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# Unaudited Interim Report

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January–September 2015

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

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Management Board of Gorenje, d. d.  
Velenje, November 2015

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## Performance Highlights of the Gorenje Group

### CORE FINANCIAL INDICATORS FOR Q3 2015

- In terms of sales, Q3 2015 was the best quarter of this year.** The Group generated EUR 317.4m of revenue while EUR 283.3m of revenue was recorded by the core activity of Home segment. **The high growth rates over the previous two quarters** were achieved and recorded in terms of revenue at the Group level, in terms of revenue generated by the Home core activity, in terms of revenue outside the European markets, and revenue generated through the sale of premium Asko brand products. All these segments also recorded **growth relative to the Q3 2014 balance.**

Trends in revenue	Q3 2015 / Q2 2015	Q3 2015 / Q1 2015	Q3 2015 / Q3 2014
Gorenje Group	+9.5%	+18.4%	+2.3%
Core activity Home	+13.9%	+26.5%	+3.8%
Outside of Europe	+0.5%	+54.0%	+34.1%
Asko	+7.3%	+32.1%	+13.5%

- EBITDA was EUR 17.1m** with the EBITDA margin recorded at 5.4%.
- EBIT amounted to EUR 5.6m**, and the EBIT margin was stated at 1.8%.
- The Group's operations resulted in negative figures with a **loss recorded at EUR -2.5m.**

Trends in profitability	Q3 2015 / Q2 2015	Q3 2015 / Q1 2015	Q3 2015 / Q3 2014
EBITDA	-4.1%	+8.8%	-20.2%
EBIT	-11.1%	+25.2%	-47.0%
Net profit or loss	+49.2%	-16.7%	/

- Q3 2015 was still marked by the **negative effect of the USD strengthening over EUR** in comparison to the equivalent period of the previous year. The strengthening of that currency relation adversely affected the **increase in purchase prices of material and raw materials** and the purchase prices of those appliances that are not manufactured in-house and **acquired in USD**. The negative impact of the strong USD was in part limited by forward contracts concluded. **The negative impact on the EBITDA/EBIT margin** amounted to **EUR -1.5m** in Q3 2015. An equal effect was also reflected in the **Group's net loss (EUR -1.5m)**.
- In the third quarter of 2015, the balance of the **Group's revenue did not decline for the first time as a result of the impact caused by Russia**. In respect of the nearly **20 percent devaluation of the Russian rouble**, the sales prices could be adjusted only on the basis of the **prior informing of customers. Regardless of the price increase**, we have **lost EUR 1.7m of EBITDA margin only in Q3** compared to the same period last year **due to the time gap between adjusting the prices to the market and the RUB/EUR movement.**
- Without the **negative impact of the RUB/EUR and USD/EUR currency movement on the EBITDA margin**, in Q3 2015 the Group would have achieved an **EBITDA comparable to the one recorded in the same period last year** and a **net profit.**

- **We have generated positive cash flows from operating and investment activities** of EUR 1.2m, which shows a decline over the Q3 2014 balance of EUR 5.4m. The worsening is primarily the result of the poor operating result and higher investments in comparison to the same period in 2014.
- Activities that were set while adopting the business plan for 2015 had positive impacts in Q3 2015, which are reflected in higher sales activities as well as in the gradual improvement of the operating result. Additional new employments were made in production to meet the increased number of orders for the third quarter. In accordance with the planned dynamics for 2015, we expect further growth in revenue in the last quarter of 2015 and, consequently, an improved EBITDA margin and operating results.

#### CORE FINANCIAL INDICATORS FOR JANUARY–SEPTEMBER 2015

- We have generated **EUR 875.2m of revenue** or 4.3% less than in the period January - September 2014.
- The lower balance of revenue is **in accordance with the planned sales dynamics**.
- Revenue recorded and made through the **Home** segment's core activity amounted to **EUR 756.1m** (3.4% less than in the same period 2014).
- **Without the impact of exchange rate fluctuations**, the **Home segment's balance of revenue equals** the figures recorded in January–September 2014.
- **EBITDA amounted to EUR 50.8m** and indicates a decline of 20.5% over the 2014 balance. The EBITDA margin of 5.8% was lower by 1.2 p.p.
- **EBIT was EUR 16.3m** and shows a 48.5 percent decline, while the EBIT margin dropped to 1.9%, which is below the January - September 2014 balance by 1.6 p.p.
- **The Group's operations resulted in a negative balance of EUR -9.4m.**
- The January–September 2015 period was marked by the **negative impact of the USD strengthening over the EUR** (details provided on the previous page). The **negative impact** on the Group's **EBITDA/EBIT margin** amounted to **EUR 6.3m** and **EUR 4.1m on the Group's net loss**.
- Due to the impact caused by Russia, the Group's revenue declined by EUR 26.1m (most thereof already in the first half-year). With respect to the comparable period of the previous year, we recorded a **margin shortfall (EBITDA/EBIT) of EUR 5.4m**, which is attributable to the lower volume of sales but mostly also the **time gap between adjusting the prices to the market and the RUB/EUR movement**. The impact of lower sales and the said time gap additionally worsened the effect of exchange losses related to the Russian rouble by EUR 6.8m (or worsened by EUR 3.5m if compared to the same period last year).
- **Without the stated negative effects of the USD strengthening over the EUR and the negative impact caused by Russia**, the Group would have recorded a **positive balance in the first nine months of 2015**. The worsening of EBITDA and EBIT is also mostly the result of the negative effects of the USD/EUR and RUB/EUR fluctuations.

EURm	Q3 2014	Q3 2015	Index	9M 2014	9M 2015	Index	Plan 2015	Q3 2015/ Plan 2015
<b>Revenue</b>	310.3	317.4	102.3	915.0	875.2	95.7	1.224.1	71.5
<b>EBITDA</b>	<b>21.5</b>	<b>17.1</b>	<b>79.8</b>	<b>63.9</b>	<b>50.8</b>	<b>79.5</b>	<b>91.4</b>	<b>55.6</b>
<i>EBITDA margin (%)</i>	6.9%	5.4%	/	7.0%	5.8%	/	7.5%	/
<b>EBIT</b>	<b>10.5</b>	<b>5.6</b>	<b>53.0</b>	<b>31.6</b>	<b>16.3</b>	<b>51.5</b>	<b>41.7</b>	<b>39.2</b>
<i>EBIT margin (%)</i>	3.4%	1.8%	/	3.5%	1.9%	/	3.4%	/
<b>Profit or loss before tax</b>	<b>1.9</b>	<b>-1.9</b>	/	<b>6.7</b>	<b>-7.3</b>	/	<b>9.3</b>	/
<b>Profit or loss for the period</b>	<b>0.9</b>	<b>-2.5</b>	/	<b>4.0</b>	<b>-9.4</b>	/	<b>6.1</b>	/
<i>ROS (%)</i>	0.3%	-0.8%	/	0.4%	-1.1%	/	0.5%	/
<b>Net financial debt<sup>1</sup></b>	<b>387.6</b>	<b>401.4</b>	<b>103.5</b>	<b>387.6</b>	<b>401.4</b>	<b>103.5</b>	<b>321.0</b>	<b>125.0</b>
<b>Net financial debt / EBITDA</b>	<b>4.4</b>	<b>5.5</b>	/	<b>4.4</b>	<b>5.5</b>	/	<b>3.5</b>	/

## MARKETS

- Sales growth within the Home Business Segment was recorded in **Eastern Europe** on the markets of the Czech Republic, Slovakia, Hungary, Slovenia, Macedonia, Montenegro, Bulgaria and Romania.
- As for Western Europe, sales growth was generated on the **markets of Benelux**, mostly in the Netherlands where our market shares are growing. The volume of sales recorded in Q3 2015 in **Germany** remained unchanged in comparison to the same period last year. Sales are still declining on the markets of Scandinavia, Great Britain and Greece.
- By increasing the **sales outside Europe**, we diminish the dependency on European markets and improve our sales structure (increasing the share of premium appliances). Significant growth, with respect to markets outside Europe, was recorded in **Australia**. **Sales to industrial partners** also strengthened, primarily in the markets outside of Europe (North America). **Markets outside Europe** a share of **11.1%** (0.5 p.p. more than in the previous year) represented in the Home segment's sales structure.
- Regardless of the unstable macroeconomic circumstances and the distinctive Russian rouble fluctuation, **we generated higher revenue in Q3 2015 than in the same period in 2014. No signs of improvement were recorded by operations in Ukraine**, although we have maintained our market shares. As no improvement is expected in this market, we have adopted measures based on which costs of the sales organisation were adjusted to market conditions in a scope that enables the retaining of market shares in this demanding market.
- Higher sales in the premium segment are generated by means of sales under the **Asko premium brand products**.
- As for sales of **small household appliances**, the **sales** recorded in Q3 2015 were the **highest** this year. Compared to the same period last year, a **4.8 percent growth in revenue was generated**, which is attributable to sales in Russia and Ukraine, as well as the Western European markets.
- **Sales of innovative<sup>2</sup> appliances increased**; consequently, the share of these appliances within the total sales structure rose to 7.8% (0.9 p.p. more than in last year's equivalent period). Regardless of lower sales, the

<sup>1</sup> Financial debt - cash

<sup>2</sup> 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).

share of **premium<sup>3</sup> appliances** within the sales structure increased to 15.9% (0.1 p.p. more than in the same period in 2014).

## COST MANAGEMENT

- By means of successful work in the field of supply and production:
  - risk management due to fluctuations in exchange rates and purchase prices of global raw materials and **activities for optimising costs of transportation,**
  - **activities related to optimising the consumption of material** in direct production,
  - **supply with components from** the most competitive countries,

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

- **The strengthening of the USD against the adversely affected the purchase values of appliances that are not manufactured in-house** (small household appliances and appliances of the supplementary programme). The effect was partly mitigated by higher sales on the dollar-denominated markets and price increases on the market.
- **The negative impact of the strong USD on the purchase prices was partly mitigated through financial hedging.**
- **Costs of services decreased by 2.5% or EUR 3.8m** (in terms of percentage, they declined 1.8 p.p. less than revenue); the reason behind the slower adjustment of costs of services to revenue movement lies in **higher costs of accelerating the sales and improving operational excellence.** The systematic introduction and **monitoring of measures for achieving cost efficiency** contributed to lower costs of services. The decrease in costs of services was largely impacted by the **costs of logistics,** which also declined due to lower prices of ship and truck transport and due to transport optimisation.
- **Employee benefits expense increased by 0.6% or EUR 1.0m.** As the volume of production increased in Q3 2015, the employee benefits expenses increased at the production facilities. Due to a higher volume of orders, the number of employees is also expected to increase in October and November this year.

## INDEBTEDNESS

- **In view of the previous year's equivalent period, Gorenje's total financial liabilities (gross indebtedness) grew by EUR 14.1m.** The movement of financial liabilities is in line with the interim seasonal dynamics and reflects poor operations in the first nine months. Their balance was also adversely affected by other financial liabilities, which in view of the same period of the previous year show an increase of EUR 3.9m. Other financial liabilities arise on the fair value of concluded but not yet implemented forward exchange contracts earmarked for hedging against interest rate and currency risks (the Russian rouble, in particular).
- **The Group incurs most of its negative cash flows from operating and investing activities in the first six months of the fiscal year;** while it is generally positive in the third quarter, which also holds true this year.

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<sup>3</sup> 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).

Compared to the same period last year, the net financial liabilities (net financial debt)<sup>4</sup> increased by EUR 13.7m and thereby resulted in a net financial debt/EBITDA ratio of 5.5.

- **EUR 65.2m of negative cash flows from operating and investing activities were recorded**, indicating that the result worsened over the January-September 2014 balance by EUR 31.4m. The deterioration is primarily the result of the worsened operating result and higher investments with respect to the same period 2014 balance.

#### **DEVELOPMENT AND NEW PRODUCTS**

- Pursuant to the Group's strategic goal, we have **increased investments in product development costs to 2.8% in the Group's revenue structure** (0.5 p.p. more than in the same period in 2014).
- Key innovations that were launched in the period from January to September this year encompass:
  - **a new generation of built-in ovens under the Gorenje brand** that were launched on most markets,
  - the new **Essential washing machine**,
  - the launch of the new **Magna** premium collection of cooking appliances,
  - the launch of the new **Gorenje by Starck** appliances designed by Philippe Starck at the IFA in Berlin,
  - the launch of new appliances from the Gorenje Infinity line.

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<sup>4</sup> Sum of the Group's current and non-current financial liabilities less cash and cash equivalents as at the end of the reporting period.

## BUSINESS PERFORMANCE FORECAST FOR Q4 2015

**We continued with the upward trend in sales in Q3 2015** that started in May and June 2015. Revenues generated in the third quarter of 2015 were significantly higher than the revenue balance recorded in Q1 and Q2 of 2015. For the first time this year, we have exceeded the revenue of the previous year's equivalent period.

**The Home segment is also expected to further improve its sales in the last quarter of 2015.** In view of orders received, we estimate that the last quarter of 2015 will record the **highest interim sale this year**. Considering the balance of revenue recorded in Q3 2015, we estimate 3 percent growth. Given the previous year's equivalent period, we will achieve the **same level of revenue**. Revenues generated in the last quarter of 2014 were high due to the double sale on the Russian market in December 2014.

As for the markets of Western Europe, the **markets of Benelux** are expected generate the highest revenue in Q4 2015. Most of the sales in these markets are generated through the **Atag premium brand**. In view of the equivalent period in 2014, these markets will increase their balance of revenue by nearly 7%. We also expect to **further improve sales in Germany**, where the volume of orders indicates that the comparable previous year's balance of revenue will be exceeded by more than 10%. More orders relating to the **Asko brand** are also expected on the markets of **Scandinavia**, while sales under the Gorenje brand will approach last year's sales.

A strong last quarter is also anticipated for **markets outside Europe** that will, with respect to revenue, achieve the balance of the Q3 of 2015. Compared to the balance of the same period last year, **sales outside Europe will increase by more than 30%**. As for the annual level, we shall **exceed the planned balance of revenue in view of sales outside of Europe**. This growth is founded on the **Asko premium brand** and the Gorenje brand, as well as sales made to industrial partners.

With respect to **Eastern European** markets, material sales growth is expected mostly in **Russia**, where the forecast sales exceed the sales achieved in Q3 2015. Due to the aforementioned double sale in Russia last December, a comparison with the Q4 2014 balance is inappropriate. **Other Eastern European markets, except Ukraine, will maintain the good growth dynamics** of the first nine months.

The fourth quarter shall see **an even higher utilisation of production capacities**. The latter shall, in addition to improved product and regional sales structure, have a positive impact on the development of the Group's profitability (EBITDA/EBIT).

**We estimate to increase by the end of 2015 the balance of revenue in accordance with plans for this year.**

By the end of 2015, the Group's net profit or loss will, in addition to the volume and sales structure, mostly be impacted by currency relations, in particular the Russian rouble and the US dollar in relation to the euro.

We plan to decrease the net indebtedness to the planned level by the end of the year, whereas the achieved ratio between the planned net financial debt and the EBITDA is to be below 4.

**Pursuant to the last estimate, the Gorenje Group is to achieve and record in 2015:**

- **EBITDA in the amount of EUR 80.7m,**
- **Net loss at EUR -7.8m,**
- **Net debt/EBITDA ratio of 3.9.**



## MANAGEMENT REPORT

### Operating Performance of the Gorenje Group

EURm	Q3 2014	Q3 2015	Index	9M 2014	9M 2015	Index
Revenue	310.3	317.4	102.3	915.0	875.2	95.7
CM <sup>5</sup>	128.8	131.1	101.8	386.9	372.7	96.3
CM (%)	41.5%	41.3%	/	42.3%	42.6%	/
EBIT	10.5	5.6	53.0	31.6	16.3	51.5
EBIT margin (%)	3.4%	1.8%	/	3.5%	1.9%	/
Profit or loss for the period	0.9	-2.5	/	4.0	-9.4	/
ROS (%)	0.3%	-0.8%	/	0.4%	-1.1%	/

The Group generated EUR 875.2m of **revenue**, indicating a decline of 4.3% over the 2014 balance. The Home segment recorded a 3.4 percent fall in revenue. If the impact of exchange rate fluctuations is not taken into account, the Home segment achieved a comparable level of revenue. We succeeded in keeping the relative contribution margin by means of partial price increases in individual markets and by improving the sales structure. The absolute amount of the generated contribution margin has decreased mostly due to the essential decline in revenue in the markets of Russia, Ukraine and Scandinavia. The strengthening of the USD against EUR also had an adverse effect on the contribution margin. The previously mentioned strengthening had a negative impact on the profitability of the small household appliances programme, which is predominantly purchased in USD. A similar trend also prevails in the purchase of large household appliances that are not manufactured in-house. The strengthening of USD compared to EUR also adversely affected the input prices of material and raw materials purchased in USD. The negative effects of the strengthening of the USD/EUR ratio were mitigated by means of accelerating sales in USD, in particular on the North American markets. Nonetheless, the said currency ratio had a negative impact on the margin (EBITDA/EBIT) in the amount of EUR 6.3m. The negative effects were additionally mitigated by purchasing forward contracts that were earmarked for hedging against USD exchange rate fluctuations, which failed, however, to neutralise the already mentioned margin shortfall in full.

<sup>5</sup> Contribution margin at the level of difference between revenue and cost of goods and material.

Foreign currency fluctuations significantly affected sales mostly in the markets of Eastern Europe. Without considering other categories (i.e. exchange rate hedging, adjusting prices to markets, product structure, etc.), the impact of foreign currency fluctuations<sup>6</sup> on the Group's organic growth in revenue in key markets was as follows:

Business Segment Home	Currency impact on revenue	Actual revenue 9M 2015	Actual revenue 9M 2015 valued at exchange rate 9M 2014	Actual revenue 9M 2014	Actual growth (%)	Organic growth (%)
EURm						
West	-0.2	330.1	330.3	340.9	-3.2%	-3.1%
East	-28.3	342.9	371.2	359.5	-4.6%	+3.3%
Other	1.9	83.1	81.2	82.2	+1.1%	-1.2%
<b>TOTAL</b>	<b>-26.6</b>	<b>756.1</b>	<b>782.7</b>	<b>782.6</b>	<b>-3.4%</b>	<b>+0.0%</b>

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 internal methods of currency risk management (balancing of cash flows and balance sheet) and enter into derivatives (particularly forward exchange contracts) for the currencies to which the Group is exposed.

Sales growth within the Home Business Segment was recorded on the markets in Eastern Europe: the Czech Republic, Slovakia, Hungary, Slovenia, Macedonia, Montenegro, Bulgaria and Romania. Regardless of the unstable macroeconomic circumstances the unique Russian rouble fluctuation, **we generated higher revenue in Russia in Q3 2015 than in the same period in 2014**. Regaining market shares is significant due to future profitability, after the Russian rouble fluctuation calms down. Sales in **Ukraine show no recovery**, although we are maintaining our market shares. As no improvement is expected in this market, we have adopted measures based on which the costs of the sales organisation were adjusted to difficult market conditions in a scope that enables the retaining of market shares in this demanding market.

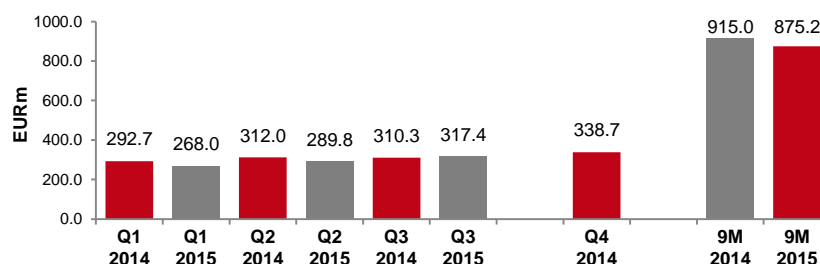
As for Western Europe, sales growth was recorded in the markets of Benelux, mostly in the Netherlands. **Sales recorded in Germany in Q3 2015 are equal** to the balance of the equivalent period in 2014, while further sales growth is expected in this market in view of the increasing number of orders. Lower sales, however, are still recorded on the markets of Scandinavia, Great Britain and Greece.

Significant growth, with respect to **markets outside Europe**, was recorded in Australia where sales under the Gorenje brand are increasing, in addition to sales under the Asko premium brand. Sales of the premium Asko brand

<sup>6</sup> While calculating the impacts of foreign currency fluctuations on the sale's organic growth, we take into account revenue generated in the local currency in 9M 2015, which are evaluated with the average exchange rates achieved in each currency in 9M 2014. The calculated revenue in euros is thereupon compared with the actual generated revenue in euros recorded in the observed period.

products were also strengthened in Asia. Sales to industrial partners have also increased, primarily on markets outside Europe (North America, Asia). In the Home sector's sales structure, markets outside Europe represented a share of 11.1% (0.5 p.p. more than in the previous year).

### Revenue of the Gorenje Group



### Revenue by geographical segment

EURm	Q3 2014	%	Q3 2015	%	Change (%)	9M 2014	%	9M 2015	%	Change (%)
Western Europe	117.1	37.7	113.4	35.7	-3.1%	347.3	37.9	338.1	38.6	-2.6%
Eastern Europe	170.1	54.8	172.6	54.4	+1.5%	485.5	53.1	454.0	51.9	-6.5%
Other	23.1	7.5	31.4	9.9	+36.3%	82.2	9.0	83.1	9.5	+1.1%
<b>Total Group</b>	<b>310.3</b>	<b>100.0</b>	<b>317.4</b>	<b>100.0</b>	<b>+2.3%</b>	<b>915.0</b>	<b>100.0</b>	<b>875.2</b>	<b>100.0</b>	<b>-4.3%</b>
Western Europe	114.6	42.0	110.6	39.0	-3.5%	340.9	43.6	330.1	43.7	-3.2%
Eastern Europe	135.4	49.6	141.3	49.9	+4.4%	359.5	45.9	342.9	45.3	-4.6%
Other	23.1	8.4	31.4	11.1	+36.3%	82.2	10.5	83.1	11.0	+1.1%
<b>Total Home</b>	<b>273.1</b>	<b>100.0</b>	<b>283.3</b>	<b>100.0</b>	<b>+3.8%</b>	<b>782.6</b>	<b>100.0</b>	<b>756.1</b>	<b>100.0</b>	<b>-3.4%</b>

- **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.

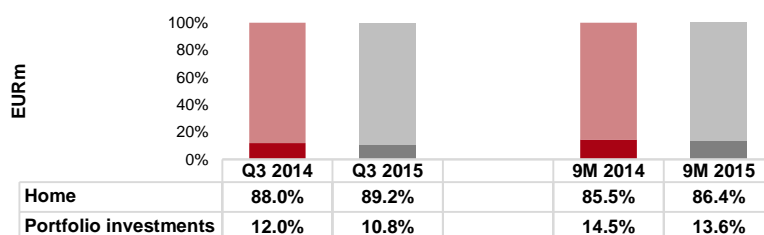
The geographical sales structure of the Home Business Segment indicates the following:

- Our sales in Western Europe declined by 3.2%. A lower balance of revenue was planned.
- Our sales in Eastern Europe generated 4.6% less revenue. If the impact of exchange rate fluctuations were not taken into account, our organic growth in revenue in Eastern Europe would amount to 3.3%.
- Growth was recorded on markets outside of Europe, where we generated 1.1% more revenue. Markets outside of Europe cover an 11.0 percent share in the Home segment's sale structure. The sales growth in Q3 2015 was exceptional, thus also paving the way for solid growth in future periods.

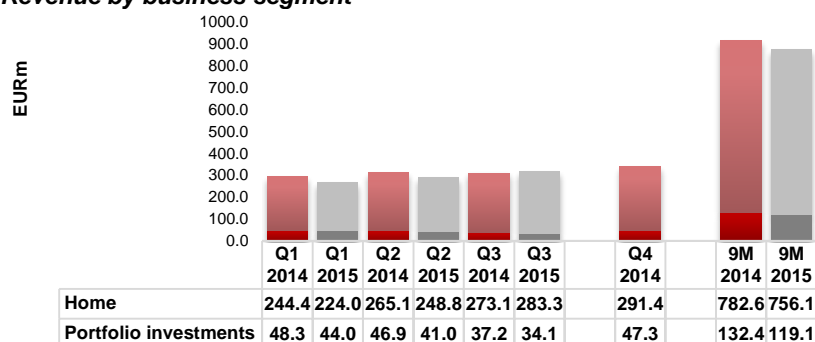
The achieved revenue structure by business segments shows that the Home segment generated 86.4% of the Group's total revenue (an increase of 0.9 p.p. if compared to the equivalent period in 2014); the share's change is attributable to lower revenue generated through the sale of coal within portfolio-related activities, the changed dynamics in the medical-related field

of business, and lower revenue from machine and tool manufacture, and ecology.

**Group's revenue structure by business segment**



**Revenue by business segment**



EUR 756.1m of revenue was generated within the **Home Business Segment**, showing a 3.4 percent decline compared to the January–September 2014 balance.

EUR 119.1m of revenue was generated in the **Portfolio Investments Business Segment**, which is 10.1% or EUR 13.3m less if compared to the first nine months of 2014. The decrease in revenue is the result of lower sale of coal and medical equipment, and machine and tool manufacture.

**Movement of profitability of the Group at the EBIT level:**

EURm	Development
<b>EBIT January–September 2014</b>	<b>31.6</b>
Contribution margin at the level of cost of goods and material	-14.1
Cost of services	3.8
Employee benefits expense	-1.0
Amortisation and depreciation expense	-2.3
Other operating expenses	0.0
Other operating income	-1.7
<b>EBIT January–September 2015</b>	<b>16.3</b>

**Earnings before interest and taxes (EBIT):** we achieved a positive EBIT of EUR 16.3m. With respect to Q3 2014, the EBIT was lower by EUR 15.3m or 48.5%, which is primarily attributable to the lower contribution margin at the level of cost of goods and material due to:

- lower sales, mostly in Russia, where the margin shortfall (EBITDA / EBIT) amounted to EUR 7.2m,

- strengthening of the USD against EUR that adversely affected the profitability of the programme of small and large household appliances not manufactured in-house and mostly purchased in USD (the estimated margin shortfall (EBITDA / EBIT) exceeds EUR 5m).
- strengthening of the USD compared to EUR that, however, negatively impacted the input prices of material and raw materials, which are purchased in USD (estimated effect exceeds EUR 3m).

The previously mentioned adverse effects were mitigated by:

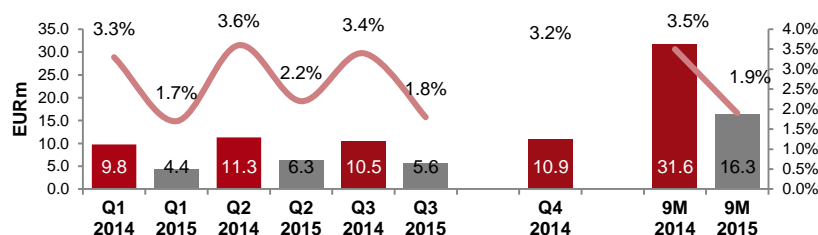
- successful management of the purchase prices of material and raw materials (including the management of transport prices on the side of inbound logistics, which are reflected in the purchase prices of material and raw materials),
- optimising the costs of material and raw materials in direct production,
- supply with components from the most competitive countries,
- successful management of fuel costs with respect to lower volumes of production,
- lowering cost of services (by 2.5% or EUR 3.8m); costs of services declined mostly due to lower costs of logistics (lower prices of ship and truck transports and optimised transport organisation),
- sales growth on the dollar-denominated markets, by means of which we mitigated the negative impact of the EUR/USD fluctuation on the purchase side.

Employee benefits expenses increased by 0.6% or EUR 1.0m. The employee benefits expenses increased at the production facilities due to the higher volume of production in Q3 2015. In view of the higher volume of orders, the number of employees is also expected to increase in October and November this year.

Sales of innovative<sup>7</sup> appliances increased; consequently, the share of these appliances within the total sales structure rose to 7.8% (0.9 p.p. more than in last year's equivalent period). Regardless of lower sales, the share of premium<sup>8</sup> appliances within the sales structure increased to 15.9% (0.1 p.p. more than in the same period in 2014).

Other operating income decreased due to the lower amount of subsidies received, and lower income generated on the reversal of provisions. Other operating income remained on the level of the previous year's equivalent period.

#### **EBIT and EBIT margin**



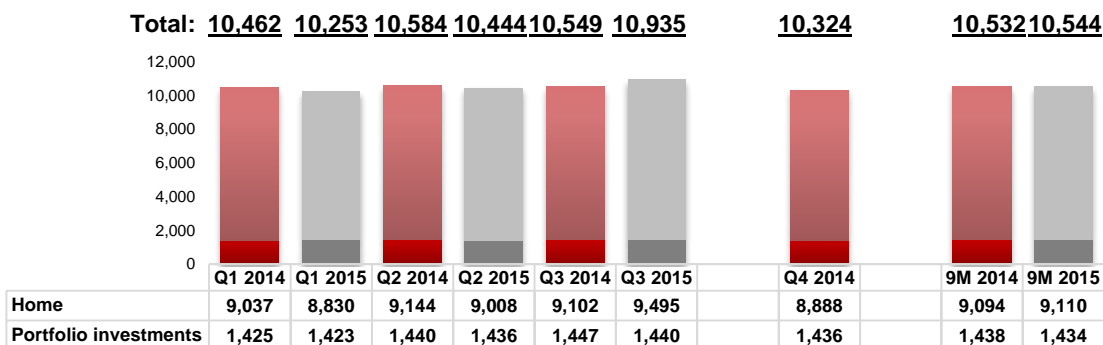
**The Gorenje Group's average number of employees was 10,544** or 12 more than in the equivalent period in 2014. The number of employees in the manufacturing companies grew by eight, while in individual companies of the Home segment the number of staff declined partly as a result of adjusting to

<sup>7</sup> 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).

<sup>8</sup> 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).

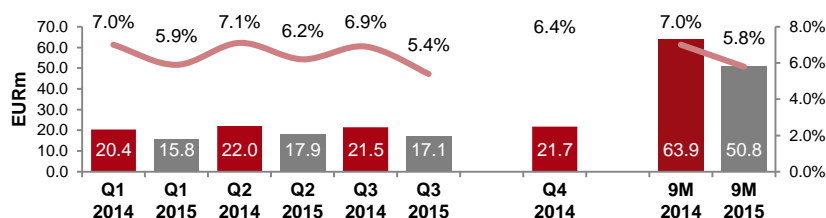
the lower volume of sales activities. The number of staff in the Business Segment Portfolio Investments declined by four employees.

**Average number of employees by business segment**



The Group recorded **earnings before interest, taxes, depreciation and amortisation (EBITDA)** of EUR 50.8m, which is EUR 13.1m or 20.5% less than in the same period in 2014.

**EBITDA and EBITDA margin**

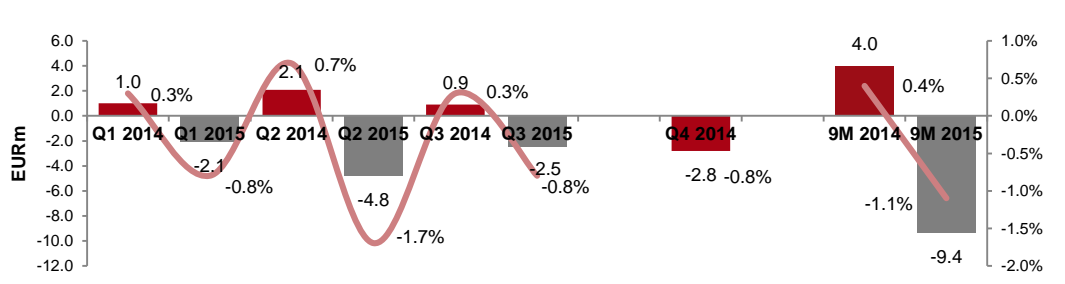


**The Group's result from financing activities was negative** in the amount of EUR 23.7m, which indicates an improvement over the Q3 2014 balance by EUR 1.1m or 4.5%. The negative result from financing activities was primarily impacted by interest expenses that were recorded at EUR 13.3m in the first nine months of 2015 and show a decline by 5.5% over the equivalent period in 2014, and the negative balance of exchange rate differences in the amount of EUR 6.5m, which is EUR 2.9m less than in the same period in 2014. The impact of the Russian rouble on the exchange losses is stated at EUR 6.7m.

**Income tax expense**, disclosed at EUR 2.1m, includes current and deferred income tax. 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 the biggest impact on deferred taxes, are tax relief amounts 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.

The Gorenje Group's **loss for the period** amounted to EUR -9.4m.

**Profit or loss for the period and ROS**

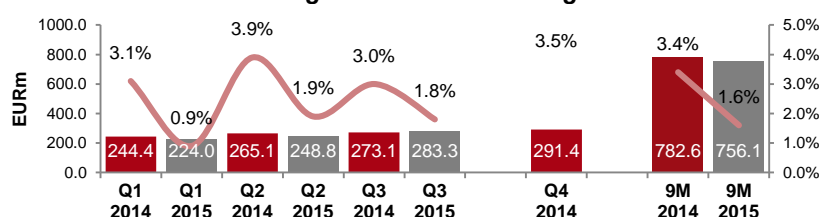


## Operating Performance by Business Segment

### Home

EURm	Q3 2014	Q3 2015	Index	9M 2014	9M 2015	Index
Revenue	273.1	283.3	103.8	782.6	756.1	96.6
CM <sup>9</sup>	108.3	111.7	103.2	325.3	313.2	96.3
CM (%)	39.7%	39.4%	/	41.6%	41.4%	/
EBIT	8.3	5.2	62.6	26.3	12.0	45.8
EBIT margin (%)	3.0%	1.8%	/	3.4%	1.6%	/

### Revenue and the EBIT margin of the Business Segment Home



The Home segment's movement of revenue growth in terms of individual market is shown on previous pages of this report.

Our Home segment records a positive **EBIT** of EUR 12.0m. With respect to the equivalent period in 2014, the EBIT shows a decrease of EUR 14.3m, which is mostly attributable to the lower contribution margin at the level of cost of goods and material. In addition, the Home segment's lower EBIT is the result of higher amortisation and depreciation expense arising in connection with completing development-related projects that were activated at the year-end of 2014 and during 2015.

We successfully curbed the purchase prices for material and raw materials (inclusive of transportation) and adjusted the cost of fuels to the lower volume of production. We have also successfully adjusted the cost of services, which were lower by EUR 1.8m or 1.5% and had a large positive impact on the profitability at the EBIT level. The largest decline in the cost of services was achieved in the field of logistics (also by means of optimising prices of ship and truck transport and improving the transport organisation). Employee benefits expenses grew by EUR 0.6m, primarily as the result of a higher number of staff in Q3 2015 (i.e. growing number of orders and sales volume).

#### Movement of profitability at the EBIT level:

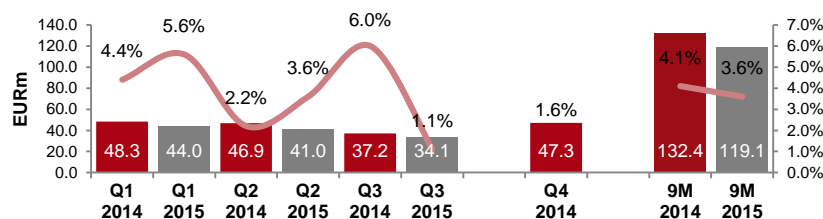
EURm	Development
<b>EBIT January-September 2014</b>	<b>26.3</b>
Contribution margin at the level of cost of goods and material	-12.1
Cost of services	1.8
Employee benefits expense	-0.6
Amortisation and depreciation expense	-2.3
Other operating expenses	-0.7
Other operating income	-0.4
<b>EBIT January-September 2015</b>	<b>12.0</b>

<sup>9</sup> Contribution margin at the level of difference between revenue and cost of goods and material.

## Portfolio Investments

EURm	Q3 2014	Q3 2015	Index	9M 2014	9M 2015	Index
Revenue	37.2	34.1	91.7	132.4	119.1	89.9
CM <sup>10</sup>	20.5	19.4	94.6	61.6	59.6	96.7
CM (%)	55.1%	56.8%	/	46.5%	50.0%	/
EBIT	2.2	0.4	16.8	5.4	4.3	79.7
EBIT margin (%)	6.0%	1.1%	/	4.1%	3.6%	/

### Revenue and the EBIT margin of the Business Segment Portfolio Investments



Our Portfolio Investments segment incurred a 10.1 percent decline in revenue as a result of lower income generated through the sale of coal, which pertains to the uneven interim sales dynamics of coal. Less revenue was also generated in the field of medical equipment, where the volume of sales depends on the movement of investments made by health institutions in Slovenia and Serbia. Lower prices of secondary raw materials resulted in a lower revenue balance within the ecology segment and lower costs of materials of this segment.

Regardless of the lower revenue, we achieved an **EBIT** of EUR 4.3m or EUR 1.1m below the EBIT generated in the same period in 2014. A decline in other operating income had a material impact on this segment's EBIT. Other operating income decreased due to the compensation received last year in connection with standstills that were caused by a fire in one of the companies from the ecology segment in 2013. Lower costs of services in the amount of EUR 2.0m or by 7.1% had the largest **positive** impact on the EBIT profitability (referring to lower costs of transportation and other services).

The lower contribution margin is attributable to the lower volume of sales. With respect to the lower of sales, the cost of services decreased relatively even more (by EUR 2.0m or 7.1%) which, conversely, had a positive impact on EBIT. The EBIT and the EBIT margin were fundamentally improved, which is mostly attributable to the ecology segment (waste management).

Other categories of **operating expenses** or **income** had no significant impact on profitability at the level of EBIT.

<sup>10</sup> Contribution margin at the level of difference between revenue and cost of goods and material.



**Movement of profitability** at the EBIT level:

<b>EURm</b>	<b>Development</b>
<b>EBIT January-September 2014</b>	<b>5.4</b>
Contribution margin at the level of cost of goods and material	-2.0
Cost of services	2.0
Employee benefits expense	-0.5
Amortisation and depreciation expense	0.0
Other operating expenses	0.6
Other operating income	-1.2
<b>EBIT January-September 2015</b>	<b>4.3</b>

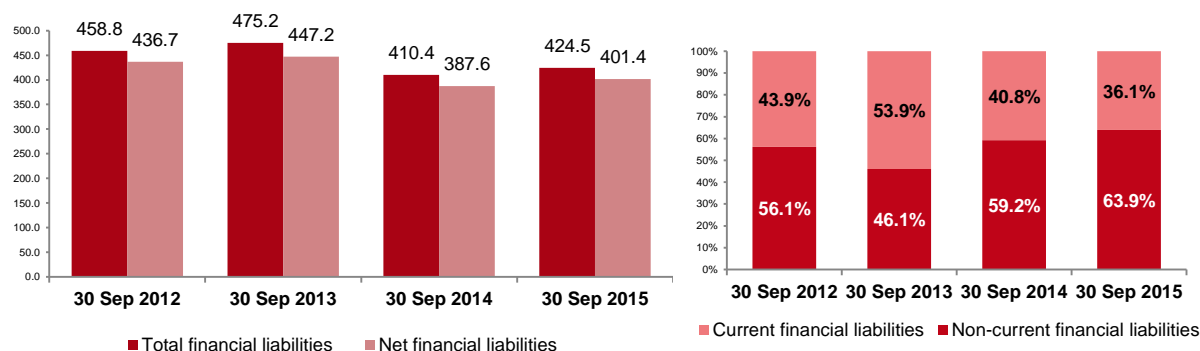
## Financial Performance of the Gorenje Group

### Group's financial operations

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

In the first nine months of 2015, the Group repaid EUR 44.8m of currently due long-term borrowings. As at 20 February 2015, we issued 10-month commercial papers bearing an interest rate of 2.20% p.a., in the total par value of EUR 27m. With respect to the 5-year bonds issued in the previous year, nearly a quarter of the sources within the Group's structure of financial liabilities were acquired on the capital markets.

### Movement of total and net financial liabilities in Q3 for the period 2012-2015 (EURm<sup>11</sup>) and the maturity structure of financial liabilities



As at 30 September 2015, **total financial liabilities** amounted to EUR 424.5m, showing an increase of EUR 14.1m in comparison to the equivalent period in 2014. The movement of financial liabilities complies with the interim seasonal dynamics when most of the Group's negative cash flows from operating and investing activities are generated in the first half-year of 2015. The dynamics were less favourable than in the equivalent period last year, which is primarily the result of the poor operating result and higher investments made. Financial liabilities also comprise liabilities under the fair value of forward contracts concluded but not yet realised and earmarked for hedging against interest rate and currency fluctuations. As for the **maturity structure of financial liabilities**, 63.9% refer to non-current sources whereby the remaining stake represents current sources. Compared to the 30 September 2014 balance, the maturity structure improved by 4.7 p.p.

As at 30 September 2015, **net financial liabilities** (measured as the difference between total financial liabilities and cash and cash equivalents) amounted to EUR 401.4m and indicate an increase of EUR 13.7m over the same period in 2014. They were also negatively impacted by the fair value of the forward contracts concluded but not yet realised, whose balance is higher by EUR 4.0m if compared to the same period in 2014.

As at 30 September 2015, the Group disclosed liquidity reserves in the amount of EUR 60.4m in the form of approved but undrawn current borrowings in addition to bank balances of EUR 23.2m, which may also be used to bridge payments on currently due liabilities. At the end of April,

<sup>11</sup> Accounting view

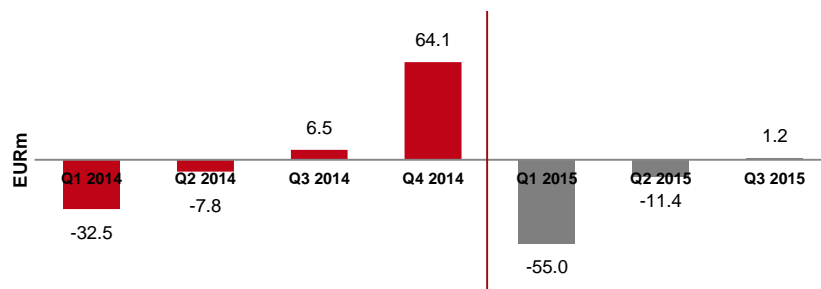
Gorenje, d.d. signed a contract with a bank group that is already one of the Gorenje Group's partners and raised a non-current borrowing in the amount of EUR 65m. The Group thereby ensured alternative financing for servicing currently due long-term borrowings in 2015 and at the same time improved the maturity structure of sources of financing. 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 improvement of the loans' maturity structure, and balancing the amount of the liquidity reserve.

### Cash flows of the Gorenje Group

In Q3 2015, the Group generated EUR 1.2m of positive cash flows from operating and investing activities, which shows a decline of EUR 5.4m over the same period in 2014. These dynamics are typical, as the Group generates most of its negative cash flows from operating and investing activities in the first six months of the year. Lower free cash flow is mostly attributable to higher investments made and the poor operating result in comparison to the last year's equivalent period.

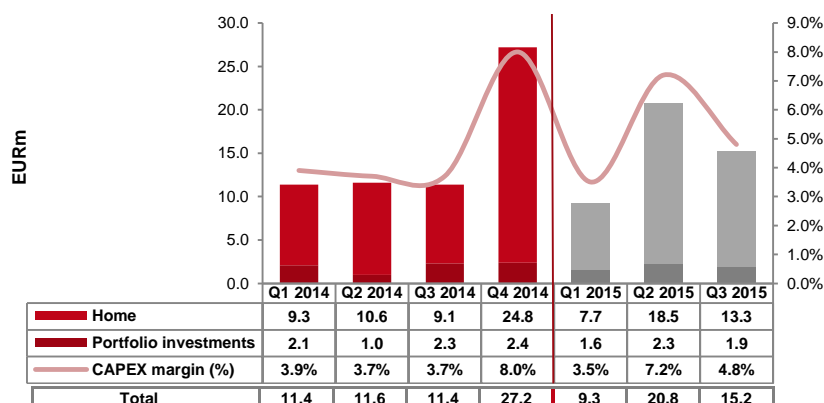
In the first nine months of 2015, EUR 65.2m of negative cash flows from operating and investment activities were recorded, and these worsened over the same period last year by EUR 31.4m.

#### Cash flows from operating and investing activities



**Investments** amounted to EUR 15.2m in Q3 2015 and show an increase of EUR 3.8m over the same period in 2014. The largest portion recorded at EUR 13.3m refers to the Home segment. The largest share of investments refers to the continuation and completion of projects that were approved already in previous years, in particular further development of the new generation of built-in ovens, development of the new generation of dishwashers and other minor projects. Investments recorded by the Portfolio Investments segment amounted to EUR 1.9m, and the largest portion thereof was invested in equipment.

#### Investments by business segment



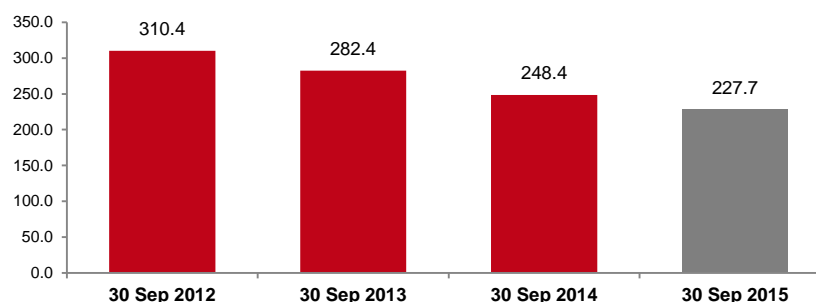
As at 30 September 2015, the Group's investments in net working capital<sup>12</sup> amounted to EUR 227.7m and, compared to 31 December 2014 (from which the cash flow movement for 2015 is calculated), indicates an increase of EUR 52.6m. The working capital's increase in view of the 2014 year-end balance was mostly impacted by higher trade payables and higher balances of inventories.

If compared to the previous year's equivalent period, investments in net working capital declined by EUR 20.7m, which is mostly attributable to higher trade payables and lower trade receivables.

**Investments in net working capital**

EURm	30 Sep 2012	30 Sep 2013	30 Sep 2014	30 Sep 2015
+ Inventories	247.7	250.8	249.8	249.7
+ Trade receivables	282.3	240.2	228.0	220.5
+ Other current assets	53.2	64.3	48.9	50.0
- Trade payables	-176.3	-178.0	-182.8	-191.2
- Other current liabilities	-96.5	-94.9	-95.5	-101.3
<b>= Net working capital</b>	<b>310.4</b>	<b>282.4</b>	<b>248.4</b>	<b>227.7</b>

**Movement of net working capital in Q3 in the 2012-2015 period (EURm)**



At the end of Q3 2015, **trade receivables** were recorded at EUR 220.5m and show an increase of EUR 37.9m in comparison to 31 December 2014 (from which the cash flow movement for 2015 is calculated). An increase in receivables with respect to the beginning of the year is a reflection of the common annual dynamics. Trade receivables declined, however, by EUR 7.5m in comparison to Q3 2014. The average turnover of receivables was 62 days, which is two days shorter than the average turnover of receivables in the previous year's equivalent period.

**Inventories** amounted to EUR 249.7m and with respect to 31 December 2014 show an increase of EUR 29.9m. Inventories declined by EUR 0.1m over the last year's equivalent period. Inventory turnover amounted to 72 days and equals the level of the previous year's same period. The balance is the result of the expected sales dynamics in the last quarter. We have adopted additional target measures in the third quarter for improving the management of slow-moving inventories of finished products and merchandise at the level of individual companies.

As at 30 September 2015, **trade payables** amounted to EUR 191.2m and show a decline of EUR 11.4m in comparison to 31 December 2014. Trade payables increased by EUR 8.4m with respect to the equivalent period in

<sup>12</sup> Net working capital = inventories + trade receivables + other current assets – trade payables – other current liabilities

2014. Turnover of liabilities was 78 days and is one day longer in comparison to the equivalent period in 2014.

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

With regard to the category of **financial risks**, the fierce macroeconomic situation and political risks in certain markets led the Group to pay special attention to efficient **credit risk** management. Credit risk is thereby balanced through the on-going control of credit limits approved by credit insurance companies, the appropriate collection of receivables, and regular communication with credit insurance companies and business partners. The balance of bad debts is reviewed and analysed on an on-going basis, and proper measures are implemented (e.g. collection, mortgage collections, suspension of supplies to customers with weak credit ratings, etc.). We have a strict set of rules on what is deemed suitable collateral for the sale of goods, and a defined level of the maximum possible exposure to individual companies, customers, etc.

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

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

We are managing the **risk of short-term liquidity** by means of approved revolving credit lines per Group companies, approved bank account overdrafts, and bank balances. As at the end of September 2015, the undrawn part of current and non-current credit lines amounted to EUR 60.4m and bank balances to an additional EUR 23.2m.

## Summary of the Operating Performance of Gorenje, d.d.

### Operating performance of Gorenje, d.d.

EURm	Q3 2014	Q3 2015	Index	9M 2014	9M 2015	Index
<b>Revenue</b>	<b>155.4</b>	<b>172.4</b>	<b>110.9</b>	<b>504.7</b>	<b>488.4</b>	<b>96.8</b>
<b>CM<sup>13</sup></b>	52.9	55.4	104.7	163.2	156.2	95.7
CM (%)	34.0%	32.1%	/	32.3%	32.0%	/
<b>EBITDA</b>	<b>7.6</b>	<b>6.4</b>	<b>84.8</b>	<b>29.4</b>	<b>22.3</b>	<b>76.0</b>
EBITDA margin (%)	4.9%	3.7%	/	5.8%	4.6%	/
<b>EBIT</b>	<b>2.1</b>	<b>0.4</b>	<b>18.3</b>	<b>13.5</b>	<b>4.4</b>	<b>32.6</b>
EBIT margin (%)	1.4%	0.2%	/	2.7%	0.9%	/
<b>Profit or loss before tax</b>	<b>-0.4</b>	<b>-4.0</b>	<b>/</b>	<b>5.3</b>	<b>-6.3</b>	<b>/</b>
<b>Profit or loss for the period</b>	<b>-0.4</b>	<b>-3.9</b>	<b>/</b>	<b>5.6</b>	<b>-6.4</b>	<b>/</b>
ROS (%)	-0.3%	-2.3%	/	1.1%	-1.3%	/
ROA (%)	-0.2%	-1.6%	/	0.8%	-0.9%	/
ROE (%)	-0.5%	-4.4%	/	2.1%	-2.4%	/
<b>Employee / end of period</b>	<b>4,086</b>	<b>4,248</b>	<b>104.0</b>	<b>4,086</b>	<b>4,248</b>	<b>104.0</b>
<b>Employee / average</b>	<b>4,177</b>	<b>4,234</b>	<b>101.4</b>	<b>4,154</b>	<b>4,122</b>	<b>99.2</b>

In the first nine months of 2015, **revenue** generated by the parent company amounted to EUR 488.4m and indicates a decrease of EUR 16.3m or 3.2% over the last year's equivalent period.

The parent company's Home Business Segment recorded revenue of EUR 461.4m or 2.9% less than in the first nine months in 2014, which is primarily the result of:

- lower sales of products manufactured in-house by 5.3%,
- lower volume of production by 7.2%,
- lower other sales by the Home Business Segment by 11.9%, primarily referring to marketing material and raw materials.

Revenue generated through sales beyond the Home Business Segment amounted to EUR 21.9m and shows a decrease over the same period last year by 13.9%, which is mostly attributable to lower income from the sale of coal and lower income generated through the Solar programme. In the same period, revenue from the sale of kitchens amounted to EUR 5.2m, which is 17.0% more if compared to the same period in 2014.

The contribution margin (gross margin) at the level of the difference between revenue, cost of raw materials, material, and purchase cost of goods sold, including related change in inventories, declined by EUR 7.0m over the equivalent period in 2014. The absolute amount of gross margin decreased mostly because of the fall in sales in the markets of Russia and Ukraine. The strengthening of the USD against EUR had an additional impact on the lower contribution margin. The previously mentioned strengthening had a negative impact on the profitability of the small household appliances programme, which is predominantly acquired in USD. A similar trend prevails in the purchase of large household appliances that are not manufactured in-house.

<sup>13</sup> Contribution margin at the level of difference between revenue and cost of goods and material

The relevant change of USD compared to EUR also had an adverse effect on the input prices of material and raw materials acquired in USD.

The cost of services indicate an increase of 2.7% over the same period last year and is mostly attributable to accelerating sales, the provision of operating excellence, and aftersales services.

Employee benefits expense increased by 0.7% of EUR 0.5m with regard to the equivalent period in 2014, which is the result of higher number of staff in August and September of 2015 that followed the production requirements.

Given the equivalent period in 2014, amortisation and depreciation expense increased by 12.8%, largely as a result of completing development projects that were activated in the second half-year of 2014, as well as the lines of washing machines and dryers activated in the first months of 2015.

Compared to the same period last year, the parent company's result from financing activities worsened by 30.9% or by EUR 2,528k, which is primarily the result of the negative effect of derivatives realised and the negative valuation of derivatives that were used to hedge against currency risks.

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

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

<b>EURm</b>	<b>Development</b>
<b>Profit of loss for January-September 2014</b>	<b>5.6</b>
Contribution margin at the level of cost of goods and material	-5.9
Cost of services	-1.6
Employee benefits expense	-0.5
Amortisation and depreciation expense	-2.0
Other operating expenses	0.5
Other operating income	0.3
Financial result	-2.5
Income tax expense and deferred taxes	-0.3
<b>Profit or loss for January-September 2015</b>	<b>-6.4</b>

## Ownership Structure and the GRVG Share

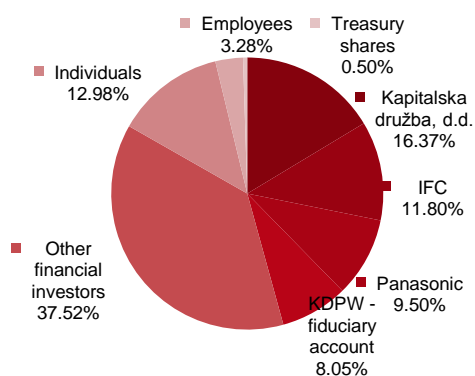
### Ownership structure

As at **30 September 2015**, **16,512 shareholders** were entered in the share register, indicating that the number of shareholders declined by 2.9% over the year-end balance of 2014 (17,000).

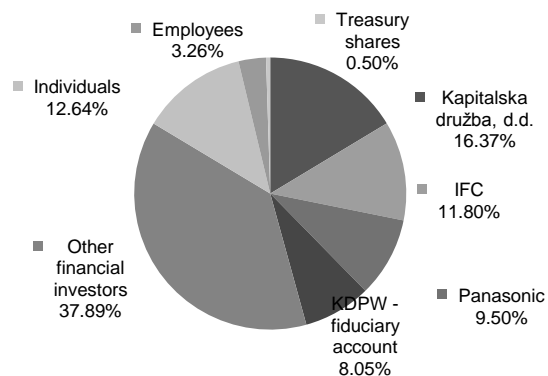
#### Gorenje's ten major shareholders and owners

Ten major shareholders	No. of shares (30 Sep 2015)	Share in %
KAPITALSKA DRUŽBA, D.D.	3,998,653	16.37%
IFC	2,881,896	11.80%
PANASONIC CORPORATION	2,320,186	9.50%
KDPW – FIDUCIARY ACCOUNT	1,965,628	8.05%
HOME PRODUCTS EUROPE B.V.	1,069,450	4.38%
Alpen.SI, Mixed flexible sub-fund	981,188	4.02%
AUERBACH GRAYSON & COMPANY LLC	647,165	2.65%
KD BALKAN, EQUITY FUND	564,817	2.31%
RAIFFEISEN BANK AUSTRIA D.D. – FIDUCIARY ACCOUNT	502,496	2.06%
BNP PARIBAS SECURITIES SERVICES S.C.A.	479,732	1.96%
<b>Total major shareholders</b>	<b>15,411,211</b>	<b>63.10%</b>
Other shareholders	9,013,402	36.90%
<b>Total</b>	<b>24,424,613</b>	<b>100%</b>

Ownership structure at 31 December 2014



Ownership structure at 30 September 2015



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



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

Supervisory Board	31 Dec 2014		30 Sep 2015	
<b>Total:</b>	<b>3,508</b>	<b>0.0144%</b>	<b>3,508</b>	<b>0.0144%</b>
<b>Peter Kobal</b>	1,355	0.0055%	1,355	0.0055%
<b>Krešimir Martinjak</b>	115	0.0005%	115	0.0005%
<b>Jurij Slemenik</b>	2,038	0.0083%	2,038	0.0083%

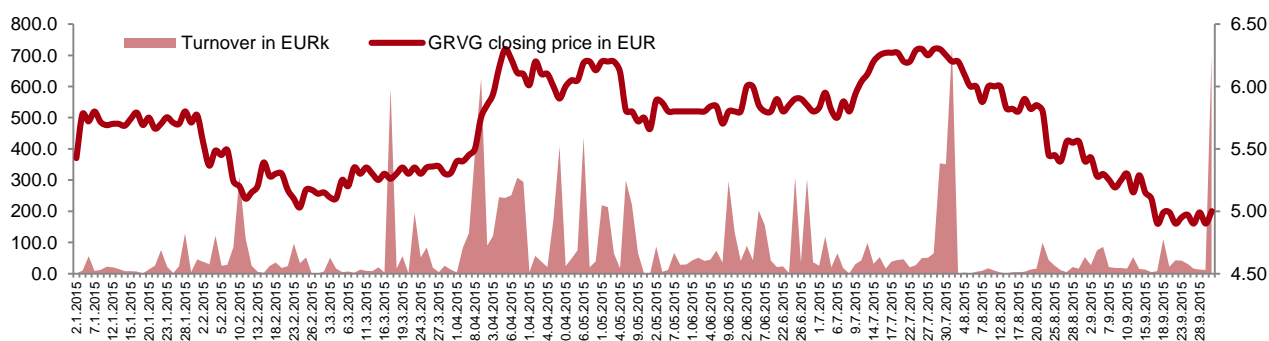
Management Board	31 Dec 2014		30 Sep 2015	
<b>Total:</b>	<b>21,394</b>	<b>0.0876%</b>	<b>21,394</b>	<b>0.0876%</b>
<b>Franco Bobinac</b>	4,096	0.0168%	4,096	0.0168%
<b>Branko Apat</b>	626	0.0026%	626	0.0026%
<b>Drago Bahun</b>	9,082	0.0372%	9,082	0.0372%
<b>Marko Mrzel</b>	450	0.0018%	450	0.0018%
<b>Peter Groznik</b>	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 2015 to the date of this public announcement.

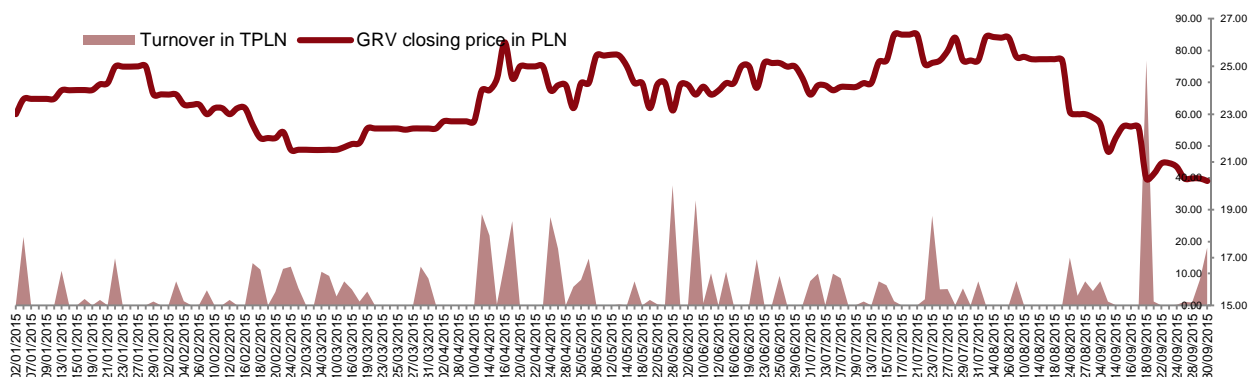
**GRVG share**

As at the last trading day in September 2015, the **closing price per share** on the Ljubljana Stock Exchange as the primary market was recorded at EUR 5.00 and shows a decline of 11.0% in comparison to the last trading day in 2014 (EUR 5.62). The prime market index SBITOP declined in the same period by 13.9%. Total turnover on the Ljubljana and Warsaw Stock Exchanges was 1,383,327 shares, indicating that the average daily turnover on the Ljubljana Stock Exchange was 7,150 shares and 170 shares on the Warsaw Stock Exchange. Compared to the year-end balance of 2014, the closing price of the share on the Warsaw Stock Exchange decreased by 15.2% (from PLN 23.82/EUR 5.58 to PLN 20.20/EUR 4.76).

**Movement of the GRVG share and daily turnover on the Ljubljana Stock Exchange in the period of January–September 2015**



**Movement of the GRV share and daily turnover on the Warsaw Stock Exchange in the period of January–September 2015**



**Basic and diluted earnings per share** are calculated as the ratio between the profit or loss of the parent company's owners and the average number of shares issued, less the average balance of treasury shares (24,303,302 shares), amounts to EUR -0.39 (2014: EUR 0.04).

**The book value of the GRV share** as at 30 September 2015 amounted to EUR 14.97 (EUR 15.65 as at 31 December 2014). It is calculated as the ratio between the book value of the Group's ordinary share capital and the number of issued shares, exclusive of the number of treasury shares as at 31 December 2014 (24,303,302 shares).

**The ratio between the market value and the book value of the GRV share** is recorded at 0.33 (0.36 as at 31 December 2014).

**Dividend policy**

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

**Significant events after the balance sheet date**

No significant events occurred after the date of compiling the balance sheet as at 30 September 2015.

**Significant Business Events in 2015**

**JANUARY**

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



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

## FEBRUARY

As at 20 February 2015, we have issued 10-month commercial papers bearing an interest rate of 2.20% p.a., in the total par value of EUR 27m or 35% more than initially planned. This issue of commercial papers is a part of our strategy to disperse financial sources in pursuance of which we issued bonds worth EUR 73m in 2014.

## MARCH

### **Gorenje's heating segment at the Dom and ISH tradeshows**



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

## APRIL

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

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

### **Silver medal for Orodjarna**



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

## MAY

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

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

### Gorenje available also through the John Lewis online shop



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

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



A new Gorenje Studio was opened in Sarajevo on 16 May 2015, extending over 215 square meters. A Gorenje Family Day was also organised on this occasion and a donation made to the Vladimir Nazor Education and Rehabilitation Centre. "Our primary task is to maintain Gorenje's recognisability and its leading position on the household appliance market in Bosnia and Herzegovina. This is certainly implemented by means of

extending the network of shops and thereby coming even closer to all our loyal customers," said Mr Uroš Marolt, Managing Director of Gorenje Commerce.

## JUNE

### Gorenje and Bobinac amongst most prominent

Gorenje and its president and CEO Franjo Bobinac were ranked amongst the most prominent in the survey Ugleđ 2015 (Reputation 2015), which has been carried out in Slovenia by the market research company Kline & Partner for 20 years.

In business circles, Gorenje ranks third, just after two pharmaceutical companies, and is outstanding mostly because of quality, innovations and the attractiveness of products. Franjo Bobinac, second only to the Jože Colarič, president and CEO at Krka, is well respected, particularly because "he emphasises the quality of products and services" and "supports investments in research and development".

The extremely high ranks of Gorenje and Bobinac are significant contributions towards the higher reputation of the Industry and reputation of the profession of managers.

### Gorenje awarded the exclusive OPUS Kuala Lumpur project in Malaysia

During a ceremony hosted in Kuala Lumpur on 10 June 2015, Mr Matthew Tee, representative of Star Effort Sdn Bhd (a subsidiary of Bina Puri Properties Sdn Bhd) signed a partnership agreement with Gorenje, represented by Mr Janko Le Ulaga, Regional Sales manager for South-East Asia, and Mr Michael Foster, CEO of the Calvin Klein Furniture Company, to fit all 357 units in the future exclusive Opus Kuala Lumpur residential area.



Opus Kuala Lumpur, with a total value of EUR 73m, is part of the new emerging centre in Kuala Lumpur, covering over 740,000 m<sup>2</sup>. The project is expected to be completed in 2017.

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



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

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

### Gorenje – Best from Serbia

Organised by Serbia's Chamber of Commerce, the Ministry of Trade, Tourism, and Telecommunication, and the daily newspaper *Privredni pregled* (Business Review), the campaign "Best from Serbia" was carried out for the 11<sup>th</sup> consecutive year. The campaign presents awards to the best domestic brands and companies for their financial and market achievements.

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

## JULY

### Panasonic and Gorenje expand their strategic partnership to other business segments

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

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

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

### First official presentation of the new HomeMade line in Asia



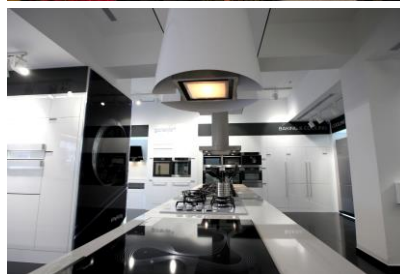
The Architect Expo tradeshow was held in the Impact Arena in Bangkok this year, where our distributor Hafele for the first time officially presented Gorenje's HomeMade line of built-in appliances. Thus, 200,000 visitors had the opportunity to see Gorenje's ovens, hoods, refrigerators and cookers for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

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

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



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



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

Both offer a live experience as visitors can also test the appliances. The advantages of Gorenje and Asko appliances are presented live by known chefs during culinary events.

The Gorenje Group's highly successful presence on the Israeli market is the result of strategic activities that anticipate, among others, a shift from the Pan-European to the global market presence.

## Red Dots for eight Gorenje Group appliances



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

## AUGUST

### Gorenje Group continues to divest its non-core ecology segment

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

### Atag Nederland wins the Business Success Award



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

The institute's mission is to encourage business success, exchange knowledge on business success and connect successful people. The Institute organises diverse activities such as the presentation of the Netherland's biggest business award. The nomination committee recognised Atag Nederland as an advanced company that will enhance its success on the domestic as well as international markets.

### Asko Duo Fusion received the Good Design Award®



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



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

### Gorenje at the IFA in Berlin



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

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





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## 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 2015 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 26 October 2015.

#### (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 2014.

### 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 2014.

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 2015 were as follows:

- As at 1 February 2015, the parent company Gorenje, d.d., acquired from GEOPLIN, d.o.o., Ljubljana an equity interest in the company GGE, družba za izvajanje energetskih storitev, d.o.o., Ljubljana and thereby became its 50 percent owner.
- Gorenje Studio d.o.o. Beograd recorded changes in its ownership structure, according to which the company Gorenje, d.o.o., Beograd has withdrawn as its shareholder and was as at 30 April 2014 succeeded by Gorenje Beteiligungs m.b.h., Austria,
- Gorenje Studio d.o.o. Ljubljana recorded changes in its ownership structure, according to which the company Gorenje GSI, d.o.o., has withdrawn as its shareholder and was as at 25 May 2015 succeeded by Gorenje Beteiligungs m.b.h., Austria.
- As at 18 August 2015, the company Gorenje Solago, d.o.o., Serbia merged with the company Gorenje aparati za domačinstvo, d.o.o., Serbia.
- As at 28 September 2015, the company Kemis, d.o.o., Vrhnika sold its investment in Kemis - BH, d.o.o., Bosnia and Herzegovina to the company Gorenje Surovina, d.o.o., Maribor.
- As at 28 September 2015, the company Gorenje Surovina, d.o.o., Maribor sold its investment in Kemis – SRS, d.o.o., Bosnia and Herzegovina to the company Kemis, d.o.o., Vrhnika.

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

Companies operating in Slovenia		Equity interest in %	Business segment
1.	Gorenje I.P.C., d.o.o., Velenje	100.00	BSH
2.	Gorenje GTI, d.o.o., Velenje	100.00	BSPI
3.	Gorenje Gostinstvo, d.o.o., Velenje	100.00	BSPI
4.	Energygor, d.o.o., Velenje	100.00	BSPI
5.	Kemis, d.o.o., Vrhnika	100.00	BSPI
6.	Gorenje Orodjarna, d.o.o., Velenje	100.00	BSPI
7.	ZEOS, d.o.o., Ljubljana	51.00	BSPI
8.	Gorenje Surovina, d.o.o., Maribor	100.00	BSPI
9.	Indop, d.o.o., Šoštanj	100.00	BSPI
10.	ERICo, d.o.o., Velenje	51.00	BSPI
11.	Gorenje design studio, d.o.o., Velenje	52.00	BSH
12.	PUBLICUS, d.o.o., Ljubljana	64.99	BSPI
13.	EKOGOR, d.o.o., Jesenice	64.99	BSPI
14.	Gorenje GAIO, d.o.o., Šoštanj	100.00	BSPI
15.	Gorenje GSI, d.o.o., Ljubljana	100.00	BSH
16.	Gorenje Keramika, d.o.o., Velenje	100.00	BSPI
17.	Gorenje Surovina Fotoreciklaža, d.o.o., Maribor	51.00	BSPI
18.	Gorenje Studio, d.o.o., Ljubljana	100.00	BSH

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

**Unaudited Interim Report**  
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43.	»Euro Lumi & Surovina« SH.P.K., Kosovo	51.00	BSPI
44.	OOO Gorenje BT, Russia	100.00	BSH
45.	Gorenje GTI, d.o.o., Beograd, Serbia	100.00	BSPI
46.	Asko Appliances AB, Sweden	100.00	BSH
47.	Gorenje North America, Inc., USA	100.00	BSH
48.	Asko Appliances Pty, Australia	100.00	BSH
49.	Asko Appliances OOO, Russia	100.00	BSH
50.	»Gorenje Albania« SHPK, Albania	100.00	BSH
51.	Gorenje Home d.o.o., Zaječar, Serbia	100.00	BSH
52.	ORSES d.o.o., Beograd, Serbia	100.00	BSPI
53.	Gorenje Ekologija, d.o.o., Stara Pazova, Serbia	100.00	BSPI
54.	Gorenje Corporate GmbH, Austria	100.00	BSH
55.	Cleaning system S, d.o.o., Serbia	100.00	BSPI
56.	ZEOS eko-sistem d.o.o., Bosnia and Herzegovina	49.45	BSPI
57.	Gorenje Sola - Home, d.o.o., Serbia	100.00	BSPI
58.	Gorenje do Brasil Ltda., Brasil	100.00	BSH
59.	Gorenje Asia Ltd., China	100.00	BSH
60.	Gorenje MDM d.o.o. Kragujevac, Serbia	100.00	BSPI

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BSH – Business Segment Home

BSPI – Business Segment Portfolio Investments

Associates:

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

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

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

### **Planned Changes in the Compositions of the Gorenje Group Gorenje**

*In July 2015, Gorenje, d.d. signed with the Polish company Tesla Recycling S.K.A. a contract on selling the majority holding in its subsidiary Gorenje Surovina, d. o. o., including the latter's subsidiaries Kemis Valjevo, d. o. o., Kemis BH, d. o. o., and Cleaning System S, d. o. o., Šabac. Conclusion of the contract on selling the majority holding in Gorenje Surovina is the next step in the process of consolidating the core activity with the sale having a simultaneous significant impact on Gorenje Group's further deleveraging and financial stability. **Once the transaction is made, whose deadline is set at 31 March 2016, all stated companies will be joined to the Gorenje Group.** Since the contract's signing, activities whose implementation is required for the transaction's completion are carried out in line with contractual provisions.*

*In August 2015, Gorenje, d.d. and Gorenje Surovina, d.o.o. signed an agreement with the company HIS gradbeništvo in inženiring d.o.o., which holds a 49 percent stake in the company Publicus, d.o.o., to divest the majority holding in the subsidiary Publicus, d.o.o., Ljubljana, including the subsidiary Ekogor, d.o.o., Jesenice. This agreement is the first step in concluding the contract on the equity interest sale, which will be signed by HIS, d.o.o. and the new company within the framework of Gorenje Group should all contractually set preconditions be met. Key preconditions are subject to the withdrawal of treasury shares in Gorenje Surovina and the latter's legal reorganisation, within which investments of Gorenje Surovina will be segregated, including the investment in Publicus, to the new company and to provision of refinancing the existing financial liabilities of Publicus and Ekogor that are collateralised with guarantees issued by the Gorenje Group. Since the agreement's signing, both Gorenje and HIS have been conducting activities that are required for the implementation of agreed preconditions. The companies Publicus, d.o.o. and Ekogor, d.o.o. will no longer compose the Gorenje Group once the transaction is completed.*

**Unaudited Condensed Consolidated Financial Statements of  
the Gorenje Group**

**Condensed Consolidated Balance Sheet of the Gorenje Group**

EURk	Balance at 30 Sep 2014	%	Balance at 31 Dec 2014	%	Balance at 30 Sep 2015	%
<b>ASSETS</b>	<b>1,157,867</b>	<b>100.0%</b>	<b>1,102,398</b>	<b>100.0%</b>	<b>1,161,583</b>	<b>100.0%</b>
<b>Non-current assets</b>	<b>588,369</b>	<b>50.8%</b>	<b>594,578</b>	<b>53.9%</b>	<b>599,801</b>	<b>51.6%</b>
Intangible assets	175,745	15.2%	181,600	16.5%	190,529	16.4%
Property, plant and equipment	346,734	29.9%	356,089	32.3%	354,666	30.5%
Investment property	24,912	2.2%	18,931	1.7%	17,430	1.5%
Non-current investments	4,968	0.4%	5,125	0.5%	4,534	0.4%
Investments in associates	758	0.1%	1,122	0.1%	1,360	0.1%
Non-current trade receivables	10,550	0.9%	6,988	0.6%	6,981	0.6%
Deferred tax assets	24,702	2.1%	24,723	2.2%	24,301	2.1%
<b>Current assets</b>	<b>569,498</b>	<b>49.2%</b>	<b>507,820</b>	<b>46.1%</b>	<b>561,782</b>	<b>48.4%</b>
Non-current assets held for sale	1,461	0.1%	1,648	0.1%	1,651	0.1%
Inventories	249,780	21.6%	219,799	19.9%	249,709	21.5%
Current investments	20,055	1.7%	20,481	1.9%	18,411	1.6%
Trade receivables	228,021	19.7%	182,589	16.6%	220,509	19.0%
Other current assets	47,398	4.1%	47,241	4.3%	48,342	4.2%
Cash and cash equivalents	22,783	2.0%	36,062	3.3%	23,160	2.0%
<b>EQUITY AND LIABILITIES</b>	<b>1,157,867</b>	<b>100.0%</b>	<b>1,102,398</b>	<b>100.0%</b>	<b>1,161,583</b>	<b>100.0%</b>
<b>Equity</b>	<b>390,155</b>	<b>33.7%</b>	<b>380,267</b>	<b>34.5%</b>	<b>363,864</b>	<b>31.3%</b>
Share capital	101,922	8.8%	101,922	9.3%	101,922	8.8%
Share premium	175,714	15.2%	175,698	15.9%	175,698	15.1%
Revenue reserves	95,818	8.3%	99,301	9.0%	99,301	8.5%
Treasury shares	-3,170	-0.3%	-3,170	-0.3%	-3,170	-0.3%
Retained earnings	16,621	1.4%	10,365	0.9%	-597	-0.1%
Translation reserve	-8,135	-0.7%	-17,600	-1.6%	-17,604	-1.5%
Fair value reserve	8,597	0.8%	10,912	1.0%	5,274	0.5%
<b>Equity of holders of the parent</b>	<b>387,367</b>	<b>33.5%</b>	<b>377,428</b>	<b>34.2%</b>	<b>360,824</b>	<b>31.0%</b>
<b>Equity of non-controlling interests</b>	<b>2,788</b>	<b>0.2%</b>	<b>2,839</b>	<b>0.3%</b>	<b>3,040</b>	<b>0.3%</b>
<b>Non-current liabilities</b>	<b>321,903</b>	<b>27.8%</b>	<b>348,390</b>	<b>31.6%</b>	<b>351,983</b>	<b>30.3%</b>
Provisions	64,855	5.6%	64,125	5.8%	65,602	5.6%
Deferred income	5,304	0.5%	5,270	0.5%	5,654	0.4%
Non-current operating liabilities	6,222	0.5%	5,937	0.5%	6,400	0.6%
Deferred tax liabilities	2,665	0.2%	2,988	0.3%	2,995	0.3%
Non-current financial liabilities	242,857	21.0%	270,070	24.5%	271,332	23.4%
<b>Current liabilities</b>	<b>445,809</b>	<b>38.5%</b>	<b>373,741</b>	<b>33.9%</b>	<b>445,736</b>	<b>38.4%</b>
Current financial liabilities	167,531	14.5%	97,536	8.8%	153,178	13.2%
Trade payables	182,785	15.8%	202,615	18.4%	191,232	16.5%
Other current liabilities	95,493	8.2%	73,590	6.7%	101,326	8.7%

**Condensed Consolidated Income Statement of the Gorenje Group**

<b>EURk</b>	<b>Q3 2014</b>	<b>%</b>	<b>Q3 2015</b>	<b>%</b>	<b>Jan-Sep 2014</b>	<b>%</b>	<b>Jan-Sep 2015</b>	<b>%</b>
<b>Revenue</b>	<b>310,254</b>	<b>102.8%</b>	<b>317,454</b>	<b>99.5%</b>	<b>914,963</b>	<b>97.3%</b>	<b>875,214</b>	<b>95.1%</b>
Change in inventories	-15,191	-5.0%	-4,134	-1.3%	10,636	1.1%	31,660	3.4%
Other operating income	6,666	2.2%	5,800	1.8%	14,972	1.6%	13,308	1.5%
<b>Gross profit</b>	<b>301,729</b>	<b>100.0%</b>	<b>319,120</b>	<b>100.0%</b>	<b>940,571</b>	<b>100.0%</b>	<b>920,182</b>	<b>100.0%</b>
Cost of goods, materials and services	-217,305	-72.0%	-236,693	-74.2%	-691,630	-73.5%	-683,204	-74.2%
Employee benefits expense	-57,879	-19.2%	-59,819	-18.8%	-170,171	-18.1%	-171,207	-18.6%
Amortisation and depreciation expense	-10,956	-3.7%	-11,576	-3.6%	-32,225	-3.4%	-34,503	-3.8%
Other operating expenses	-5,057	-1.7%	-5,452	-1.7%	-14,887	-1.6%	-14,956	-1.6%
<b>Operating profit</b>	<b>10,532</b>	<b>3.4%</b>	<b>5,580</b>	<b>1.7%</b>	<b>31,658</b>	<b>3.4%</b>	<b>16,312</b>	<b>1.8%</b>
Finance income	2,272	0.8%	1,624	0.5%	4,307	0.4%	4,705	0.5%
Finance expenses	-10,777	-3.6%	-9,340	-2.9%	-29,154	-3.1%	-28,422	-3.1%
<b>Net finance expenses</b>	<b>-8,505</b>	<b>-2.8%</b>	<b>-7,716</b>	<b>-2.4%</b>	<b>-24,847</b>	<b>-2.7%</b>	<b>-23,717</b>	<b>-2.6%</b>
Share in profits or losses in associates	-100	0.0%	222	0.1%	-132	0.0%	143	0.0%
<b>Profit or loss before tax</b>	<b>1,927</b>	<b>0.6%</b>	<b>-1,914</b>	<b>-0.6%</b>	<b>6,679</b>	<b>0.7%</b>	<b>-7,262</b>	<b>-0.8%</b>
Income tax expense	-970	-0.3%	-540	-0.2%	-2,666	-0.3%	-2,120	-0.2%
<b>Profit or loss for the period</b>	<b>957</b>	<b>0.3%</b>	<b>-2,454</b>	<b>-0.8%</b>	<b>4,013</b>	<b>0.4%</b>	<b>-9,382</b>	<b>-1.0%</b>
<b>Attributable to non-controlling interests</b>	<b>154</b>	<b>0.1%</b>	<b>46</b>	<b>0.0%</b>	<b>221</b>	<b>0.0%</b>	<b>122</b>	<b>0.0%</b>
<b>Attributable to equity holders of the parent</b>	<b>803</b>	<b>0.3%</b>	<b>-2,500</b>	<b>-0.8%</b>	<b>3,792</b>	<b>0.4%</b>	<b>-9,504</b>	<b>-1.0%</b>
Basic and diluted earnings per share (in EUR)	0.03		-0.10		0.17		-0.39	

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

EURk	Jan-Sep 2014	Jan-Sep 2015
<b>Profit or loss for the period</b>	<b>4,013</b>	<b>-9,382</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>	<b>0</b>	<b>0</b>
Change in fair value of land		
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>-4,110</b>	<b>-5,642</b>
Net change in fair value of available-for-sale financial assets	-25	2
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge	-1,559	-6,198
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge, reclassified to profit or loss	1,369	495
Income tax on other comprehensive income	-195	63
Translation reserve	-3,700	-4
<b>Other comprehensive income for the period</b>	<b>-4,110</b>	<b>-5,642</b>
<b>Total comprehensive income for the period</b>	<b>-97</b>	<b>-15,024</b>
Attributable to equity holders of the parent	-318	-15,146
Attributable to non-controlling interests	221	122



**Condensed Consolidated Statement of Cash Flows of the  
Gorenje Group**

EURk	Jan-Sep 2014	Jan-Sep 2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit or loss for the period</b>	<b>4,013</b>	<b>-9,382</b>
Adjustments for:		
-Depreciation of property, plant and equipment	27,274	27,891
-Amortisation of intangible assets	4,951	6,612
-Investment income	-4,307	-4,848
-Finance expenses	29,286	28,422
-Gain on sale of property, plant and equipment	-48	-584
-Income tax expense	2,666	2,120
<b>Operating profit before changes in net operating current assets and provisions</b>	<b>63,835</b>	<b>50,231</b>
Change in trade and other receivables	-21,758	-41,015
Change in inventories	-13,429	-29,910
Change in provisions	-2,540	1,861
Change in trade and other payables	-13,752	10,816
<b>Cash generated from operations</b>	<b>-51,479</b>	<b>-58,248</b>
Interest paid	-15,474	-13,826
Income tax paid	-3,265	-2,069
<b>Net cash from operating activities</b>	<b>-6,383</b>	<b>-23,912</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	3,170	5,588
Interest received	1,354	1,023
Dividends received	-132	195
Acquisition of property, plant and equipment	-22,839	-29,533
Other investments	-1,784	-182
Acquisition of intangible assets	-11,539	-15,831
<b>Net cash used in investing activities</b>	<b>-31,770</b>	<b>-38,740</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital increase	9,828	0
Borrowings / Repayment of borrowings	11,608	51,208
Dividend payout	0	-1,458
<b>Net cash used in financing activities</b>	<b>21,436</b>	<b>49,750</b>
Net change in cash and cash equivalents	-16,717	-12,902
Cash and cash equivalents at beginning of period	39,500	36,062
Cash and cash equivalents at end of period	22,783	23,160

Condensed Consolidated Statement of Change in Equity of the Gorenje Group

EURk	Share capital	Share premium	Revenue reserves				Treasury shares	Retained earnings		Translation reserve	Fair value reserve	Equity holders of the parent	Non-controlling interests	Total
			Legal reserves	Statutory reserves	Treasury share reserve	Other revenue reserves		Profit or loss from previous periods	Profit or loss for the period					
Opening balance at 1 Jan 2014	92,240	175,568	12,896	6,923	3,170	72,829	-3,170	39,540	-26,711	-4,435	9,007	377,857	2,813	380,670
Total comprehensive income for the period														
Profit or loss for the period									3,792			3,792	221	4,013
Total other comprehensive income										-3,700	-410	-4,110	0	-4,110
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,792</b>	<b>-3,700</b>	<b>-410</b>	<b>-318</b>	<b>221</b>	<b>-97</b>
Transactions with owners (when acting as owners) recognised directly in equity														
Contributions by owners and distribution to owners														
Capital increase	9,682	146										9,828		9,828
Transfer of profit or loss from previous period to retained earnings or losses								-26,711	26,711			0		0
<b>Total contributions by owners and distributions to owners</b>	<b>9,682</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-26,711</b>	<b>26,711</b>	<b>0</b>	<b>0</b>	<b>9,828</b>	<b>0</b>	<b>9,828</b>
Change in equity interests in subsidiaries that do not result in a loss of control														
Change in equity interests												0	-246	-246
<b>Total changes in equity interests in subsidiaries</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-246</b>	<b>-246</b>
<b>Total transactions with owners</b>	<b>9,682</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-26,711</b>	<b>26,711</b>	<b>0</b>	<b>0</b>	<b>9,828</b>	<b>-246</b>	<b>9,582</b>
Closing balance at 30 Sep 2014	101,922	175,714	12,896	6,923	3,170	72,829	-3,170	12,829	3,792	-8,135	8,597	387,367	2,788	390,155

**Unaudited Interim Report**  
January–September 2015

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					
<b>Opening balance at 1 Jan 2015</b>	<b>101,922</b>	<b>175,698</b>	<b>12,896</b>	<b>7,556</b>	<b>3,170</b>	<b>75,679</b>	<b>-3,170</b>	<b>12,829</b>	<b>-2,464</b>	<b>-17,600</b>	<b>10,912</b>	<b>377,428</b>	<b>2,839</b>	<b>380,267</b>
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
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-9,504</b>	<b>-4</b>	<b>-5,638</b>	<b>-15,146</b>	<b>122</b>	<b>-15,024</b>
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
<b>Total contributions by owners and distributions to owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,922</b>	<b>2,464</b>	<b>0</b>	<b>0</b>	<b>-1,458</b>	<b>0</b>	<b>-1,458</b>
Change in equity interests in subsidiaries that do not result in a loss of control														
Change in equity interests												0	79	79
<b>Total changes in equity interests in subsidiaries</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79</b>	<b>79</b>
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,922</b>	<b>2,464</b>	<b>0</b>	<b>0</b>	<b>-1,458</b>	<b>79</b>	<b>-1,379</b>
<b>Closing balance at 30 Sep 2015</b>	<b>101,922</b>	<b>175,698</b>	<b>12,896</b>	<b>7,556</b>	<b>3,170</b>	<b>75,679</b>	<b>-3,170</b>	<b>8,907</b>	<b>-9,504</b>	<b>-17,604</b>	<b>5,274</b>	<b>360,824</b>	<b>3,040</b>	<b>363,864</b>

**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 2014	31 Dec 2014	30 Sep 2015	30 Sep 2015
Available-for-sale investments	3,646	3,646	3,720	3,720
Non-current loans and deposits	4,205	4,205	3,631	3,631
Non-current trade receivables	6,988	6,988	6,981	6,981
Current loans and deposits	12,969	12,969	13,569	13,569
Derivatives	2,393	2,393	-6,146	-6,146
Trade receivables	182,589	182,589	220,509	220,509
Other current assets	-37,646	-37,646	38,434	38,434
Cash and cash equivalents	36,062	36,062	23,160	23,160
Non-current financial liabilities (variable interest rate)	-203,672	-203,672	-205,229	-205,229
Non-current financial liabilities (fixed interest rate)	-66,398	-55,298	-66,103	-56,642
Non-current operating liabilities	-5,937	-5,937	-6,400	-6,400
Current financial liabilities	-96,229	-96,229	-146,175	-146,175
Trade payables	-202,615	-202,615	-191,232	-191,232
Other current payables	-37,813	-37,813	-43,772	-43,772
<b>Total</b>	<b>-401,458</b>	<b>-390,358</b>	<b>-355,053</b>	<b>-345,592</b>

**Fair value scale**

**31 December 2014**

EURk	Level 1 <sup>14</sup>	Level 2 <sup>15</sup>	Level 3 <sup>16</sup>	Total
Available-for-sale financial assets	675	88	2,883	3,646
Derivatives – assets	-	3,700	-	3,700
Derivatives – liabilities	-	-1,307	-	-1,307
Land and investment property	-	-	60,767	60,767

**30 September 2015**

EURk	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	668	88	2,964	3,720
Derivatives – assets	-	857	-	857
Derivatives – liabilities	-	-7,003	-	-7,003
Land and investment property	-	-	60,078	60,078

<sup>14</sup> Level 1: stock price (unadjusted) on the active market of identical assets and liabilities.

<sup>15</sup> 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.

<sup>16</sup> Level 3: data on the value of assets and liabilities not based on the active market.

**Related party transactions**

EURk	Value of transaction		Balance	
	Jan-Sep 2014	Jan-Sep 2015	30 Sep 2014	30 Sep 2015
Revenue				
Gorenje Group companies	989	1,845	546	785
Costs				
Gorenje Group companies	497	207	597	113

**Significant events after the balance sheet date**

No significant events occurred after the date of compiling the balance sheet as of 30 September 2015.

**Business and Geographical Segments of the Gorenje Group**

EURk	Business Segment Home		Business Segment Portfolio Investments		Group	
	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015
Revenue from sales to third parties	782,565	756,125	132,398	119,089	914,963	875,214
Inter-segment sale	4,713	4,277	8,576	8,502	13,289	12,779
Interest income	1,222	898	132	125	1,354	1,023
Interest expenses	13,718	12,882	387	450	14,105	13,332
Amortisation and depreciation expense	28,353	30,619	3,872	3,884	32,225	34,503
Operating profit or loss before tax	1,824	-10,982	4,855	3,720	6,679	-7,262
Income tax expense	-1,965	-1,645	-701	-475	-2,666	-2,120
Profit or loss for the period	-141	-12,627	4,154	3,245	4,013	-9,382
Total assets *	991,668	1,046,002	110,730	115,581	1,102,398	1,161,583
Total liabilities *	669,453	744,427	52,678	53,292	722,131	797,719

\* Note: data as at 31 December 2014 were used for the year 2014

EURk	Western Europe		Eastern Europe		Other		Group	
	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015
Revenue from sales to third parties	347,241	338,120	485,541	454,003	82,181	83,091	914,963	875,214

## Financial Indicators

	Jan-Sep 2014	Jan-Sep 2015
<b>INDICATORS OF PROFITABILITY</b>		
Net return on sales (ROS)	0.4%	-1.1%
Net return on assets (ROA)	0.5%	-1.1%
Net return on equity (ROE)	1.4%	-3.4%
<b>ASSET INDICATORS</b>		
Asset turnover ratio	1.06	1.03
Inventory turnover ratio	5.02	4.97
Current trade receivables turnover ratio	5.59	5.79
<b>INVESTMENT INDICATORS</b>		
Fixed assets (PPE) to total assets	0.45	0.47
Current assets to total assets	0.51	0.52
<b>INDICATORS OF FINANCIAL COMPOSITION</b>		
Long-term coverage of non-current assets	1.21	1.19
Equity to total liabilities	0.34	0.31
Long-term to total liabilities	0.61	0.62
Equity to fixed assets (carrying value)	0.75	0.67
Quick ratio (liquid assets to current liabilities)	0.10	0.09
(Liquid assets + current receivables) to current liabilities	0.71	0.70
Current ratio	1.28	1.26
Net financial liabilities to equity	0.94	1.05
<b>OPERATING PERFORMANCE INDICATORS</b>		
Operating income to operating expenses	1.03	1.02
Revenue per employee (EUR)	86,875	83,006
Value added per employee (EUR)	22,223	21,057

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

<b>EURk</b>	<b>Balance at 30 Sep 2014</b>	<b>%</b>	<b>Balance at 31 Dec 2014</b>	<b>%</b>	<b>Balance at 30 Sep 2015</b>	<b>%</b>
<b>ASSETS</b>	<b>902,018</b>	<b>100.0</b>	<b>910,137</b>	<b>100.0%</b>	<b>964,941</b>	<b>100.0%</b>
<b>Non-current assets</b>	<b>477,601</b>	<b>53.0%</b>	<b>487,383</b>	<b>53.6%</b>	<b>507,186</b>	<b>52.6%</b>
Intangible assets	28,890	3.2%	33,247	3.7%	41,184	4.3%
Property, plant and equipment	169,344	18.8%	180,660	19.8%	184,235	19.1%
Investment property	22,476	2.5%	16,729	1.8%	15,326	1.6%
Investments in subsidiaries	237,836	26.4%	238,363	26.2%	246,863	25.5%
Investments in associates	941	0.1%	341	0.1%	509	0.1%
Other non-current investments	689	0.1%	689	0.1%	1,691	0.2%
Deferred tax assets	17,425	1.9%	17,354	1.9%	17,378	1.8%
<b>Current assets</b>	<b>424,417</b>	<b>47.0%</b>	<b>422,754</b>	<b>46.4%</b>	<b>457,755</b>	<b>47.4%</b>
Inventories	102,646	11.4%	96,138	10.6%	96,411	10.0%
Current investments	127,895	14.2%	137,280	15.1%	167,352	17.3%
Trade receivables	173,657	19.2%	167,714	18.4%	177,289	18.3%
Other current assets	18,047	2.0%	11,368	1.2%	16,353	1.7%
Cash and cash equivalents	2,172	0.2%	10,254	1.1%	350	0.1%
<b>EQUITY AND LIABILITIES</b>	<b>902,018</b>	<b>100.0</b>	<b>910,137</b>	<b>100.0%</b>	<b>964,941</b>	<b>100.0%</b>
<b>Equity</b>	<b>364,256</b>	<b>40.3%</b>	<b>365,910</b>	<b>40.2%</b>	<b>357,775</b>	<b>37.1%</b>
Share capital	101,922	11.3%	101,922	11.2%	101,922	10.6%
Share premium	157,851	17.5%	157,835	17.3%	157,835	16.3%
Revenue reserves	95,818	10.6%	99,301	10.9%	99,301	10.3%
Treasury shares	-3,170	-0.4%	-3,170	-0.3%	-3,170	-0.3%
Retained earnings	6,933	0.8%	4,220	0.5%	-3,607	-0.4%
Fair value reserve	4,902	0.5%	5,802	0.6%	5,494	0.6%
<b>Non-current liabilities</b>	<b>221,690</b>	<b>24.6%</b>	<b>256,032</b>	<b>28.1%</b>	<b>264,536</b>	<b>27.4%</b>
Provisions	22,224	2.5%	21,929	2.4%	20,347	2.1%
Non-current financial liabilities	199,466	22.1%	234,103	25.7%	244,189	25.3%
<b>Current liabilities</b>	<b>316,072</b>	<b>35.1%</b>	<b>288,195</b>	<b>31.7%</b>	<b>342,630</b>	<b>35.5%</b>
Current financial liabilities	147,699	16.4%	113,990	12.5%	165,233	17.1%
Trade payables	140,274	15.6%	154,786	17.0%	142,049	14.7%
Other current liabilities	28,099	3.1%	19,419	2.2%	35,348	3.7%



Condensed Income Statement of Gorenje, d.d.

EURk	Q3 2014	%	Q3 2015	%	Jan-Sep 2014	%	Jan-Sep 2015	%
<b>Revenue</b>	<b>155,422</b>	<b>98.1%</b>	<b>172,380</b>	<b>97.0%</b>	<b>504,749</b>	<b>97.6%</b>	<b>488,439</b>	<b>96.7%</b>
Change in inventories	762	0.5%	1,919	1.1%	5,558	1.1%	9,699	1.9%
Other operating income	2,278	1.4%	3,413	1.9%	6,891	1.3%	7,221	1.4%
<b>Gross profit</b>	<b>158,462</b>	<b>100.0%</b>	<b>177,712</b>	<b>100.0%</b>	<b>517,198</b>	<b>100.0%</b>	<b>505,359</b>	<b>100.0%</b>
Cost of goods, materials and services	-124,897	-78.8%	-143,991	-81.0%	-412,237	-79.7%	-406,499	-80.4%
Employee benefits expense	-24,935	-15.7%	-26,001	-14.7%	-71,993	-13.9%	-72,532	-14.4%
Amortisation and depreciation expense	-5,479	-3.5%	-6,055	-3.4%	-15,882	-3.1%	-17,921	-3.5%
Other operating expenses	-1,035	-0.7%	-1,277	-0.7%	-3,610	-0.7%	-4,017	-0.8%
<b>Operating profit</b>	<b>2,116</b>	<b>1.3%</b>	<b>388</b>	<b>0.2%</b>	<b>13,476</b>	<b>2.6%</b>	<b>4,390</b>	<b>0.9%</b>
Finance income	6,446	4.1%	2,649	1.5%	13,145	2.5%	10,031	2.0%
Finance expenses	-8,946	-5.6%	-6,997	-3.9%	-21,335	-4.1%	-20,749	-4.1%
<b>Net finance expenses</b>	<b>-2,500</b>	<b>-1.5%</b>	<b>-4,348</b>	<b>-2.4%</b>	<b>-8,190</b>	<b>-1.6%</b>	<b>-10,718</b>	<b>-2.1%</b>
<b>Profit or loss before tax</b>	<b>-384</b>	<b>-0.2%</b>	<b>-3,960</b>	<b>-2.2%</b>	<b>5,286</b>	<b>1.0%</b>	<b>-6,328</b>	<b>-1.2%</b>
Income tax expense	-17	-0.1%	26	0.1%	278	0.1%	-41	-0.1%
<b>Profit or loss for the period</b>	<b>-401</b>	<b>-0.3%</b>	<b>-3,934</b>	<b>-2.1%</b>	<b>5,564</b>	<b>1.1%</b>	<b>-6,369</b>	<b>-1.3%</b>
Basic and diluted earnings per share (in EUR)	-0.02		-0.16		0.25		-0.26	

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

<b>EURk</b>	<b>Jan-Sep 2014</b>	<b>Jan-Sep 2015</b>
<b>Profit or loss for the period</b>	<b>5,564</b>	<b>-6,369</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>	<b>0</b>	<b>0</b>
Change in fair value of land		
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>957</b>	<b>-308</b>
Net change in fair value of available-for-sale financial assets	-25	2
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge	-192	-868
Change in effective portion of gains and losses on hedging instruments in a cash flow hedge, reclassified to profit or loss	1,369	495
Income tax on other comprehensive income	-195	63
<b>Other comprehensive income for the period</b>	<b>957</b>	<b>-308</b>
<b>Total comprehensive income for the period</b>	<b>6,521</b>	<b>-6,677</b>

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

EURk	Jan-Sep 2014	Jan-Sep 2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit or loss for the period</b>	<b>5,564</b>	<b>-6,369</b>
Adjustments for:		
-Depreciation of property, plant and equipment	13,753	14,536
-Amortisation of intangible assets	2,129	3,385
-Investment income	-13,145	-10,031
-Finance expenses	21,335	20,749
-Gain on sale of property, plant and equipment	-30	-100
-Income tax expense	-278	41
<b>Operating profit before changes in net operating assets and provisions</b>	<b>29,328</b>	<b>22,211</b>
Change in trade and other receivables	15,978	-18,256
Change in inventories	-6,835	-273
Change in provisions	-961	-1,582
Change in trade and other payables	-20,138	593
<b>Cash generated from operations</b>	<b>-11,956</b>	<b>-19,518</b>
Interest paid	-14,356	-11,900
<b>Net cash from operating activities</b>	<b>3,016</b>	<b>-9,207</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	3,526	3,308
Interest received	2,305	5,306
Dividends received	4,193	2,926
Disposal of subsidiary	256	0
Acquisition of subsidiary	-4,506	-8,500
Acquisition of associate	0	-168
Acquisition of property, plant and equipment	-10,313	-19,570
Other investments	-33,008	-33,364
Acquisition of intangible assets	-9,368	-11,555
<b>Net cash used in investing activities</b>	<b>-46,915</b>	<b>-61,617</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital increase	9,828	0
Borrowing / Repayment of borrowings	21,339	62,378
Dividend payout	0	-1,458
<b>Net cash used in financing activities</b>	<b>31,167</b>	<b>60,920</b>
Net change in cash and cash equivalents	-12,732	-9,904
Cash and cash equivalents at beginning of period	14,904	10,254
Cash and cash equivalents at end of period	2,172	350

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		
<b>Opening balance at 1 Jan 2014</b>	<b>92,240</b>	<b>157,705</b>	<b>12,896</b>	<b>6,923</b>	<b>3,170</b>	<b>72,829</b>	<b>-3,170</b>	<b>151</b>	<b>1,218</b>	<b>3,945</b>	<b>347,907</b>
Total comprehensive income for the period											
Profit for the period									5,564		5,564
Total other comprehensive income										957	957
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,564</b>	<b>957</b>	<b>6,521</b>
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								1,218	-1,218		0
Capital increase	9,682	146									9,828
<b>Total contributions by owners and distribution to owners</b>	<b>9,682</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,218</b>	<b>-1,218</b>	<b>0</b>	<b>9,828</b>
<b>Total transactions with owners</b>	<b>9,682</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,218</b>	<b>-1,218</b>	<b>0</b>	<b>9,828</b>
<b>Closing balance at 30 Sep 2014</b>	<b>101,922</b>	<b>157,851</b>	<b>12,896</b>	<b>6,923</b>	<b>3,170</b>	<b>72,829</b>	<b>-3,170</b>	<b>1,369</b>	<b>5,564</b>	<b>4,902</b>	<b>364,256</b>

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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		
<b>Opening balance at 1 Jan 2015</b>	<b>101,922</b>	<b>157,835</b>	<b>12,896</b>	<b>7,556</b>	<b>3,170</b>	<b>75,679</b>	<b>-3,170</b>	<b>1,369</b>	<b>2,851</b>	<b>5,802</b>	<b>365,910</b>
Total comprehensive income for the period											
Profit for the period										-6,369	-6,369
Total other comprehensive income										-308	-308
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-6,369</b>	<b>-308</b>	<b>-6,677</b>
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
<b>Total contributions by owners and distribution to owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,393</b>	<b>-2,851</b>	<b>0</b>	<b>-1,458</b>
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,393</b>	<b>-2,851</b>	<b>0</b>	<b>-1,458</b>
<b>Closing balance at 30 Sep 2015</b>	<b>101,922</b>	<b>157,835</b>	<b>12,896</b>	<b>7,556</b>	<b>3,170</b>	<b>75,679</b>	<b>-3,170</b>	<b>2,762</b>	<b>-6,369</b>	<b>5,494</b>	<b>357,775</b>

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 2014	31 Dec 2014	30 Sep 2015	30 Sep 2015
Available-for-sale investments	2,847	2,847	2,930	2,930
Non-current loans	17	17	1,020	1,020
Current loans	131,357	131,357	163,562	163,562
Derivatives	741	741	-1,293	-1,293
Trade receivables	167,714	167,714	177,289	177,289
Other current assets	9,488	9,488	12,064	12,064
Cash and cash equivalents	10,254	10,254	350	350
Non-current financial liabilities (variable interest rate)	-168,141	-168,141	-177,789	-177,789
Non-current financial liabilities (fixed interest rate)	-65,962	-54,478	-66,400	-56,583
Current financial liabilities	-112,880	-112,880	-163,940	-163,940
Trade payables	-154,786	-154,786	-142,049	-142,049
Other current liabilities	-10,372	-10,372	-16,525	-16,525
<b>Total</b>	<b>-189,723</b>	<b>-178,239</b>	<b>-210,781</b>	<b>-200,964</b>

Fair value scale

31 December 2014

EURk	Level 1 <sup>17</sup>	Level 2 <sup>18</sup>	Level 3 <sup>19</sup>	Total
Available-for-sale financial assets	155	-	2,692	2,847
Derivatives - assets	-	1,851	-	1,851
Derivatives - liabilities	-	-1,110	-	-1,110
Land and investment property	-	-	38,023	38,023

30 September 2015

EURk	Raven 1	Raven 2	Raven 3	Total
Available-for-sale financial assets	156	-	2,774	2,930
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-1,293	-	-1,293
Land and investment property	-	-	37,362	37,362

<sup>17</sup> Level 1: stock price (unadjusted) on the active market of identical assets and liabilities.

<sup>18</sup> 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.

<sup>19</sup> Level 3: data on the value of assets and liabilities not based on the active market.

Related party transactions

EURk	Value of transaction		Balance	
	Jan-Sep 2014	Jan-Sep 2015	30 Sep 2014	30 Sep 2015
Revenue	388,365	375,379		
Trade receivables			140,039	141,200
Trade payables			33,519	28,075
Loans granted			111,434	157,394
Borrowings raised			39,381	59,395

**Financial indicators**

	Jan-Sep 2014	Jan-Sep 2015
<b>INDICATORS OF PROFITABILITY</b>		
Net return on sales (ROS)	1.10%	-1.30%
Net return on assets (ROA)	0.83%	-0.91%
Net return on equity (ROE)	2.08%	-2.35%
<b>ASSET INDICATORS</b>		
Asset turnover ratio	0.75	0.69
Inventory turnover ratio	6.78	6.76
Current trade receivables turnover ratio	3.64	3.78
<b>INVESTMENT INDICATORS</b>		
Fixed assets (PPE) to total assets	0.24	0.25
Current assets to total assets	0.53	0.53
<b>INDICATORS OF FINANCIAL COMPOSITION</b>		
Long-term coverage of non-current assets	1.23	1.23
Equity to total liabilities	0.40	0.37
Long-term to total liabilities	0.65	0.64
Equity to fixed assets (carrying value)	1.65	1.49
Quick ratio (liquid assets to current liabilities)	0.41	0.49
(Liquid assets + current receivables) to current liabilities	1.02	1.05
Current ratio	1.34	1.34
Net financial liabilities to equity	0.60	0.68
<b>OPERATING PERFORMANCE INDICATORS</b>		
Operating income to operating expenses	1.03	1.01
Revenue per employee (EUR)	121,509	118,496
Value added per employee (EUR)	24,398	23,009



## 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 2015**. The unaudited financial statements of Gorenje, d.d., and the Gorenje Group were presented to the Supervisory Board at its **14<sup>th</sup> regular session** held on **5 November 2015**. 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](http://www.ljse.si)), the Warsaw Stock Exchange via the ESPI system ([www.gpw.pl](http://www.gpw.pl)), and the company's web site at [www.gorenjegroup.com](http://www.gorenjegroup.com), **on 6 November 2015**.

### 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.*