republic, Slovenia, Hungary, Slovakia, Poland, Romania, Bulgaria, Montenegro and Macedonia**.
- A significant growth was achieved also on the markets of **Russia (by nearly 9%) and Ukraine (by more than 40%)** and thereby strengthened the market position.
- As for **Western Europe**, sales growth was recorded on the **markets of Benelux**, mostly in **the Netherlands** where our market share is growing. If compared to the same period in 2015, **sales increased in Germany**. Lower sales are still recorded in **Scandinavia and France (Gorenje brand)**.
- In the first nine months of 2016, sales on the markets outside of Europe declined by 4.3%. In addition to **exchange rate fluctuations**, the relevant decrease in sales on the markets outside of Europe is attributable also to the **changed dynamics in the offtake of industrial partners** and **lower sales on the markets of Near and Far East** (mostly Saudi Arabia). Given the orders received, we expect to regain sales growth in the last quarter of 2016. Essential growth was recorded in **Northern America, Caucasus, Asia and Brazil**. A **higher volume of sales** was achieved also in

Australia. The sales structure of the Home core activity **outside Europe represented a 10.2 percent share** (0.8 p.p. less than in the same period in 2015).

- Higher revenue from sales of **Asko brand products increases the overall sales of the premium segment. Sales of Asko brand products** accounted within the Home's sales structure **a 10.3 percent share (+0.4 p.p. over the 9M 2015 balance)**. Higher sales of the Asko brand products were achieved on the markets of Scandinavia, France, Benelux, America, Russia, Asia and Australia.
- As for sales of **small³ household appliances**, the sales recorded a **36.3 percent growth in revenue**. The sale of small household appliances accounted within the Home's sales structure **a share of 3.2% (+0.8 p.p. over the last year's same period)**. Growth was recorded on markets of **Poland, Russia, Ukraine, Slovenia, Slovakia, Hungary, Croatia, Bosnia and Herzegovina, Macedonia, Bulgaria and the Netherlands**.
- Sales of innovative⁴ appliances increased by 14.7%**; consequently, the share of these appliances within the total sales structure rose to **10.3% (+1.1 p.p. with respect to the same period in 2015)**. **Innovative appliances** account within the Home's revenue structure a **16.8 percent share**. Growth of 6.7% was achieved also within the sale of **premium⁵ appliances** whose share within the Home's sales structure is recorded at 16.9%. The premium appliances account within the Home's revenue structure a share of **27.5%**.

SALES BY GORENJE GROUP'S ACTIVITIES

Revenue by activities



EUR 782.2m of revenue was generated by the **Home core activity**, which is 3.4% more than in the same period in 2015.

If the impact of exchange rate fluctuations is not taken into account, the Home activity would generate an organic growth in revenue of 5.3%.

EUR 118.7m of revenue was generated by the **Non-core activities**, which is 0.3% or EUR 0.4m less if compared to the same period in 2015. The decline in revenue is the **result of divesting or eliminating two companies from the Ecology segment (Publicus, d.o.o., Ljubljana and Ekogor, d.o.o., Jesenice)** of the Group at the end of the first half-year of 2016. If effects of

³ Since 1 January 2016, free-standing microwaves are classified among large household appliances. Consequently, the sales share of small household appliances within the total structure is lower than in previous years.

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).

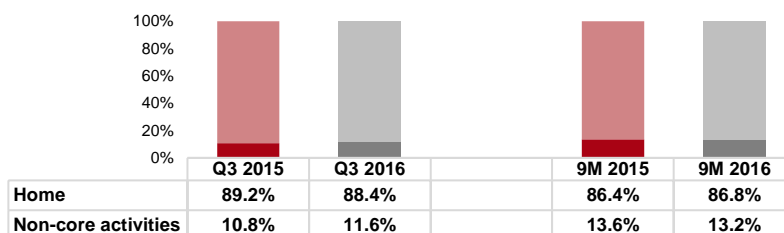
⁵ Premium appliances: Atag and Asko brands, appliances from the Gorenje Design lines (Gorenje Simplicity, Gorenje Ora Ito, Gorenje Pininfarina, Gorenje Classico, Gorenje One, Gorenje Karim Rashid, Gorenje Color edition, Gorenje +, Gorenje Retro, and Gorenje by Starck).

the sale of these companies would be eliminated, the non-core activities would achieve a 1.8 percent growth in revenue.

By means of expanding the activities, we generated revenue growth in the **field of catering**, whereby growth is also recorded in the field of **ceramics production, sale of coal, medical equipment and in the field of tool manufacture**. Although the field of **machine manufacture** recorded lower revenue, the **related production capacities were significantly more utilised** than in the same period in 2015, which is attributable to **orders made in connection with new projects of the Home core activity**.

Due to **lower prices of secondary (waste) raw materials on the market**, revenue in the **Ecology segment** slightly declined if compared to the same period in 2015.

Structure of Group's revenue by activity



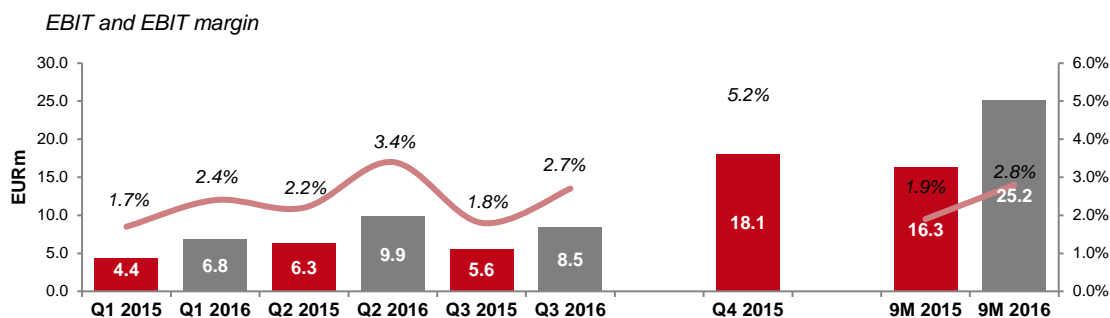
The achieved **revenue structure by activity** indicates that the Home core activity generated 86.8% of Group's total revenue (+0.4 p.p.). The change in the share is the result of a faster growth in revenue generated by the Core activity Home, as well as through Non-core activities.

PROFITABILITY OF THE GORENJE GROUP

Movement of Group's profitability at the EBIT level

EURm	Development
EBIT January-September 2015	16.3
Contribution margin at the level of cost of goods and material	19.8
Cost of services	-5.1
Employee benefits expense	-4.6
Amortisation and depreciation expense	-0.9
Other operating expenses	-0.1
Other operating income	-0.2
EBIT January-September 2016	25.2

- **Earnings before interest and taxes (EBIT):** we achieved an EBIT of EUR 25.2m. With respect to the 9M 2015 period, the EBIT was higher by EUR 8.9m or 54.5%, which is primarily attributable to the **higher contribution margin at the level of cost of goods and material** as a result of:
 - higher **sales volume**,
 - **favourable geographical sales structure**,
 - **favourable sales structure of brands and product groups**,
 - **lower input prices of material and raw materials** achieved within the Core activity Home.



COST MANAGEMENT

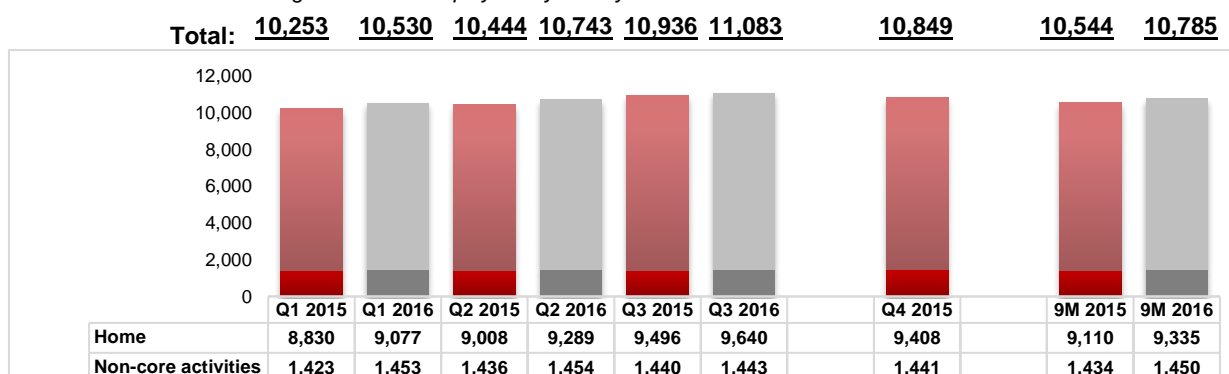
- **Group's costs are managed in accordance with measures aimed at achieving long-term cost efficiency and performance.**
- By means of successful work in the field of supply and production based on:
 - **curbing the purchase prices of material and raw materials**, by new negotiations with suppliers in the first nine months of 2016,
 - **prior favourable lease** of certain strategic raw materials (e.g. sheet metal, plastics, etc.),
 - **activities related to optimising the use of material** in direct production, and
 - **supply with components** from the best competitive countries

we have successfully **adjusted the costs of material and raw materials** with respect to the higher volume of sales and production and thereby generated important savings. The latter is attributable also to activities related to **optimising the supply chain**.

- **Costs of services increased by 3.4% or EUR 5.1m in comparison to the same period in 2015**, which is the result of increased **investments in marketing (+12.2%)**. The **share of marketing costs within revenue** was increased to **2.0%**, which is **0.17 p.p. more** than in the same period last year. Higher marketing-related investments support the higher and in terms of structure more favourable sales volume.
- Based on **optimising the logistics, developing a new logistics model** for small household appliances, purchasing of material and raw material components, and **reducing retail prices of fuels**, we have increased the **costs of logistics services related to the sale of products by only 0.5%**, which is 2.4 p.p. less than the growth in revenue.
- **Quality-related costs referring to repairs in the warranty period remained nearly on the same level regardless higher sales if compared to the same period in 2015**, which is the result of improved quality of appliances.
- **Employee benefits expense increased by 2.7% or EUR 4.6m**. In addition to planned promotions and wage adjustments pursuant to provisions of the collective agreement, the employee benefits expense increased due to retirement benefits that were higher in the observed period if compared to the 9M 2015 balance. The increase in employee benefits expense is also the result of expanding the catering-related activities. Nonetheless, it is essential that the increase of employee benefits expense lags behind the growth in revenue, which is higher by 2.9%.
- **The Gorenje Group's average number of employees was 10,785 or 241 more** than in the last year's same period. Most of new employments

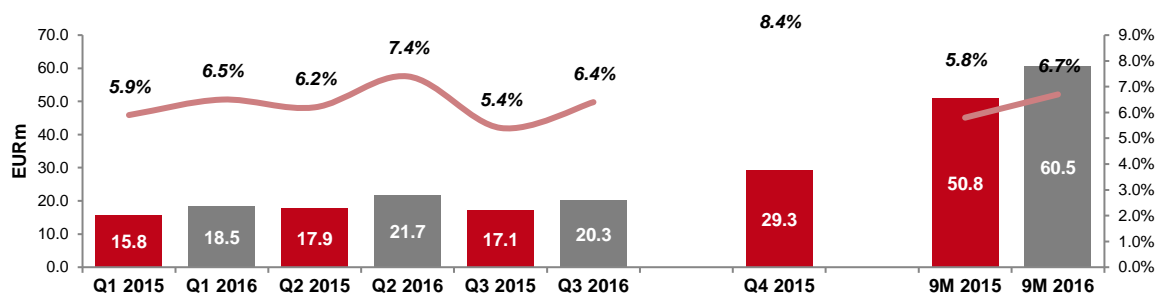
refer to the Home core activity's manufacturing companies, where the average number of employees grew by 125 (mostly in Velenje and Valjevo due to more orders and higher utilisation of production activities), whereby in the Home activity's sales companies the number of employees increased by 100 due to the changed business model in the retail studios in Eastern Europe (employment of staff that was previously employed via employment agencies, which increases employee benefits expense but has a positive impact on lower costs of subcontractors) and the higher number of staff on the markets of Eastern Europe, Benelux and Australia. The number of employees in Non-core activities grew by 16 persons, due to the mentioned widening of activities in the catering segment.

Average number of employees by activity



The Group recorded **earnings before interest, taxes, depreciation and amortisation (EBITDA)** of EUR 60.5m, which is EUR 9.7m or **19.2% more than in the first nine months of 2015**.

EBITDA and EBITDA margin



The Group's negative **result from financing activities** at EUR 17.2m **has improved over the 9M 2015 balance by EUR 6.5m**. The negative result from financing activities was impacted by **interest expenses that declined** over the same period in 2015 **by EUR 14.9%**. **Exchange gains** on the Group level were recorded at **EUR 1.0m** in the first nine months of 2016, showing an improvement of EUR 7.6m over the same period in 2015.

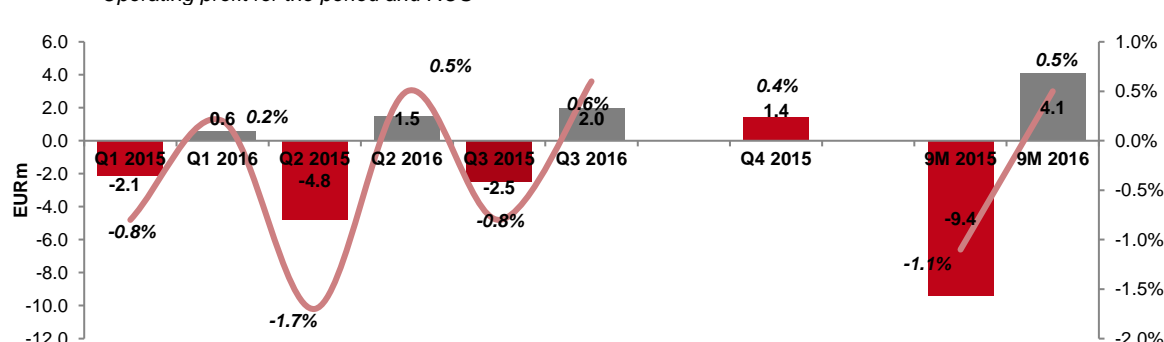
Income tax expense, disclosed at EUR 3.9m and higher by EUR 1.8m in comparison to the same period in 2015, includes current and deferred income tax. Most of the increase is attributable to the improved profitability and the impact of deferred taxes.

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.

OPERATING RESULT OF THE REPORTING PERIOD

Gorenje Group's operating profit for the period amounted to EUR 4.1m. This is the fourth consecutive quarter in which the Group records profit.

Operating profit for the period and ROS



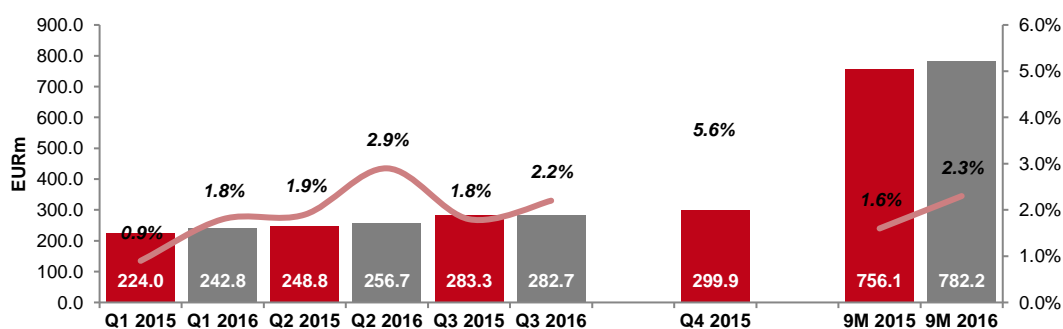
OPERATING PERFORMANCE BY ACTIVITY

Comments to the operating performance by individual activity are provided within the section Gorenje Group's operating performance and refer to the core activity Home as well as Non-core activities.

CORE ACTIVITY HOME

EURm	Q3 2015	Q3 2016	Index	9M 2015	9M 2016	Index
Revenue	283.3	282.7	99.8	756.1	782.2	103.4
Contribution margin ⁶	111.7	117.5	105.2	313.2	327.0	104.4
Contribution margin (%)	39.4%	41.6%	/	41.4%	41.8%	/
EBIT	5.2	6.3	121.5	12.0	18.2	151.3
EBIT margin (%)	1.8%	2.2%	/	1.6%	2.3%	/

Revenue and the EBIT margin of the Core activity Home



⁶ Contribution margin at the level of difference between revenue and cost of goods and material.

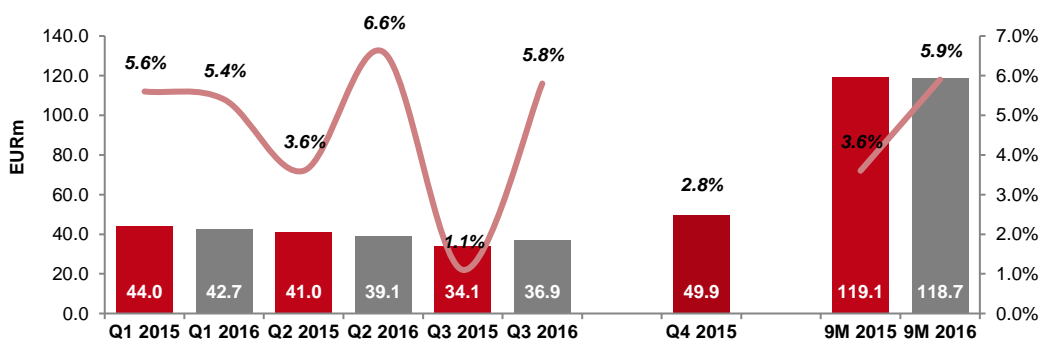
Movement of profitability at the EBIT level

EURm	Development
EBIT January-September 2015	12.0
Contribution margin at the level of cost of goods and material	13.8
Cost of services	-2.5
Employee benefits expense	-4.4
Amortisation and depreciation expense	-0.8
Other operating expenses	-0.3
Other operating income	0.4
EBIT January-September 2016	18.2

NON-CORE ACTIVITIES

EURm	Q3 2015	Q3 2016	Index	9M 2015	9M 2016	Index
Revenue	34.1	36.9	108.1	119.1	118.7	99.7
Contribution margin ⁷	19.4	23.4	120.6	59.5	65.5	110.0
Contribution margin (%)	56.8%	63.4%	/	50.0%	55.2%	/
EBIT	0.4	2.2	576.7	4.3	7.0	163.5
EBIT margin (%)	1.1%	5.8%	/	3.6%	5.9%	/

Revenue and the EBIT margin of Non-core activities



Movement of profitability at the EBIT level

EURm	Development
EBIT January-September 2015	4.3
Contribution margin at the level of cost of goods and material	6.0
Cost of services	-2.6
Employee benefits expense	-0.2
Amortisation and depreciation expense	-0.1
Other operating expenses	0.2
Other operating income	-0.6
EBIT January-September 2016	7.0

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

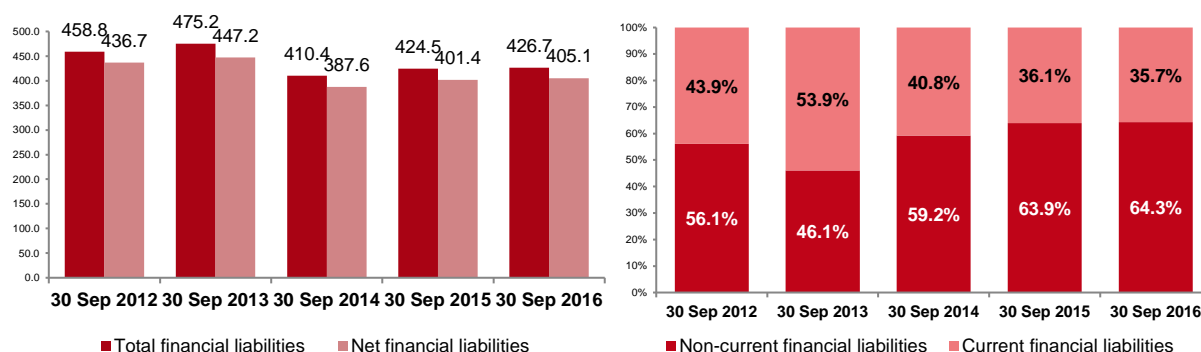
FINANCIAL OPERATIONS OF THE GORENJE GROUP

GROUP'S FINANCIAL PERFORMANCE

The primary source of the Group's liquidity for managing financial and other liabilities is provided through operative sales activities in the Home core activity and Non-core activities, and within these the free cash flow generated. The Group observes the policy of replacing currently due long-term financial sources, 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 the third quarter of 2016, we have repaid EUR 11.4m of currently due long-term borrowings.

Movement of total and net financial liabilities in 9M for the period 2012-2016 (EURm) and the maturity structure of financial liabilities



As at 30 September 2016, **total financial liabilities** amounted to EUR 426.7m, showing an increase of EUR 2.2m in comparison to the equivalent period in 2015. 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. As for the **maturity structure of financial liabilities**, 64.3% refer to non-current sources whereby the remaining stake represents current sources. Compared to the same period in 2015, the maturity structure improved by 0.4 p.p.

As at 30 September 2016, **net financial liabilities** (measured as the difference between total financial liabilities and cash and cash equivalents) amounted to EUR 405.1m and indicate an increase of EUR 3.7m over the same period in 2015.

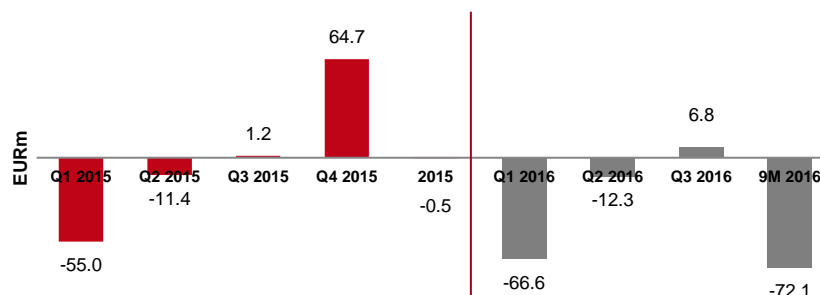
As at 30 September 2016, the Group disclosed a liquidity reserve in the amount of EUR 98.6m in form of approved but undrawn current and non-current borrowings in addition to bank balances, which may also be used to bridge payments on currently due liabilities.

Together with existing and new bank 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 these activities we have ensured funds for servicing currently due long-term borrowings for the entire 2016 and partly already for 2017, as well as current balancing of cash flow requirements.

The Group generated EUR 6.8m of positive cash flow from operating and investing activities in the third quarter of 2016, which is an improvement over the last year's equivalent period by EUR 5.6m.

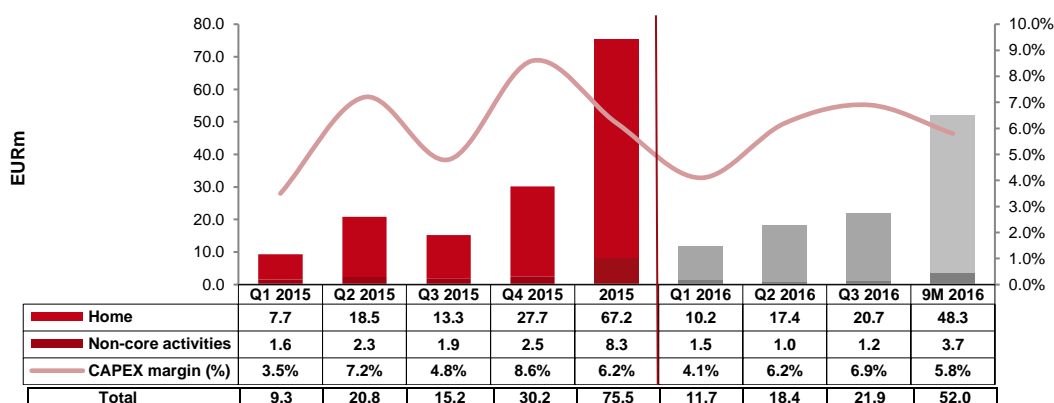
These dynamics are typical, as the Group generates most of its positive cash flows from operating and investing activities in the last six months of the year; mainly in the last quarter. The higher negative cash flow from operating and investing activities recorded in the first nine months by EUR 6.9m compared to the same period in 2015 is primarily attributable to the quite low balance of net working capital items as at 31 December 2015, in particular trade receivables as a result of the additional launch of the permanent factoring in most of the countries.

Cash flows from operating and investing activities



Investments amounted to EUR 21.9m in Q3 2016 and indicate an increase of EUR 6.7m over the same period in 2015. Total investments in property, plant and equipment amounted to EUR 15.8m, the largest portion thereof in the amount of EUR 13.4m refers to investments in technological equipment, earmarked for developing new products. The largest portion of investments made in Q3 2016 and recorded at EUR 20.7m refers to the Home Core activity. As for the total investments structure, EUR 5.2m relates to non-material investments which comprise capitalised costs of developing new products. Investments recorded by the Non-core activities amounted to EUR 1.2m in the third quarter of 2016, and the largest portion thereof was invested in Ecology (EUR 0.6m).

Investments by business segment



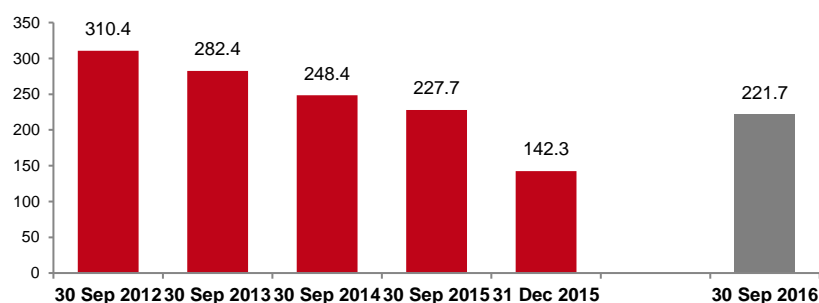
WORKING CAPITAL

As at 30 September 2016, Group's investments in net working capital⁸ amounted to EUR 221.7m and, compared to 31 December 2015 balance that is used as the basis for calculating the trends in cash flows from operating and investing activities for 2016, indicates an increase of EUR 79.4m. In comparison to the equal period in 2015, the relevant investments declined by EUR 6.0m.

Investments in net working capital

EURm	30 Sep 2012	30 Sep 2013	30 Sep 2014	30 Sep 2015	31 Dec 2015	30 Sep 2016
+ Inventories	247.7	250.8	249.8	249.7	225.9	249.3
+ Trade receivables	282.3	240.3	228.0	220.5	161.0	212.3
+ Other current assets	53.2	64.3	48.9	50.0	52.2	57.1
- Trade payables	-176.3	-178.1	-182.8	-191.2	-221.0	-191.2
- Other current liabilities	-96.5	-94.9	-95.5	-101.3	-75.8	-105.8
= Net working capital	310.4	282.4	248.4	227.7	142.3	221.7

Movement of net working capital in the 2012-2016 period (EURm)



As at 30 September 2016, **inventories** amounted to EUR 249.3m and show an increase over the 31 December 2015 balance by EUR 23.4m. However, they have declined by EUR 0.4m if compared to the last year's equivalent period. Inventory turnover amounted to 71 days, which is shorter by 1 day if compared to the same period in 2015.

As at 30 September 2016, **trade receivables** were recorded at EUR 212.3m and show an increase of EUR 51.3m if compared to the 31 December 2015 balance, which is used as the basis for calculating the trends in cash flow. If compared the previous year's equal period, the trade receivables declined by EUR 8.2m. The average turnover of receivables was 56 days, which is 6 days shorter than the average turnover of receivables in the same period in 2015.

Trade payables amounted to EUR 191.2m as at 30 September 2016 and indicate a decline of EUR 29.8m over the 31 December 2015 balance. With respect to the 30 September 2015 balance, trade payables remained unchanged. Turnover of liabilities was 82 days or 4 days more than in the same period in 2015.

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

The Group pays ongoing special attention to managing **financial risks**, in particular an efficient **credit risk** management. Credit risk is balanced through regular 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 Group has also launched

⁸ Net working capital = inventories + trade receivables + other current assets – trade payables – other current liabilities

the system of permanent recourse-free factoring, which is carried out when costs of such activities do not exceed the Group's average 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 primarily managed by natural cash flow balancing for each currency that, mostly in the case of 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 the first nine months of 2016, the Group recorded exchange gains amounting to EUR 1.0m or an improvement of EUR 7.6m if compared to the same period in 2015.

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 30 September 2016, the undrawn part of current and non-current credit lines amounted to EUR 77.0m and bank balances to an additional EUR 21.6m.

SUMMARY OF THE OPERATING PERFORMANCE OF GORENJE, D. D.

Operating performance of Gorenje, d. d.

EURm	Q3 2015	Q3 2016	Index	9M 2015	9M 2016	Index
Revenue	172.4	171.9	99.7	488.4	508.0	104.0
Contribution margin⁹	55.4	57.3	103.4	156.2	165.4	105.9
<i>Contribution margin (%)</i>	32.1%	33.3%	/	32.0%	32.6%	/
EBITDA	6.4	8.0	124.6	22.3	27.4	122.8
<i>EBITDA margin (%)</i>	3.7%	4.7%	/	4.6%	5.4%	/
EBIT	0.4	1.8	467.8	4.4	9.1	208.1
<i>EBIT margin (%)</i>	0.2%	1.1%	/	0.9%	1.8%	/
Profit or loss before tax	-4.0	3.5	/	-6.3	5.1	/
Profit or loss for the period	-3.9	3.2	/	-6.4	4.1	/
<i>ROS (%)</i>	-2.3%	1.9%	/	-1.3%	0.8%	/
<i>ROA (%)</i>	-1.6%	1.3%	/	-0.9%	0.6%	/
<i>ROE (%)</i>	-4.4%	3.6%	/	-2.4%	1.5%	/
Employee / end of period	4,248	4,482	105.5	4,248	4,482	105.5
Employee / average	4,234	4,345	102.6	4,122	4,203	102.0

Revenue generated by the parent company amounted to EUR 508.0m in the first nine months of 2016 and show an increase over the 9M 2015 balance by EUR 19.6m or 4.0%.

⁹ Contribution margin at the level of difference between revenue and cost of goods and material

Revenue generated through the Home Core activity within the parent company amounted to EUR 481.3m and show an increase of 4.3% over the 9M 2015 balance, which is primarily the result of higher sales of home appliances via dealers (by 13.7%), which includes also the supplementary and rebuy programme, the Mora programme, as well as the heater system programme, and higher sales of product manufactured in-house (by 1.1%).

Revenue generated through sales beyond the Home Core activity was recorded at EUR 22.8m and increased by 4.5% relative to the equivalent period in 2015. The increase is attributable mostly to the sale of frames for gaming machines. Revenue from the sale of kitchens amounted in the same period to EUR 3.9m, which however declined over the same period in 2015 by 25.5%.

In comparison to the 9M 2015 balance, the contribution margin (gross margin) increased by EUR 9.2m mainly as the result of higher revenue (4.0%) in view of higher direct costs of goods and material (3.1%) and successful curbing of material and raw material input prices.

If compared to the same period in 2015, **costs of services decreased by EUR 0.5m or 0.9%**, which is mostly attributable to optimising costs of logistics on the sales side (including lower fuel prices) and efforts to ensure business quality and business performance.

Employee benefits expense increased by 3.7% if compared to the 9M 2015 balance, in line with production requirements. Retirement benefits increased as well.

In comparison to the same period in 2015, amortisation and depreciation expense grew in 2016 by 1.9% mainly due to the lines of the washing-dryer appliances capitalised in the first months of 2015, tools from the Mekom programme that were capitalised in May 2016, as well as equipment and tools capitalised for the dishwasher programme in August 2016.

The result from financing activities improved by EUR 6,673k over the last year's same period, which is almost fully attributable to the improved balance of exchange differences as the result of lower expenses arising under derivatives and valuation of unrealised derivatives used for hedging against currency risks.

The improved EBIT and profit for the period is mostly the result of higher income, which grew faster than direct costs of goods and material.

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

EURm	Development
Loss for January-September 2015	-6.4
Contribution margin at the level of cost of goods and material	9.4
Cost of services	0.5
Employee benefits expense	-2.7
Amortisation and depreciation expense	-0.4
Other operating expenses	-1.3
Other operating income	-0.8
Financial result	6.7
Income tax expense and deferred taxes	-0.9
Profit for January-September 2016	4.1

As at 30 September 2016, **trade receivables** were recorded at EUR 151.0m and show a decrease of EUR 26.3m in comparison to 30 September 2015. The average turnover of receivables was 79 days, which is 17 days shorter than the average turnover of receivables in the previous year's equivalent period. Most of the receivables refer to related entities (70.3%).

Inventories amounted to EUR 101.2m and with respect to 30 September 2015 show an increase of EUR 4.8m. Inventory turnover amounted to 51 days, which is 2 days shorter than in the last year's same period.

As at 30 September 2016, **trade payables** amounted to EUR 147.0m and show an increase of EUR 5.0m in comparison to the equivalent period in 2015. Turnover of liabilities was longer by 5 days if compared to the same period in 2015 and was 103 days.

As at 30 September 2016, **total financial liabilities** amounted to EUR 432.0m, showing an increase of EUR 22.6m in comparison to the equivalent period in 2015. As for the **maturity structure of financial liabilities**, 58.9% refer to non-current sources whereby the remaining stake represents current sources. Compared to the same period in 2015, the maturity structure worsened by 0.7 p.p.

As at 30 September 2016, **net financial liabilities** (measured as the difference between total financial liabilities and cash and cash equivalents) amounted to EUR 429.2m and indicate an increase of EUR 20.1m over the 30 September 2015 balance. Financial liabilities are increasing as the Group increases its share of borrowing via the parent company if compared to the equivalent period in 2015.

EUR 42.5m of negative cash flows from operating and investing activities was recorded in the first nine months of 2016, showing that the result worsened by EUR 12.8m over the comparable period in 2015. The negative cash flow complies with the interim dynamics, as most of positive cash flows is generated in the last quarter of the year.

Investments amounted to EUR 32.5m in the first nine months of 2016. Overall investments in property, plant and equipment amounted to EUR 20.3m, the largest portion thereof in the amount of EUR 18.2m refers to investments in technological equipment, mostly for developing new products. As for the total investments structure, EUR 12.2m refers to non-material investments which comprise capitalised costs of developing new products.

OWNERSHIP STRUCTURE AND THE GRVG SHARE

OWNERSHIP STRUCTURE

As at **30 September 2016**, **14,955 shareholders** were entered in the share register, indicating that the number of shareholders declined by 8.0% over the year-end balance of 2015 (16,248).

Gorenje's ten major shareholders and owners

Ten major shareholders	No. of shares (30 Sep 2016)	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	1,903,703	7.79%
HOME PRODUCTS EUROPE B.V.	1,221,231	5.00%
RAIFFEISEN BANK AUSTRIA D.D. – FIDUCIARY ACCOUNT	912,568	3.74%
Alpen.SI, Mixed flexible sub-fund	816,188	3.34%
ZAGREBAČKA BANKA D.D. – FIDUCIARY ACCOUNT	753,626	3.09%
AUERBACH GRAYSON & COMPANY LLC	647,165	2.65%
BNP PARIBAS SECURITIES SERVICES S.C.A.	620,000	2.54%
Total major shareholders	16,378,694	67.06%
Other shareholders	8,045,919	32.94%
Total	24,424,613	100%

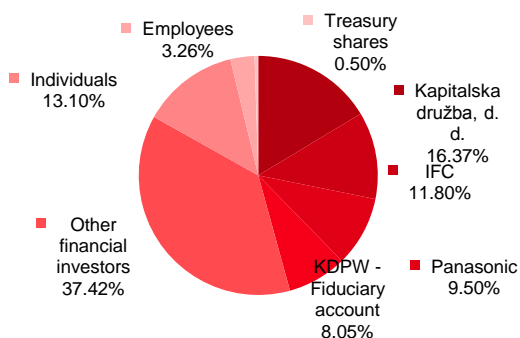
Information on significant shares in Gorenje d.d. – 20 September 2016

As at 19 September 2016, the company HOME PRODUCTS EUROPE B.V., Utrechtseweg 181, 6862 Aj Oosterbeek, the Netherlands, informed us that it acquired 13,800 of GRVG shares on 19 September 2016 issued by Gorenje, d.d. and thereby increased its share of voting rights from 4.94% (1,207,431) to 5.00% (1,221,231) of total voting rights in Gorenje, d.d.

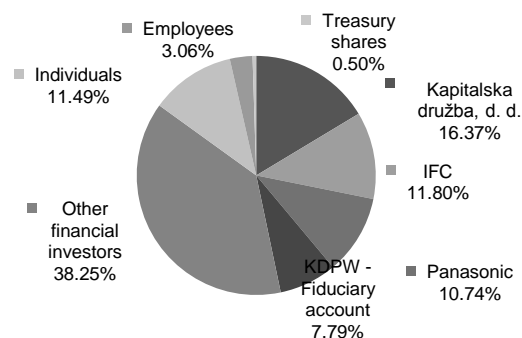
Information on significant shares in Gorenje d.d. –13 October 2016

As at 12 October 2016, Mr. Kristijan Floričić informed us that he obtained 84,000 GRVG shares on 11 October 2016 issued by Gorenje, d.d. and thus increased his share of voting rights from 4.906% (1,198,314) to 5.25% (1,282,314) of total voting rights in Gorenje, d. d.

Ownership structure as at 30 September 2015



Ownership structure as at 30 September 2016



The number of own shares or treasury shares equals the 2015 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	30 Sep 2015		30 Sep 2016	
Total:	3,508	0,0144%	3,570	0,0147%
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%
Miha Košak			62	0.0003%

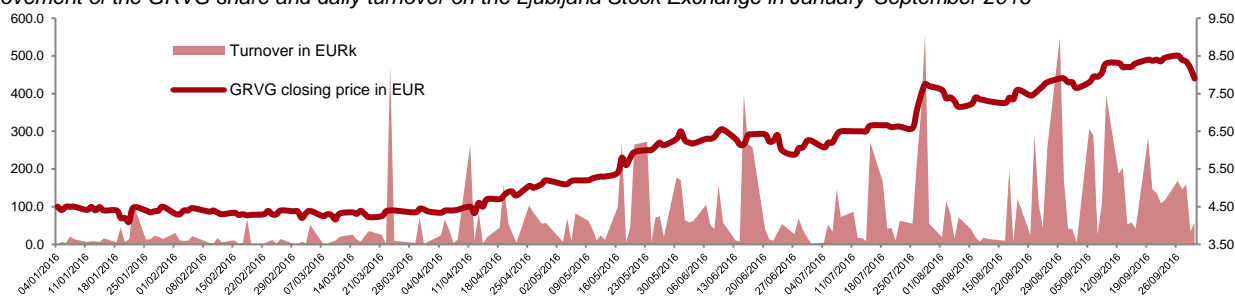
Management Board	30 Sep 2015		30 Sep 2016	
Total:	21,394	0.0876%	20,944	0.08575%
Franc Bobinac	4,096	0.0168%	4,096	0.0168%
Branko Apat	626	0.0026%	626	0.0026%
Drago Bahun	9,082	0.0372%	9,082	0.0372%
Marko Mrzel	450	0.0018%		
Peter Groznik	7,140	0.0292%	7,140	0.0292%

The number of the company's shares held by Supervisory Board and Management Board members has not changed in the period from 30 September 2016 to the date of this public announcement. As from 29 February 2016, Marko Mrzel no longer performs his duties as Management Board member and Chief Sales Officer, thus the total number of shares held by the Management Board declined to 20,944 shares. Miha Košak is a member of Gorenje's Supervisory Board since 9 July 2016 and owns 62 shares that he obtained prior to being appointed member to the relevant Supervisory Board. The total number of shares owned by Supervisory Board members has accordingly increased to 3,570.

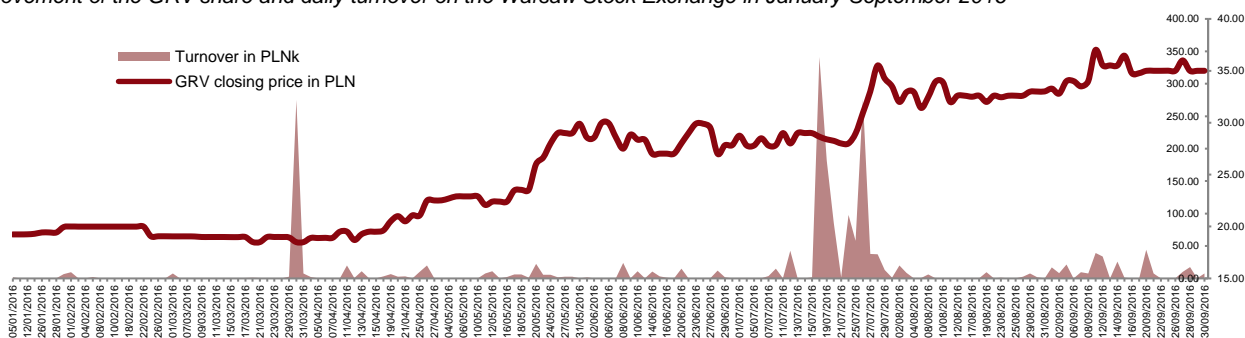
GRVG SHARE IN 9M 2016

As at the last trading day in September 2016, the **closing price per share** on the Ljubljana Stock Exchange as the primary market was recorded at EUR 7.90 and shows an increase 71.7% in comparison to the last trading day in 2015 (EUR 4.60). The prime market index SBITOP increased in the same period by 6.5%. Total turnover on the Ljubljana and Warsaw Stock Exchanges was 2,230,222 shares, indicating that the average daily turnover on the Ljubljana Stock Exchange was 11,392 shares and 468 shares on the Warsaw Stock Exchange. Compared to the year-end balance of 2015, the closing price of the share on the Warsaw Stock Exchange increased by 81.8% (from PLN 19.25/EUR 4.51 to PLN 35.00/EUR 8.13).

Movement of the GRVG share and daily turnover on the Ljubljana Stock Exchange in January-September 2016



Movement of the GRV share and daily turnover on the Warsaw Stock Exchange in January-September 2016



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 0.16 (2015: EUR -0.34).

The book value of the GRVG share as at 30 September 2016 amounted to EUR 15.22 (EUR 15.14 as at 31 December 2015). 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 30 September 2016 (24,303,302 shares).

The ratio between the market value and the book value of the GRVG share is recorded at 0.52 (0.30 as at 31 December 2015).

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

As at 12 October 2016, Mr. Kristijan Floričič informed us that he obtained 84,000 GRVG shares on 11 October 2016 issued by Gorenje, d.d. and thus increased his share of voting rights from 4.906% (1,198,314) to 5.25% (1,282,314) of total voting rights in Gorenje, d. d. The information on Company's significant equity interests was made public on 13 October 2016.

No other significant events occurred after the date of compiling the balance sheet as of 30 September 2016.

SIGNIFICANT BUSINESS EVENTS IN 2016

JANUARY

Gorenje projekt, d.o.o. aims high with a warehouse commission in Russia



By the end of April, Gorenje Projekt built and launched an automated high-bay warehouse for an investor in Tver, 150 kilometres from Moscow. The project, worth EUR 11.65m, will involve some pioneering work as it will result in the tallest self-supporting crate system in the market.

Peter Prevc, the leading ski jumper in the world



Peter Prevc rounded up a series of great performances on the 64th Four Hills Tournament in Bischofshofen on 6 January 2016 and at the end proudly held up the Golden Eagle – the trophy in this prestigious competition. At the Four Hills Tournament, Prevc brought in three victories and one third place, with overall six first places in this season. Gorenje Group being a general sponsor of the Slovenian Nordic teams for as long as 25 golden and less golden years and we are proud to be supporting Peter and his team colleagues on their way to success. We are happy that on every ski jumping competition with Peter and the team our name flies high and far.

Peter Prevc rounded up a series of great performances on the 64th Four Hills Tournament in Bischofshofen on 6 January 2016 and at the end proudly held up the Golden Eagle – the trophy in this prestigious competition. At the Four Hills Tournament, Prevc brought in three victories and one third place, with overall six first places in this

Gorenje with ambitious plans in Iran



Gorenje opened on 11 January 2016 a new showroom in Tehran, located in a prestigious and very busy location in the centre of the Iranian capital. In the 350-square-meter showroom we will be presenting our entire range of the upper middle and premium class major household appliances.

Choice magazine recommends Asko dryer

Asko dryer got the highest ranking among 22 dryers tested by the biggest Australian consumer magazine Choice.

FEBRUAR

The fourth issue of GRV04 commercial paper

As at 12 February 2016, Gorenje, d. d. successfully completed its fourth consecutive issue of commercial paper 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. 2.00% p.a. The purpose of the commercial paper's issue is to disperse sources of short-term financing, mostly to obtain funds for seasonal financing of its operations, in compliance with the interim dynamics of the cash flow movement and optimizing costs of financing.

Resignation of a Management Board member

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. The Management Board will temporary 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.

Atag the most successful company of the Netherlands in 2015

Gorenje Group's daughter company Atag Netherland was chosen by the National Business Success Awards Institute as the most successful company of the Netherlands in 2015.



Gorenje a symbol of quality for Slovenians in 2016

The QUDAL – Quality Medal research, performed in Slovenia in January 2016 by the Zürich based international organization Icertas, shows that in terms of quality Slovenians see Gorenje home appliances as the best. In the QUDAL – Quality Medal research Slovenians were asked which white goods and home appliance manufacturers in their opinion guarantees the absolute highest level of quality. In this category Slovenians have placed Gorenje on the top of the list. The Slovenians placed Gorenje on the first place, whereby they recognise the quality of domestic brands also in other research sub-groups.



Gorenje Create Academy brings together business and universities to develop innovative products

Gorenje Group presented diplomas to the first generation of graduates of the Gorenje Create Academy – Gorenje's academy for new product development. This is a unique international educational program, a part of the Gorenje Corporate University, designed to encourage innovation at the company and upgrade and extend knowledge and skills for new product development. The program had Gorenje Group working with renowned universities from Ljubljana, the Netherlands, and Sweden.



MARCH

Gorenje the most trusted brand in Slovenia for a decade



It has been ten years since Slovenia first took part in the Trusted Brand research - one of the most extensive European consumer researches and Gorenje won the cherished title of the most trusted home appliance brand in Slovenia for the 10th consecutive time. The research, organized all over the world by the Reader's Digest magazine, aims to establish which brands earn the most trust with the Europeans; which are the most trusted domestic

and foreign brands, the most trusted brands in ecology and the most trusted public figures.

The Gorenje by Starck design line fascinated Zagreb



In the company of numerous architects, interior designers and eminent Croatians, Gorenje presented its new designer collection created in cooperation with the French design star Philippe Starck, in the gorgeous ambiance of the French Pavilion in Zagreb.

APRIL

Gorenje Group presenting its premium brand Asko for the first time at the EuroCucina fair

Gorenje Group is for the first time presenting its premium home appliance brand ASKO at the EuroCucina fair in Milan which specialises in built-in appliances for the high end kitchen. This is a promising step for the Asko brand into the high end kitchen market in Italy.



»The decision to present Gorenje Group on EuroCucina for the first time with our premium brand Asko was well thought out and considering the first enthusiastic responses of business visitors also a very justified one. Acquiring the Asko brand we gained a brand with tradition in Scandinavia, Australia and the USA, specialised for

dishwasher and laundry appliances, which we upgraded with premium cooking appliances. Doing so we built a firm foundation for a gradual but bold global growth of Asko as a full range supplier of the highest price segment, « Franjo Bobinac, President of the Management Board.

MAY

EIB provides EUR 50 million to Gorenje to develop a new generation of domestic appliances



The European Investment Bank (EIB) is lending EUR 50m to Gorenje Gospodinjski aparati d.d. The EIB loan has a maturity of up to 7 years and will finance the Gorenje's 4-year research, development and innovation expenditure programme aimed at strengthening its innovative capacity by developing new domestic appliances and

upgrading its existing product range.

Gorenje brand dishwasher production launched in Velenje

Gorenje launched the production of its first dishwashers under the Gorenje brand on 12 May 2016. This will considerably extend their offer of major home appliances. Innovative SmartFlex dishwashers are a result of several years of development and a EUR 8m investment that includes a new automated assembly line.

Gorenje and BTC will bring back the legendary Rog Pony bicycle

Management Board President Franjo Bobinac and BTC Management Board President Jože Mermal signed on 25 May 2016 a letter of intent by which both companies announce their cooperation in reviving the bicycle brand Rog. Thus, the legendary Pony will hit the Slovenian streets again next spring with a fresh, improved look.



Gold award for the smart and economical washing machine designed by Gorenje's innovators



The Chamber of Commerce of the Savinja and Šalek Region presented on 26 May 2016 the awards for best innovations in the region for the past year. Gorenje's innovators won awards for all three entries, namely golden award for the Panasonic AutoCare washing machine, a result of joint development with the partner Panasonic Group; silver medal for the FiltrationSupreme glass door dryer, and Style Line flat water heater. This qualifies our innovators for the national best innovation contest of the Slovenian Chamber of Commerce and Industry.

JUNE

Gorenje and HIS sign agreement on divestment of majority shareholding in Publicus

Ekoinvest, d.o.o. as a subsidiary of Gorenje, d.d. and the company HIS gradbeništvo in inženiring, d.o.o., which holds a 35% equity interest in the company Publicus, d.o.o., signed an agreement to divest their majority shareholding in the company Publicus, d.o.o., Ljubljana, including the subsidiary Ekogor, d.o.o., Jesenice.

Information regarding the process of Gorenje Surovina divestment

The transaction was not carried out.

JULY

Gorenje's products firmly anchored among the design elite

Gorenje Group products won four prestigious Red Dot design awards this year. The 41-member jury believed they represent the current pinnacle of design in the home appliance industry. Gorenje's products have been constantly among the award-winning design elite for a good decade. In 2005,

we were the first Slovenian enterprise to earn the Red Dot award for the design of its products. To date, the award was won with 35 products. This bears witness to Gorenje Group's excellence in design, innovation, and high quality of the products marketed under our brands.



Gorenje Group added four more Red Dots to its extensive collection of these awards. This year, they were won by the Gorenje compact built-in oven with a TFT display and touch control; Atag Evolve kitchen hood; Atag Matrix compact multifunction oven; and Atag steam oven in graphite black. Since

2005 when we became the first Slovenian enterprise to win this coveted award, we have thus won Red Dots for 35 of our products and proudly earned our place among the design elite of home appliance manufacturers. Year in, year out, these awards bear witness to the excellence of our design, innovation, and high quality of products under the Gorenje Group brands.

SEPTEMBER

Gorenje Group at IFA 2016

At the leading fair of consumer electronics and household appliances, IFA in Berlin, Gorenje revealed a special edition of Gorenje Retro refrigerators, inspired by the design of the legendary and still extremely popular Volkswagen camper van, which has become (and remained) iconic among many generations. The vintage Volkswagen van personifies a relaxed and free lifestyle where one takes the time for the things that really matter and that enrich our lives. That very philosophy is what Gorenje is bringing into their customers' homes with the motto Life Simplified. This time it is embodied in the new generation of innovative SmartFlex dishwashers, the result of Gorenje's own development efforts, and a range of sophisticated household appliances: awarded steam ovens, new gas hobs, built-in refrigerators and much more. At this year's fair, which took place between the 1st and 7th of September, Gorenje was showcasing its signature designer product lines by celebrity designers Philippe Starck and Ora-Itto and offering a glimpse into the future of the kitchen by introducing a range of connected appliances under its premium brand Asko.



Gorenje Tiki celebrates 10 years of successful business in Stara Pazova



The Gorenje Tiki water heater factory celebrated on 16 September 2016 its 10th anniversary of the launch of production in Serbia. Gorenje Tiki is a part of the Gorenje Group, a major home appliance manufacturer on the world scale, whose products have been present in the Serbian market for over 65 years. Gorenje Tiki is the

fourth largest water heater manufacturer in Europe. Ninety percent of its products are exported to 34 countries across the globe, primarily to Germany, Austria, Croatia, and Russia. Domestic Serbian market is the third largest and Gorenje Tiki's market share there is 40 percent. In the ten years since start-up, 3.26 million appliances have been produced at the Stara Pazova plant. Following the introduction of new EU energy standards, we updated our electric water heater program last year, and added a newly developed domestic hot water and residential heating heat pump program. According to the 2020 Strategic Plan, the HVAC division (heating, ventilation and air conditioning) is developing a new range of products to be exported to the USA. Their launch in this market is planned for 2017.

Team of Gorenje and Panasonic innovators wins CCIS Golden Award for innovation



Slovenian Chamber of Commerce and Industry (CCIS) awarded its golden award for best



innovation to Panasonic AutoCare washing

machine, a result of Gorenje's and Panasonic's joint development. The washing machine with a capacity of 8 or 10 kg and a number of advanced functions is the first result of cooperation between the development teams from both companies. The development project lasted two years and a half.

End of due diligence period

Further to the prior public announcement on Monday 25th July 2016 that a due diligence process is being undertaken on Gorenje by Panasonic Corporation, Gorenje confirmed that the due diligence period finished on Friday 30th September 2016 as was previously guided. As envisaged by the legal documents that were entered into between Gorenje and Panasonic Corporation on 13 July 2016, Panasonic Corporation is now evaluating its potential next steps. Any subsequent announcements will be made by 30th November 2016. These activities may or may not lead to Panasonic Corporation's decision to launch a bid to increase its shareholding in Gorenje, but no decision on entering into any transaction has been made yet. The management of Gorenje continues to act in the best interests of the company.

OCTOBER

Best design solution award for Gorenje Lifestyle Magazine

At this year's POMP Forum event, Gorenje Lifestyle Magazine (year 2015) was nominated for two POMP awards for special achievements in content marketing: for "Best printed magazine/newspaper" and "Best design solution in content marketing"; in the latter, it won the award.



Gorenje Austria wins the Supplier of the year award



Gorenje brand is among the top five most recognized home appliance brands, and among top five by market share. Since the founding of Gorenje Austria 41 years ago and the slogan "Bewusst robust" (Deliberately Sturdy), Gorenje has developed into a provider of an all-around range of major appliances, renowned in particular for its designer items. Long-standing tradition and excellent customer

relations at every level of business, along with technological innovation in recent years, have resulted in a new breakthrough and growth across the distribution channels, which is also witnessed by the best supplier award. Gorenje won the Zac of the Year 2016 award presented to the best supplier of the year by Euronics Austria, a part of Euronics, the largest retail group in the world. Euronics presented the award to Gorenje for good products and services, excellent business relations, quick problem resolution, participation at tradeshows and fairs, and strong growth in this year

Asko winner of the Home Style Award by iF Design



Industrie Forum Design (iF Design), an institution with over 50 years tradition in the field of industrial design, presented Gorenje Group's premium brand ASKO with a prestigious Home Style Award. Established in 2008, the Home Style Award aims to drive the development of the international household product industry and to provide a platform to present the fashion, charm and attractiveness of contemporary interior design trends. This year's jury selected 60 designs from an international pool of submissions, and one of the prestigious winners was the ASKO dishwasher D5656.

ACCOUNTING REPORT

Reporting entity

Gorenje, d.d., is a company headquartered in Slovenia. The address of the registered head office is at Partizanska 12, SI-3320 Velenje.

Consolidated financial statements of Gorenje, d.d., for the period January-September that ended 30 September 2016 include the parent company and its subsidiaries (hereinafter jointly referred to as 'the Group'), equity interests in jointly controlled companies, and equity interests in associated companies. The Group's core activity is manufacturing and sale of home appliances.

Basis of preparation

(a) Statement of compliance

Consolidated interim financial statements are compiled pursuant to IAS 34 – Interim Financial Reporting, and pursuant to provisions of the Companies Act. The financial statements do not include all information required by the entire IFRSs. The selected explanatory information is included in the report in order to clarify the business events and transactions material for the understanding of the changes in the financial position and income or results of the Gorenje Group in the period since the compilation of the latest annual consolidated financial statements.

The Management Board of Gorenje, d.d., confirmed these interim financial statements on 24 October 2016.

(b) Use of estimates and judgements

In the course of drawing up these interim financial statements, the company management made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Material estimates of uncertainty and critical judgements or evaluations made by the management in the process of pursuing the accounting policies, which have the strongest effect on the amounts in the financial statements are similar to those used by the management when drawing up the consolidated financial statements as at 31 December 2015.

Fundamental Accounting Policies and Significant Notes to the Financial Statements

Accounting policies applied in these interim financial statements are identical to those used in the consolidated financial statements compiled as at 31 December 2015.

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 Gorenje Group

Changes that occurred in the composition of the Gorenje Group up to and including 30 September 2016 were as follows:

- As at 5 February 2016, the company Gorenje EKOINVEST, d.o.o., Velenje sold its investment in Gorenje Surovina Fotoreciklaža, d.o.o., Maribor.
- As at 16 February 2016, the company Kemis SRS, d.o.o., Bosnia and Herzegovina started liquidation procedures, which were concluded on 30 May 2016.
- As at 3 May 2016, the company Gorenje design studio, d.o.o. started liquidation procedures.
- As at 10 May 2016, the company GOR Kolesa, d.o.o. was established with its registered office in Velenje. Gorenje d.d., Velenje is the sole (100%) owner of this company.
- As at 28 June 2016, the equity interest (51%) in the company »Euro Lumi & Surovina« SH.P.K., Kosovo was sold to this company's other owner.
- As at 29 June 2016, a contract on the sale of equity interests in PUBLICUS, d.o.o., Ljubljana and EKOGOR, d.o.o., Jesenice was concluded.
- As at 29 June 2016, the liquidation procedure for the company Gorenje OY, Finland, which is fully (100%) owned by Gorenje Group Nordic A/S from Denmark, was completed.
- As at 31 August 2016, the shareholder structure changed in the company Gorenje GSI, d.o.o. Gorenje, d.d. withdrew from the company with Gorenje Beteiligungs GmbH, Austria now being its sole shareholder.
- As at 2 September 2016, the company Gorenje AEC limited liability company, Thailand, with Gorenje Beteiligungs GmbH holding a 99% share, Gorenje Nederland BV, the Netherlands a 0.5% interest and Gorenje Corporate GmbH, Austria a 0.5% interest.

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	CAH
2.	Gorenje GTI, d.o.o., Velenje	100.00	NCA
3.	Gorenje Gostinstvo, d.o.o., Velenje	100.00	NCA
4.	Energygor, d.o.o., Velenje	100.00	NCA
5.	Kemis, d.o.o., Vrhnika	100.00	NCA
6.	Gorenje Orodjarna, d.o.o., Velenje	100.00	NCA
7.	ZEOS, d.o.o., Ljubljana	51.00	NCA
8.	Gorenje Surovina, d.o.o., Maribor	100.00	NCA
9.	Indop, d.o.o., Šoštanj	100.00	NCA
10.	ERICo, d.o.o., Velenje	51.00	NCA
11.	Gorenje design studio, d.o.o. – in liquidation, Velenje	52.00	CAH
12.	Gorenje GAIO, d.o.o., Šoštanj	100.00	NCA
13.	Gorenje GSI, d.o.o., Ljubljana	100.00	CAH
14.	Gorenje Keramika, d.o.o., Velenje	100.00	NCA
15.	Gorenje Studio, d.o.o., Ljubljana	100.00	CAH

Unaudited Consolidated Financial Statements
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16.	Gorenje EKOINVEST, d.o.o., Velenje	100.00	NCA
17.	GOR Kolesa, d.o.o., Velenje	100.00	NCA
Foreign operations		Equity interest in %	Business segment
1.	Gorenje Beteiligungs GmbH, Austria	100.00	CAH
2.	Gorenje Austria Handels GmbH, Austria	100.00	CAH
3.	Gorenje Vertriebs GmbH, Germany	100.00	CAH
4.	Gorenje Körting Italia S.r.l., Italy	100.00	CAH
5.	Gorenje France S.A.S., France	100.00	CAH
6.	Gorenje Espana, S.L., Spain	100.00	CAH
7.	Gorenje UK Ltd., Great Britain	100.00	CAH
8.	Gorenje Group Nordic A/S, Denmark	100.00	CAH
9.	Gorenje spol. s r.o., Czech Republic	100.00	CAH
10.	Gorenje real spol. s r.o., Czech Republic	100.00	CAH
11.	Gorenje Slovakia s.r.o., Slovakia	100.00	CAH
12.	Gorenje Magyarország Kft., Hungary	100.00	CAH
13.	Gorenje Polska Sp. z o.o., Poland	100.00	CAH
14.	Gorenje Bulgaria EOOD, Bulgaria	100.00	CAH
15.	Gorenje Zagreb, d.o.o., Croatia	100.00	CAH
16.	Gorenje Skopje, d.o.o., Macedonia	100.00	CAH
17.	Gorenje Commerce, d.o.o., Bosnia and Herzegovina	100.00	CAH
18.	Gorenje, d.o.o., Serbia	100.00	CAH
19.	Gorenje Podgorica, d.o.o., Montenegro	99.975	CAH
20.	Gorenje Romania S.r.l., Romania	100.00	CAH
21.	Gorenje aparati za domaćinstvo, d.o.o., Serbia	100.00	CAH
22.	Mora Moravia s r.o., Czech Republic	100.00	CAH
23.	Gorenje - kuchyně spol. s r.o., Czech Republic	100.00	CAH
24.	KEMIS-Termoclean, d.o.o., Croatia	100.00	NCA
25.	Kemis - BH, d.o.o., Bosnia and Herzegovina	100.00	NCA
26.	Gorenje Studio, d.o.o., Serbia	100.00	CAH
27.	Gorenje Gulf FZE, United Arab Emirates	100.00	CAH
28.	Gorenje Tiki, d.o.o., Serbia	100.00	CAH
29.	Gorenje Istanbul Ltd., Turkey	100.00	CAH
30.	Gorenje TOV, Ukraine	100.00	CAH
31.	ST Bana Nekretnine, d.o.o., Serbia	100.00	NCA
32.	Kemis Valjevo, d.o.o, Serbia	100.00	NCA
33.	ATAG Nederland BV, the Netherlands	100.00	CAH
34.	ATAG België NV, Belgium	100.00	CAH
35.	Intell Properties BV, the Netherlands	100.00	CAH
36.	Gorenje Nederland BV, the Netherlands	100.00	CAH
37.	Gorenje Kazakhstan, TOO, Kazakhstan	100.00	CAH
38.	OOO Gorenje BT, Russia	100.00	CAH
39.	Gorenje GTI, d.o.o., Beograd, Serbia	100.00	NCA

Unaudited Consolidated Financial Statements
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40.	Asko Appliances AB, Sweden	100.00	CAH
41.	Gorenje North America, Inc., USA	100.00	CAH
42.	Asko Appliances Pty, Australia	100.00	CAH
43.	Asko Appliances OOO, Russia	100.00	CAH
44.	»Gorenje Albania« SHPK, Albania	100.00	CAH
45.	Gorenje Home d.o.o., Zaječar, Serbia	100.00	CAH
46.	ORSES d.o.o., Beograd, Serbia	100.00	NCA
47.	Gorenje Ekologija, d.o.o., Stara Pazova, Serbia	100.00	NCA
48.	Gorenje Corporate GmbH, Austria	100.00	CAH
49.	Cleaning system S, d.o.o., Serbia	100.00	NCA
50.	ZEOS eko-sistem d.o.o., Bosnia and Herzegovina	49.45	NCA
51.	Gorenje do Brasil Ltda., Brasil	100.00	CAH
52.	Gorenje Asia Ltd., China	100.00	CAH
53.	Gorenje MDM d. o. o. Kragujevac, Serbia	100.00	NCA
54.	Gorenje Chile SpA, Chile	100.00	CAH
55.	Gorenje AEC, limited liability company, Thailand	100.00	CAH

CAH – Core activity Home
NCA – Non-core activities

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
- EKON ELEKTRON Ltd. Skopje, Macedonia
- K.Tivoli, inženiring, gradnja, d.o.o., Ljubljana
- GGE EOL družba za izvajanje energetske storitve, d.o.o., Ljubljana
- GGE društvo s ograničenom odgovornostjo za svetovanje i usluge, Zagreb, Croatia
- Društvo za proizvodnju i promet »GGE Montenegro« sa ograničenom odgovornišću – Podgorica, Montenegro
- Društvo za izvođenje energetske usluga GGE ESCO d.o.o. Beograd-Stari Grad, Serbia
- GGE Bulgaria OOD, Sofia, Bulgaria
- GGE Netherlands B.V., the Netherlands

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

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

Unaudited Condensed Consolidated Financial Statements of the Gorenje Group

Condensed Consolidated Balance Sheet of the Gorenje Group

EURk	Balance at 30 Sep 2015	%	Balance at 31 Dec 2015	%	Balance at 30 Sep 2016	%
ASSETS	1,161,583	100.0%	1,101,274	100.0%	1,169,099	100.0%
Non-current assets	599,801	51.6%	614,125	55.8%	616,932	52.8%
Intangible assets	190,529	16.4%	196,032	17.8%	203,687	17.4%
Property, plant and equipment	354,666	30.5%	366,210	33.3%	362,657	31.0%
Investment property	17,430	1.5%	17,148	1.6%	14,795	1.3%
Non-current investments	4,534	0.4%	2,942	0.3%	6,796	0.6%
Investments in associates	1,360	0.1%	1,570	0.1%	2,569	0.2%
Non-current trade receivables	6,981	0.6%	5,743	0.5%	2,754	0.3%
Deferred tax assets	24,301	2.1%	24,480	2.2%	23,674	2.0%
Current assets	561,782	48.4%	487,149	44.2%	552,167	47.2%
Non-current assets held for sale	1,651	0.1%	309	0.0%	317	0.0%
Inventories	249,709	21.5%	225,906	20.5%	249,318	21.3%
Current investments	18,411	1.6%	16,370	1.5%	11,856	1.0%
Trade receivables	220,509	19.0%	161,020	14.6%	212,328	18.2%
Other current assets	48,342	4.2%	51,934	4.7%	56,790	4.9%
Cash and cash equivalents	23,160	2.0%	31,610	2.9%	21,558	1.8%
EQUITY AND LIABILITIES	1,161,583	100.0%	1,101,274	100.0%	1,169,099	100.0%
Equity	363,864	31.3%	368,062	33.4%	369,970	31.6%
Share capital	101,922	8.8%	101,922	9.2%	101,922	8.7%
Share premium	175,698	15.1%	174,502	15.8%	174,502	14.9%
Revenue reserves	99,301	8.5%	99,301	9.0%	99,301	8.5%
Treasury shares	-3,170	-0.3%	-3,170	-0.3%	-3,170	-0.3%
Retained earnings	-597	-0.1%	1,943	0.2%	5,903	0.5%
Translation reserve	-17,604	-1.5%	-19,049	-1.7%	-17,246	-1.5%
Fair value reserve	5,274	0.5%	9,485	0.9%	6,954	0.6%
Equity of holders of the parent	360,824	31.0%	364,934	33.1%	368,166	31.4%
Equity of non-controlling interests	3,040	0.3%	3,128	0.3%	1,804	0.2%
Non-current liabilities	351,983	30.3%	345,298	31.4%	349,597	29.9%
Provisions	65,602	5.6%	62,269	5.7%	63,310	5.4%
Deferred income	5,654	0.4%	5,350	0.5%	5,425	0.5%
Non-current operating liabilities	6,400	0.6%	4,178	0.4%	4,053	0.3%
Deferred tax liabilities	2,995	0.3%	2,515	0.2%	2,588	0.2%
Non-current financial liabilities	271,332	23.4%	270,986	24.6%	274,221	23.5%
Current liabilities	445,736	38.4%	387,914	35.2%	449,532	38.5%
Current financial liabilities	153,178	13.2%	91,038	8.2%	152,439	13.0%
Trade payables	191,232	16.5%	221,027	20.1%	191,248	16.4%
Other current liabilities	101,326	8.7%	75,849	6.9%	105,845	9.1%

Condensed Consolidated Income Statement of the Gorenje Group

EURk	Q3 2015	%	Q3 2016	%	Jan-Sep 2015	%	Jan-Sep 2016	%
Revenue	317,454	99.5%	319,569	100.7%	875,214	95.1%	900,853	97.0%
Change in inventories of products and work in progress	-4,134	-1.3%	-5,507	-1.7%	31,660	3.4%	15,004	1.6%
Other operating income	5,800	1.8%	3,353	1.0%	13,308	1.4%	13,116	1.4%
Gross profit	319,120	100.0%	317,415	100.0%	920,182	100.0%	928,973	100.0%
Cost of goods, materials and services	-236,693	-74.2%	-231,122	-72.8%	-683,204	-74.2%	-677,525	-73.0%
Employee benefits expense	-59,819	-18.7%	-60,745	-19.1%	-171,207	-18.6%	-175,808	-18.9%
Amortisation and depreciation expense	-11,576	-3.6%	-11,847	-3.7%	-34,503	-3.7%	-35,342	-3.8%
Other operating expenses	-5,452	-1.7%	-5,218	-1.7%	-14,956	-1.6%	-15,088	-1.6%
Operating profit	5,580	1.7%	8,483	2.7%	16,312	1.8%	25,210	2.7%
Finance income	1,624	0.5%	32	0.0%	4,705	0.5%	3,666	0.4%
Finance expenses	-9,340	-2.9%	-5,290	-1.7%	-28,422	-3.1%	-20,882	-2.2%
Net finance expenses	-7,716	-2.4%	-5,258	-1.7%	-23,717	-2.6%	-17,216	-1.8%
Share in profits or losses in associates	222	0.1%	179	0.1%	143	0.0%	58	0.0%
Profit or loss before tax	-1,914	-0.6%	3,404	1.1%	-7,262	-0.8%	8,052	0.9%
Income tax expense	-540	-0.2%	-1,349	-0.5%	-2,120	-0.2%	-3,908	-0.5%
Profit or loss for the period	-2,454	-0.8%	2,055	0.6%	-9,382	-1.0%	4,144	0.4%
Attributable to non-controlling interests	46	0.0%	26	0.0%	122	0.0%	184	0.0%
Attributable to equity holders of the parent	-2,500	-0.8%	2,029	0.6%	-9,504	-1.0%	3,960	0.4%
Basic and diluted earnings per share (in EUR)	-0.10		0.08		-0.39		0.16	

Condensed Consolidated Statement of Other Comprehensive Income of the Gorenje Group

EURk	Jan-Sep 2015	Jan-Sep 2016
Profit or loss for the period	-9,382	4,144
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	0	0
Change in fair value of land		
Items that may be reclassified subsequently to profit or loss	-5,642	-728
Net change in fair value of available-for-sale financial assets	2	-10
Effective portion of changes in gains and losses on cash flow hedges	-6,198	-3,231
Effective portion of changes in gains and losses on cash flow hedges, reclassified to profit or loss	495	431
Income tax on other comprehensive income	63	279
Translation reserve	-4	1,803
Other comprehensive income for the period	-5,642	-728
Total comprehensive income for the period	-15,024	3,416
Attributable to equity holders of the parent	-15,146	3,232
Attributable to non-controlling interests	122	184

Condensed Consolidated Statement of Cash Flows of the Gorenje Group

EURk	Jan-Sep 2015	Jan-Sep 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit or loss for the period	-9,382	4,144
Adjustments for:		
-Depreciation of property, plant and equipment	27,891	28,707
-Amortisation of intangible assets	6,612	6,635
-Investment income	-4,848	-3,724
-Finance expenses	28,422	20,882
-Gain on sale of property, plant and equipment	-584	-133
-Income tax expense	2,120	3,908
Operating profit before changes in net operating current assets and provisions	50,231	60,419
Change in trade and other receivables	-41,015	-55,157
Change in inventories	-29,910	-23,418
Change in provisions	1,861	1,274
Change in trade and other payables	10,816	4,672
Cash generated from operations	-58,248	-72,629
Interest paid	-13,826	-11,782
Income tax paid	-2,069	-2,522
Net cash from operating activities	-23,912	-26,514
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	5,588	3,868
Interest received	1,023	449
Dividends received	195	58
Divestment of subsidiary, exclusive of acquired financial assets	0	74
Acquisition of property, plant and equipment	-29,533	-35,498
Acquisition of the associate	0	-1,130
Other investments	-182	-529
Acquisition of intangible assets	-15,831	-16,550
Net cash used in investing activities	-38,740	-49,258
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings/Repayment of borrowings	51,208	65,720
Dividends paid	-1,458	0
Net cash used in financing activities	49,750	65,720
Net change in cash and cash equivalents	-12,902	-10,052
Cash and cash equivalents at beginning of period	36,062	31,610
Cash and cash equivalents at end of period	23,160	21,558

Condensed Consolidated Statement of Change in Equity of the Gorenje Group

EURk	Share capital	Share premium	Revenue reserve				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									-9,504			-9,504	122	-9,382
Total other comprehensive income										-4	-5,638	-5,642	0	-5,642
Total comprehensive income for the period	0	0	0	0	0	0	0	0	-9,504	-4	-5,638	-15,146	122	-15,024
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
Total contributions by owners and distributions to owners	0	0	0	0	0	0	0	-3,922	2,464	0	0	-1,458	0	-1,458
Change in equity interests in subsidiaries that do not result in a loss of control														
Change in equity interests												0	79	79
Total changes in equity interests in subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	79	79
Total transactions with owners	0	0	0	0	0	0	0	-3,922	2,464	0	0	-1,458	79	-1,379
Closing balance at 30 Sep 2015	101,922	175,698	12,896	7,556	3,170	75,679	-3,170	8,907	-9,504	-17,604	5,274	360,824	3,040	363,864

Unaudited Consolidated Financial Statements
January-September 2016

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 2016	101,922	174,502	12,896	7,556	3,170	75,679	-3,170	6,145	-4,202	-19,049	9,485	364,934	3,128	368,062
Total comprehensive income for the period														
Profit or loss for the period									3,960			3,960	184	4,144
Total other comprehensive income										1,803	-2,531	-728	0	-728
Total comprehensive income for the period	0	0	0	0	0	0	0	0	3,960	1,803	-2,531	3,232	184	3,416
Transactions with owners (when acting as owners) recognised directly in equity														
Contributions by owners and distribution to owners														
Capital increase												0		0
Transfer of profit or loss from previous period to retained earnings or losses								-4,202	4,202			0		0
Total contributions by owners and distributions to owners	0	0	0	0	0	0	0	-4,202	4,202	0	0	0	0	0
Change in equity interests in subsidiaries that do not result in a loss of control														
Change in equity interests												0	-1,508	-1,508
Total changes in equity interests in subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	-1,508	-1,508
Total transactions with owners	0	0	0	0	0	0	0	-4,202	4,202	0	0	0	-1,508	-1,508
Closing balance at 30 Sep 2016	101,922	174,502	12,896	7,556	3,170	75,679	-3,170	1,943	3,960	-17,246	6,954	368,166	1,804	369,970

Notes to the Condensed Consolidated Financial Statements of the Gorenje Group

Fair Value

Fair values and book values of assets and liabilities

EURk	Book value	Fair value	Book value	Fair value
	31 Dec 2015	31 Dec 2015	30 Sep 2016	30 Sep 2016
Available-for-sale investments	3,700	3,700	3,626	3,626
Land and investment property	59,418	59,418	55,673	55,673
Non-current loans and deposits	2,063	2,063	2,405	2,405
Non-current trade receivables	5,743	5,743	2,754	2,754
Current loans and deposits	11,688	11,688	8,170	8,170
Derivatives	-296	-296	-3,379	-3,379
Trade receivables	161,020	161,020	212,328	212,328
Other current assets	42,479	42,479	45,980	45,980
Cash and cash equivalents	31,610	31,610	21,558	21,558
Non-current financial liabilities (variable interest rate)	-216,983	-216,983	-202,231	-202,231
Non-current financial liabilities (fixed interest rate)	-54,003	-46,998	-71,990	-64,898
Non-current operating liabilities	-4,178	-4,178	-4,053	-4,053
Current financial liabilities	-89,825	-89,825	-149,060	-149,060
Trade payables	-221,027	-221,027	-191,248	-191,248
Other current payables	-41,727	-41,727	-46,398	-46,398
Total	-310,318	-303,313	-315,865	-308,773

Fair value scale

31 December 2015

(EURk)	Level 1 ¹⁰	Level 2 ¹¹	Level 3 ¹²	Total
Available-for-sale financial assets	663	88	2,949	3,700
Derivatives – assets	-	917	-	917
Derivatives – liabilities	-	-1,213	-	-1,213
Land and investment property	-	-	59,418	59,418

30 September 2016

(EURk)	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	580	87	2,959	3,626
Derivatives – assets	-	0	-	0
Derivatives – liabilities	-	-3,379	-	-3,379
Land and investment property	-	-	55,673	55,673

Related party transactions

EURk	Value of transaction		Balance	
	Jan-Sep 2015	Jan-Sep 2016	30 Sep 2015	30 Sep 2016
Revenue				
Gorenje Group companies	1,845	216	785	489
Costs				
Gorenje Group companies	207	218	113	75

¹⁰ Level 1: stock price (unadjusted) on the active market of identical assets and liabilities.

¹¹ Level 2: data differing from stock price data (these are included in Level 1) monitored with the intention of direct or indirect valuation of assets and liabilities.

¹² Level 3: data on the value of assets and liabilities not based on the active market.

Significant events after the balance sheet date

As at 12 October 2016, Mr. Kristijan Floričič informed us that he obtained 84,000 GRVG shares on 11 October 2016 issued by Gorenje, d.d., and thus increased his share of voting rights from 4.906% (1,198,314) to 5.25% (1,282,314) of total voting rights in Gorenje, d.d. The information on Company's significant equity interests was made public on 13 October 2016.

No other significant events occurred after the date of compiling the balance sheet as of 30 September 2016.

Business and Geographical Segments of the Gorenje Group

EURk	Core Activity		Non-core activities		Group	
	Home					
	Jan-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Sep 2016
Revenue from sales to third parties	756,125	782,116	119,089	118,737	875,214	900,853
Inter-segment sale	4,277	4,642	8,502	13,562	12,779	18,204
Interest income	898	396	125	53	1,023	449
Interest expenses	-12,882	-10,991	-450	-360	-13,332	-11,351
Amortisation and depreciation expense	-30,619	-31,417	-3,884	-3,925	-34,503	-35,342
Operating profit or loss before tax	-10,982	953	3,720	7,099	-7,262	8,052
Income tax expense	-1,645	-3,330	-475	-578	-2,120	-3,908
Profit or loss for the period	-12,627	-2,377	3,245	6,521	-9,382	4,144
Total assets *	991,142	1,064,935	110,132	104,164	1,101,274	1,169,099
Total liabilities *	676,533	750,203	56,679	48,926	733,212	799,129

* Note: data used for 2015 were recorded as at 31 December 2015

EURk	Western Europe		Eastern Europe		Other		Group	
	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	
	2015	2016	2015	2016	2015	2016	2015	2016
Revenue from sales to third parties	338,120	345,859	454,003	475,297	83,091	79,697	875,214	900,853

Financial indicators

	Jan-Sep 2015	Jan-Sep 2016
INDICATORS OF PROFITABILITY		
Net return on sales (ROS)	-1.1%	0.5%
Net return on assets (ROA)	-1.1%	0.5%
Net return on equity (ROE)	-3.4%	1.5%
ASSET INDICATORS		
Asset turnover ratio	1.03	1.06
Inventory turnover ratio	4.97	5.06
Current trade receivables turnover ratio	5.79	6.43
INVESTMENT INDICATORS		
Fixed assets (PPE) to total assets	0.47	0.48
Current assets to total assets	0.52	0.53
INDICATORS OF FINANCIAL COMPOSITION		
Long-term coverage of non-current assets	1.19	1.17
Equity to total liabilities	0.31	0.32
Long-term to total liabilities	0.62	0.62
Equity to fixed assets (carrying value)	0.67	0.65
Quick ratio (liquid assets to current liabilities)	0.09	0.07
(Liquid assets + current receivables) to current liabilities	0.70	0.67
Current ratio	1.26	1.23
Net financial liabilities to equity	1.05	1.06
OPERATING PERFORMANCE INDICATORS		
Operating income to operating expenses	1.02	1.03
Revenue per employee (EUR)	83,006	83,528
Value added per employee (EUR)	21,057	21,916

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

EURk	Balance at 30 Sep 2015	%	Balance at 31 Dec 2015	%	Balance at 30 Sep 2016	%
ASSETS	964,941	100.0%	959,570	100.0%	991,429	100.0%
Non-current assets	507,186	52.6%	520,038	54.2%	529,829	53.4%
Intangible assets	41,184	4.3%	44,509	4.6%	54,652	5.5%
Property, plant and equipment	184,235	19.1%	193,572	20.2%	197,539	19.9%
Investment property	15,326	1.6%	15,276	1.6%	12,985	1.3%
Investments in subsidiaries	246,863	25.5%	246,863	25.7%	243,843	24.6%
Investments in associates	509	0.1%	509	0.1%	1,639	0.2%
Other non-current investments	1,691	0.2%	1,690	0.2%	2,031	0.2%
Deferred tax assets	17,378	1.8%	17,619	1.8%	17,140	1.7%
Current assets	457,755	47.4%	439,532	45.8%	461,600	46.6%
Inventories	96,411	10.0%	91,986	9.6%	101,245	10.2%
Current investments	167,352	17.3%	182,911	19.1%	183,195	18.5%
Trade receivables	177,289	18.3%	145,322	15.1%	150,981	15.2%
Other current assets	16,353	1.7%	11,714	1.2%	23,302	2.4%
Cash and cash equivalents	350	0.1%	7,599	0.8%	2,877	0.3%
EQUITY AND LIABILITIES	964,941	100.0%	959,570	100.0%	991,429	100.0%
Equity	357,775	37.1%	358,914	37.5%	361,694	36.5%
Share capital	101,922	10.6%	101,922	10.6%	101,922	10.3%
Share premium	157,835	16.3%	156,639	16.4%	156,639	15.8%
Revenue reserves	99,301	10.3%	99,301	10.4%	99,301	10.0%
Treasury shares	-3,170	-0.3%	-3,170	-0.3%	-3,170	-0.3%
Retained earnings	-3,607	-0.4%	0	0.0%	4,142	0.4%
Fair value reserve	5,494	0.6%	4,222	0.4%	2,860	0.3%
Non-current liabilities	264,536	27.4%	271,101	28.2%	274,462	27.7%
Provisions	20,347	2.1%	21,418	2.2%	19,988	2.0%
Non-current financial liabilities	244,189	25.3%	249,683	26.0%	254,474	25.7%
Current liabilities	342,630	35.5%	329,555	34.3%	355,273	35.8%
Current financial liabilities	165,233	17.1%	144,470	15.1%	177,575	17.9%
Trade payables	142,049	14.7%	167,363	17.4%	147,029	14.8%
Other current liabilities	35,348	3.7%	17,722	1.8%	30,669	3.1%

Condensed Income Statement of Gorenje, d.d.

EURk	Q3 2015	%	Q3 2016	%	Jan-Sep 2015	%	Jan-Sep 2016	%
Revenue	172,380	97.0%	171,940	98.3%	488,439	96.7%	507,962	98.3%
Change in inventories of products and work in progress	1,919	1.1%	638	0.4%	9,699	1.9%	2,343	0.5%
Other operating income	3,413	1.9%	2,316	1.3%	7,221	1.4%	6,377	1.2%
Gross profit	177,712	100.0%	174,894	100.0%	505,359	100.0%	516,682	100.0%
Cost of goods, materials and services	-143,991	-81.0%	-139,083	-79.5%	-406,499	-80.4%	-410,658	-79.5%
Employee benefits expense	-26,001	-14.7%	-26,476	-15.1%	-72,532	-14.4%	-75,245	-14.5%
Amortisation and depreciation expense	-6,055	-3.4%	-6,210	-3.6%	-17,921	-3.5%	-18,267	-3.5%
Other operating expenses	-1,277	-0.7%	-1,310	-0.7%	-4,017	-0.8%	-3,376	-0.7%
Operating profit	388	0.2%	1,815	1.1%	4,390	0.9%	9,136	1.8%
Finance income	2,649	1.5%	5,706	3.3%	10,031	2.0%	9,722	1.9%
Finance expenses	-6,997	-3.9%	-3,999	-2.3%	-20,749	-4.1%	-13,767	-2.7%
Net finance expenses	-4,348	-2.4%	1,707	1.0%	-10,718	-2.1%	-4,045	-0.8%
Profit or loss before tax	-3,960	-2.2%	3,522	2.1%	-6,328	-1.2%	5,091	1.0%
Income tax expense	26	0.1%	-272	-0.2%	-41	-0.1%	-949	-0.2%
Profit or loss for the period	-3,934	-2.1%	3,250	1.9%	-6,369	-1.3%	4,142	0.8%
Basic and diluted earnings per share (in EUR)	-0.16		0.13		-0.26		0.17	

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

EURk	Jan-Sep 2015	Jan-Sep 2016
Profit or loss for the period	-6,369	4,142
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	0	0
Change in fair value of land	0	0
Items that may be reclassified subsequently to profit or loss	-308	-1,362
Net change in fair value of available-for-sale financial assets	2	-10
Effective portion of changes in gains and losses on cash flow hedges	-868	-2,062
Effective portion of changes in gains and losses on cash flow hedges, reclassified to profit or loss	495	431
Income tax on other comprehensive income	63	279
Other comprehensive income for the period	-308	-1,362
Total comprehensive income for the period	-6,677	2,780

Condensed Statement of Cash Flows of Gorenje, d.d.

EURk	Jan-Sep 2015	Jan-Sep 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit or loss for the period	-6,369	4,142
Adjustments for:		
-Depreciation of property, plant and equipment	14,536	15,135
-Amortisation of intangible assets	3,385	3,132
-Investment income	-10,031	-9,722
-Finance expenses	20,749	13,767
-Gain on sale of property, plant and equipment	-100	-92
-Income tax expense	41	949
Operating profit before changes in net operating assets and provisions	22,211	27,311
Change in trade and other receivables	-18,256	-8,464
Change in inventories	-273	-9,259
Change in provisions	-1,582	-1,430
Change in trade and other payables	593	-10,095
Cash generated from operations	-19,518	-29,248
Interest paid	-11,900	-10,505
Net cash from operating activities	-9,207	-12,442
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	3,308	2,484
Interest received	5,306	2,319
Dividends received	2,926	7
Acquisition of subsidiary	-8,500	-2,100
Acquisition of associate	-168	-1,130
Acquisition of property, plant and equipment	-19,570	-19,171
Other investments	-33,364	1,493
Acquisition of intangible assets	-11,555	-13,333
Net cash used in investing activities	-61,617	-29,431
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing / Repayment of borrowings	62,378	37,151
Dividends paid	-1,458	0
Net cash used in financing activities	60,920	37,151
Net change in cash and cash equivalents	-9,904	-4,722
Cash and cash equivalents at beginning of period	10,254	7,599
Cash and cash equivalents at end of period	350	2,877

Condensed 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 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 or loss for the period									-6,369		-6,369
Total other comprehensive income										-308	-308
Total comprehensive income for the period	0	0	0	0	0	0	0	0	-6,369	-308	-6,677
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
Total contributions by owners and distribution to owners	0	0	0	0	0	0	0	1,393	-2,851	0	-1,458
Total transactions with owners	0	0	0	0	0	0	0	1,393	-2,851	0	-1,458
Closing balance at 30 Sep 2015	101,922	157,835	12,896	7,556	3,170	75,679	-3,170	2,762	-6,369	5,494	357,775

Unaudited Consolidated Financial Statements
January-September 2016

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 2016	101,922	156,639	12,896	7,556	3,170	75,679	-3,170	0	0	4,222	358,914
Total comprehensive income for the period											
Profit or loss for the period									4,142		4,142
Total other comprehensive income										-1,362	-1,362
Total comprehensive income for the period	0	0	0	0	0	0	0	0	4,142	-1,362	2,780
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											0
Dividend payout											0
Total contributions by owners and distribution to owners	0	0	0	0	0	0	0	0	0	0	0
Total transactions with owners	0	0	0	0	0	0	0	0	0	0	0
Closing balance at 30 Sep 2016	101,922	156,639	12,896	7,556	3,170	75,679	-3,170	0	4,142	2,860	361,694

Notes to the Condensed Financial Statements of Gorenje, d.d.

Fair values and book values of assets and liabilities

EURk	Book value	Fair value	Book value	Fair value
	31 Dec 2015	31 Dec 2015	30 Sep 2016	30 Sep 2016
Available-for-sale investments	2,927	2,927	2,923	2,923
Land and investment property	37,078	37,078	34,787	34,787
Non-current loans	1,018	1,018	1,360	1,360
Current loans	178,361	178,361	176,081	176,081
Derivatives	-900	-900	-2,283	-2,283
Trade receivables	145,322	145,322	150,981	150,981
Other current assets	9,863	9,863	18,477	18,477
Cash and cash equivalents	7,599	7,599	2,877	2,877
Non-current financial liabilities (variable interest rate)	-198,254	-198,254	-182,580	-182,580
Non-current financial liabilities (fixed interest rate)	-51,429	-44,604	-71,894	-64,831
Current financial liabilities	-142,779	-142,779	-174,335	-174,335
Trade payables	-167,363	-167,363	-147,029	-147,029
Other current liabilities	-12,423	-12,423	-12,590	-12,590
Total	-190,980	-184,155	-203,225	-196,162

Fair Value Scale

31 December 2015

EURk	Level 1 ¹³	Level 2 ¹⁴	Level 3 ¹⁵	Total
Available-for-sale financial assets	168	-	2,759	2,927
Derivatives - assets	-	791	-	791
Derivatives - liabilities	-	-1,691	-	-1,691
Land and investment property	-	-	37,078	37,078

30 September 2016

EURk	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	155	-	2,768	2,923
Derivatives - assets	-	957	-	957
Derivatives - liabilities	-	-3,240	-	-3,240
Land and investment property	-	-	34,787	34,787

Related party transactions

EURk	Value of transaction		Balance	
	Jan-Sep 2015	Jan-Sep 2016	30 Sep 2015	30 Sep 2016
Revenue	375,379	363,053		
Trade receivables			141,200	106,071
Trade payables			28,075	27,063
Loans granted			157,394	171,096
Borrowings raised			59,395	64,800

¹³ Level 1: stock price (unadjusted) on the active market of identical assets and liabilities.

¹⁴ Level 2: data differing from stock price data (these are included in Level 1) monitored with the intention of direct or indirect valuation of assets and liabilities.

¹⁵ Level 3: data on the value of assets and liabilities not based on the active market.

Financial indicators

	Jan-Sep 2015	Jan-Sep 2016
INDICATORS OF PROFITABILITY		
Net return on sales (ROS)	-1.30%	0.82%
Net return on assets (ROA)	-0.91%	0.57%
Net return on equity (ROE)	-2.35%	1.53%
ASSET INDICATORS		
Asset turnover ratio	0.69	0.69
Inventory turnover ratio	6.76	7.01
Current trade receivables turnover ratio	3.78	4.57
INVESTMENT INDICATORS		
Fixed assets (PPE) to total assets	0.25	0.27
Current assets to total assets	0.53	0.53
INDICATORS OF FINANCIAL COMPOSITION		
Long-term coverage of non-current assets	1.23	1.20
Equity to total liabilities	0.37	0.36
Long-term to total liabilities	0.64	0.64
Equity to fixed assets (carrying value)	1.49	1.36
Quick ratio (liquid assets to current liabilities)	0.49	0.52
(Liquid assets + current receivables) to current liabilities	1.05	1.01
Current ratio	1.34	1.30
Net financial liabilities to equity	0.68	0.68
OPERATING PERFORMANCE INDICATORS		
Operating income to operating expenses	1.01	1.02
Revenue per employee (EUR)	118,496	120,857
Value added per employee (EUR)	23,009	24,423

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–September 2016**. The unaudited financial statements of Gorenje, d.d., and the Gorenje Group were presented to the Supervisory Board at its **29th regular session** held on **10 November 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 November 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.