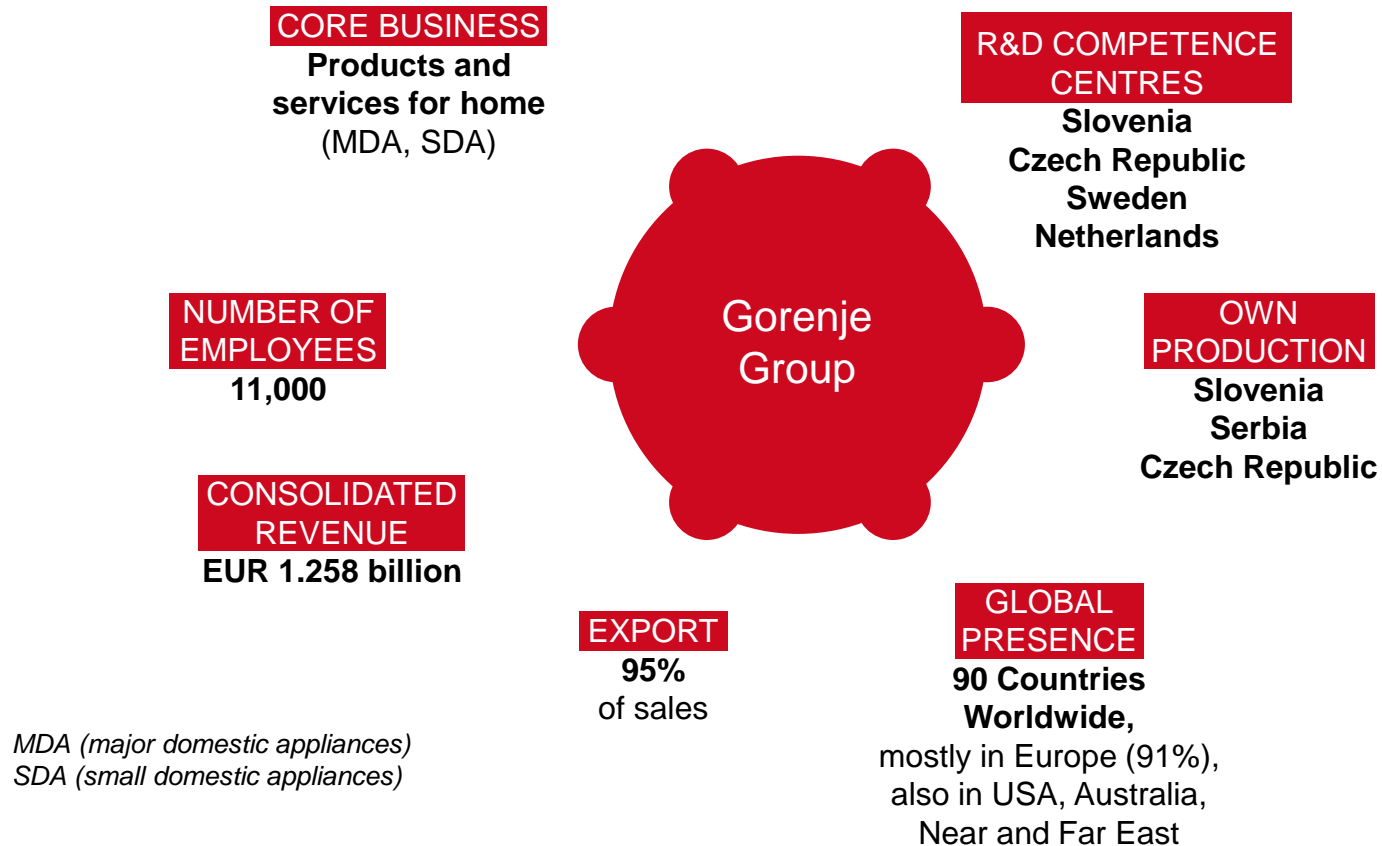


gorenjegroup

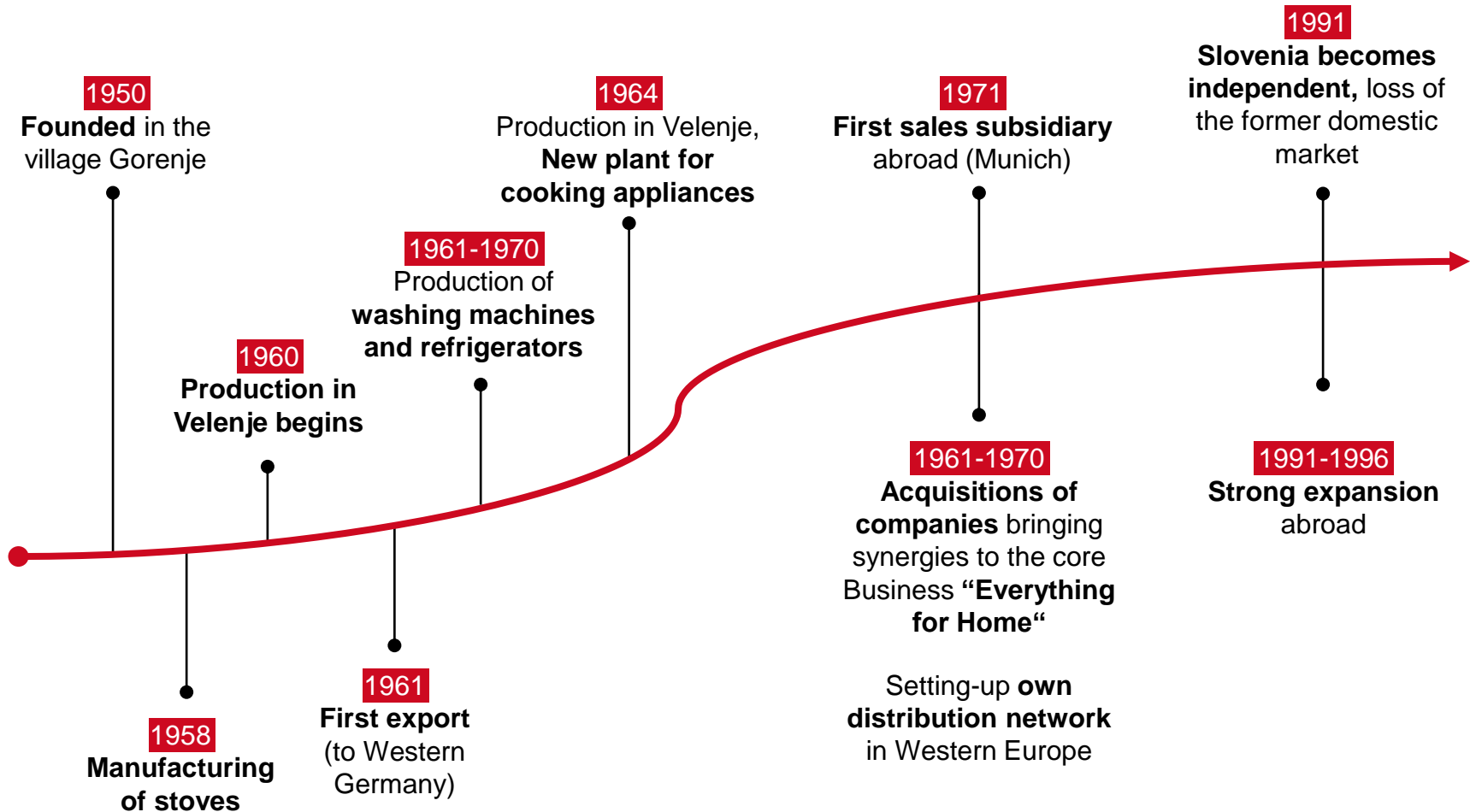
Presentation of the Gorenje Group



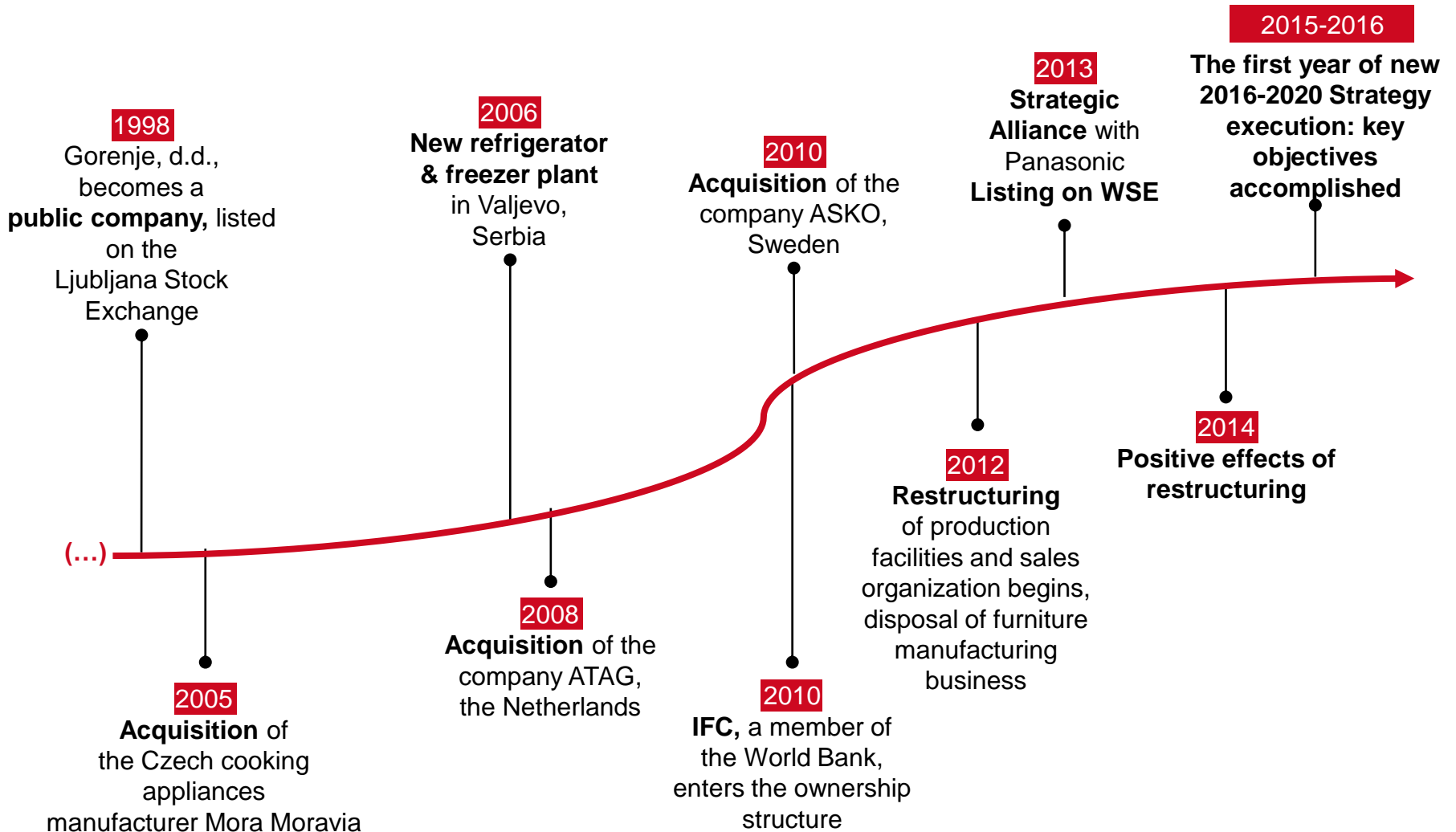
One of Leading European Manufacturers of Products for Home



More than 65 Years of Tradition



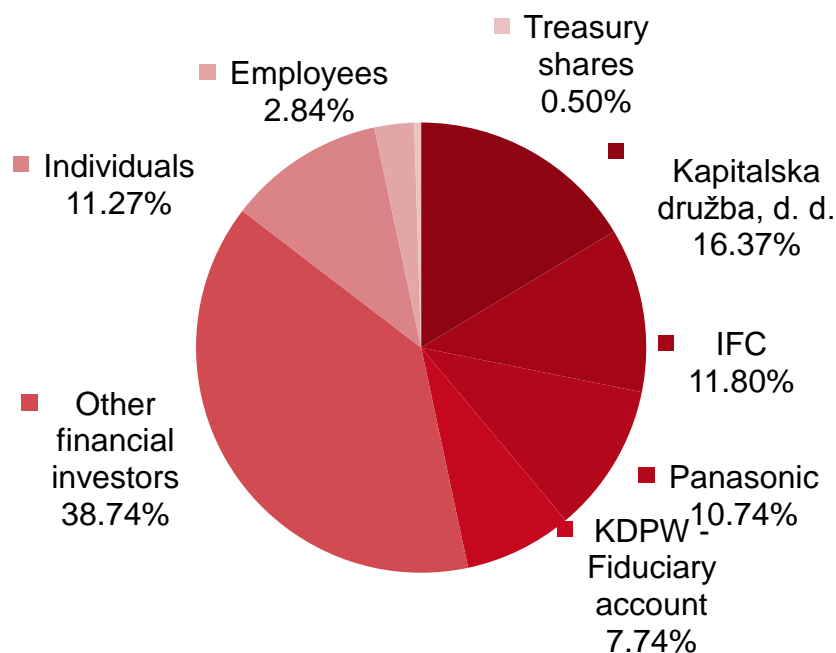
Fast Development in the Last Decade



Ownership Structure

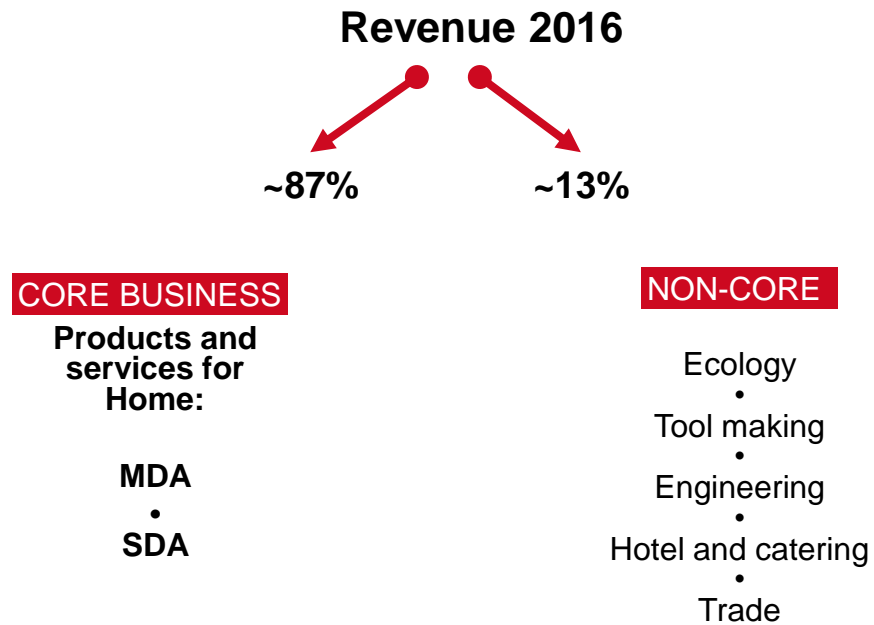
More than 60% of foreign shareholders

Ownership structure as at 31 March 2017



Ten major shareholders	No. of shares (31 Mar 2017)	Share in %
KAPITALSKA DRUŽBA, D.D.	3,998,653	16.37%
INTERNATIONAL FINANCE CORPORATION	2,881,896	11.80%
PANASONIC CORPORATION	2,623,664	10.74%
KDPW – Fiduciary account	1,889,632	7.74%
HOME PRODUCTS EUROPE B,V.	1,221,231	5.00%
RAIFFEISEN BANK AUSTRIA D.D. - Fiduciary account	1,125,573	4.61%
ZAGREBAČKA BANKA D.D. - Fiduciary account	881,667	3.61%
BNP PARIBAS SECURITIES SERVICES S.C.A.	825,379	3.38%
Alpen.SI, mixed flexible sub-fund	713,208	2.92%
AUERBACH GRAYSON & COMPANY LLC	647,165	2.65%
Total major shareholders	16,808,068	68.82%
Other shareholders	7,616,545	31.18%
Total	24,424,613	100%

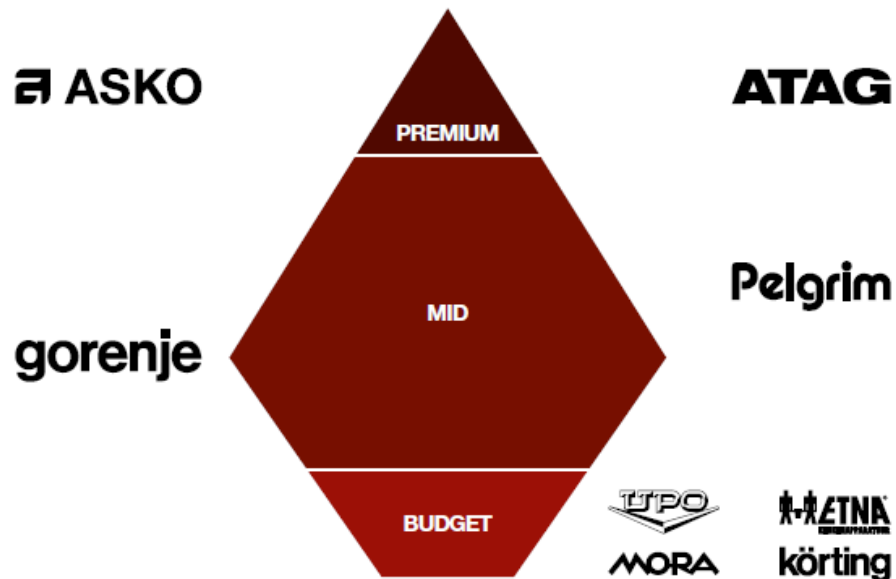
Business Activities



Gorenje Group Brand Portfolio

GLOBAL
BRANDS

LOCAL
BRANDS



Implementing a multi-brand strategy with attention on the upper-mid and premium price segment.

Most Important Markets: Germany, Russia and the Netherlands

GERMANY
RUSSIA
THE NETHERLANDS

SCANDINAVIA
SERBIA
CZECH REPUBLIC
CROATIA
SLOVENIA

AUSTRALIJA
USA

BIH
HUNGARY
AUSTRIA
POLAND
BELGIUM
RUMANIA
SLOVAKIA
BULGARIA
GREAT BRITAIN
FRANCE
MONTENEGRO
UKRAINE



R&D Competence Centres

Firm Foundations for Future Development of the Gorenje Group

Cooperation with international institutions, knowledge and excellence centres.

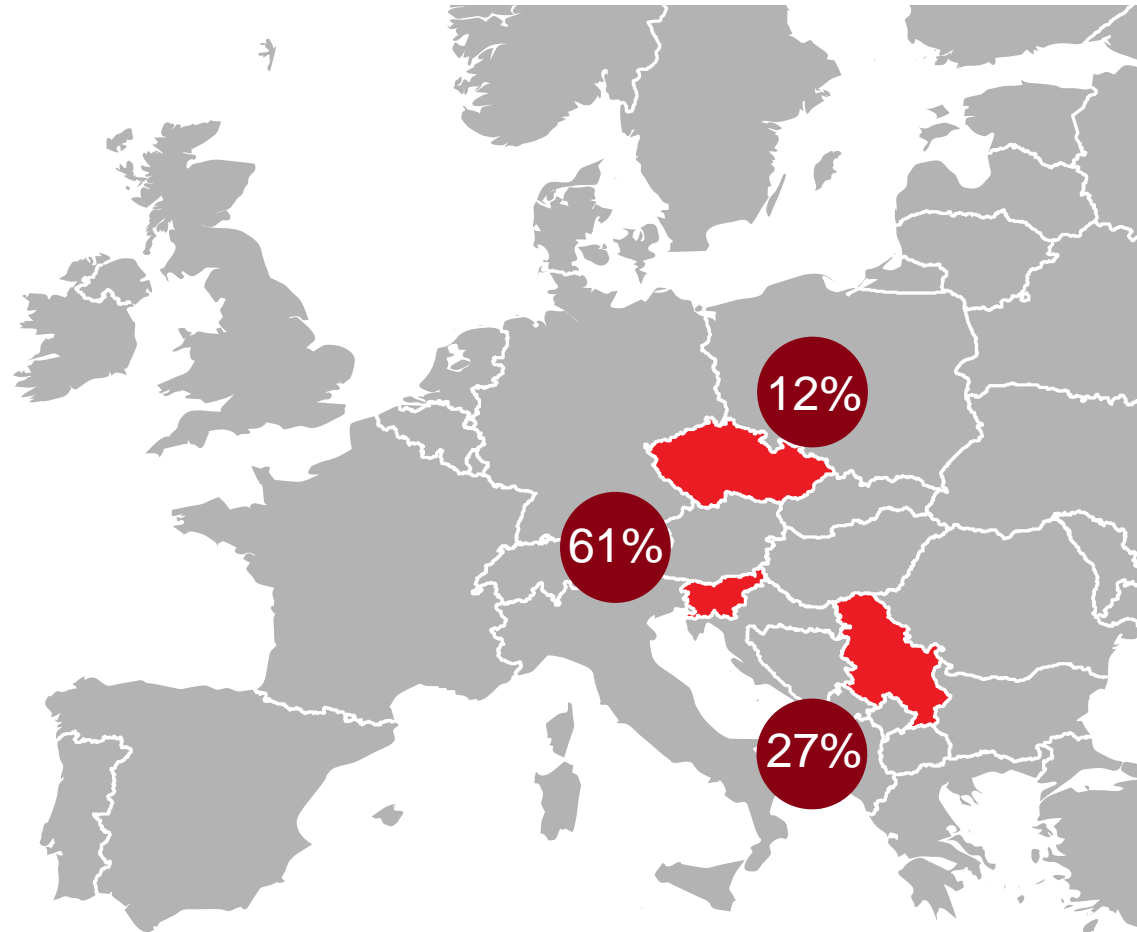


Production Facilities for MDA in 3 Countries

Slovenia, Velenje
High value-added products – cooking appliances, dishwashers, and advanced washing machines and dryers and niche refrigerators

Czech Republic, Mariánské údolí
Freestanding cookers

Serbia, Valjevo, Stara Pazova, Zaječar
Refrigerators and freezers, water heaters, and lower segment washing machines and dryers



Gorenje Group Macro-organization and Locations



Thoughtfully constructed sales network, which will be expanding outside Europe.

CURRENT MACRO ORGANIZATION (HOME)*

PARENT COMPANY	Gorenje, d.d.
HOLDING COMPANIES	2
SALES BUSINESS UNITS	40 (incl. representative offices)
PRODUCTION COMPANIES	6

Note:

* Copenhagen is the regional hub for Scandinavia (Gorenje Group Nordic)

** Prague (Gorenje Spol) is the regional hub for the Czech Republic and Slovakia





**Key categories of the
Strategic Plan
2016-2020**

Strategic Pillars 2020

PROFITABLE GROWTH:
revenue of EUR 1.56 billion
with EBITDA margin of 9%

92% share of core segment	ASKO: EUR 206 million	EUR 196 million outside Europe	30% of innovative and premium segments	Net financial debt / EBITDA < 2.5	FCF EUR 25 million (in 2019)*
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Digitization

Growth in key European markets and outside Europe

All product categories for Home, with emphasis on innovation and design

Operational excellence

Strategic partnerships and synergies, business cooperations

Employees, culture

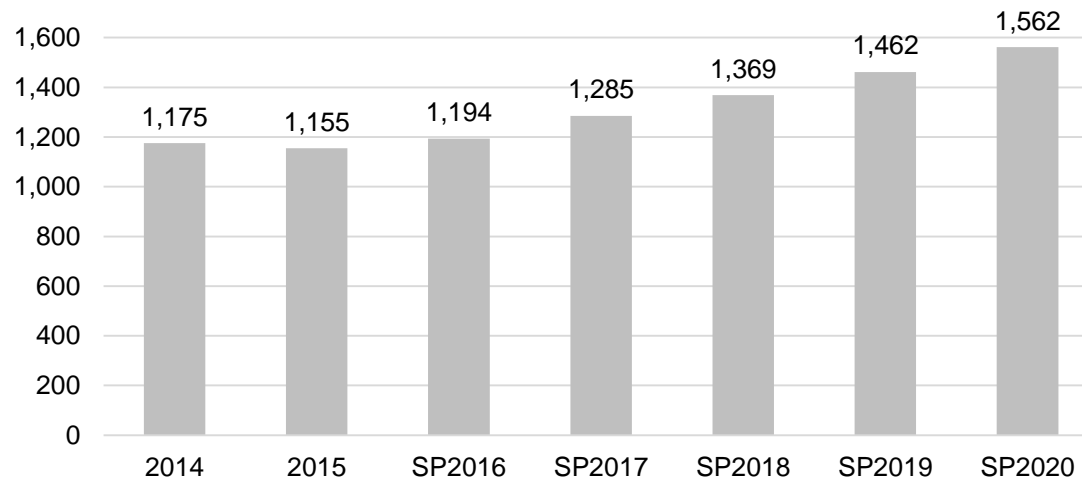
CORPORATE GOALS OF GORENJE GROUP 2020

Revenue of EUR 1.562bn by 2020; increase of revenue by over 35% (CAGR of 2020 / 2015: + 6.2%).



Corporate goal 2020: REVENUE OF EUR 1.56 BILLION

Gorenje Group net sales revenue (excluding divested Ecology) in EUR billion



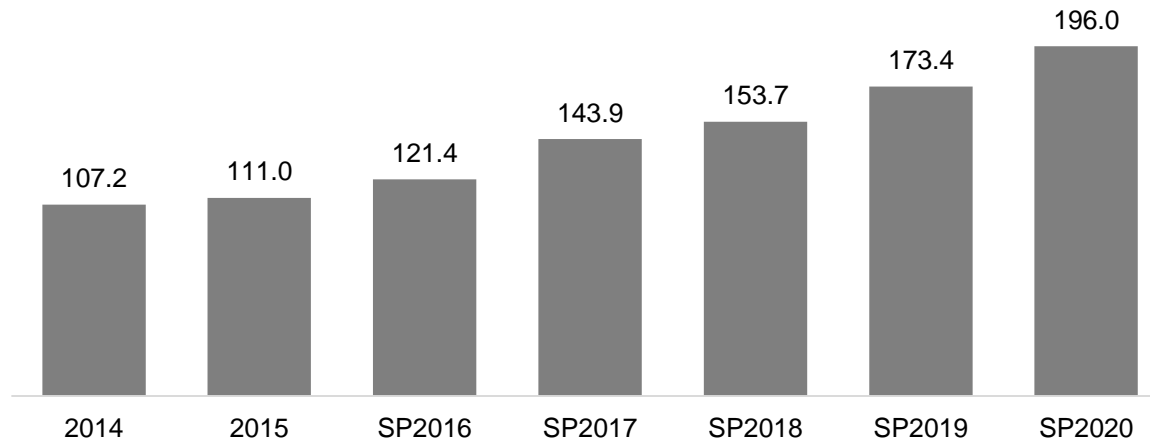
CORPORATE GOALS OF GORENJE GROUP 2020

Doubled revenue of EUR 196m generated outside Europe; 14% of total Home segment sales.



**Corporate goal 2020: REVENUE OF EUR 196 MILLION
GENERATED OUTSIDE EUROPE**

Revenue from sales outside Europe (EUR million)



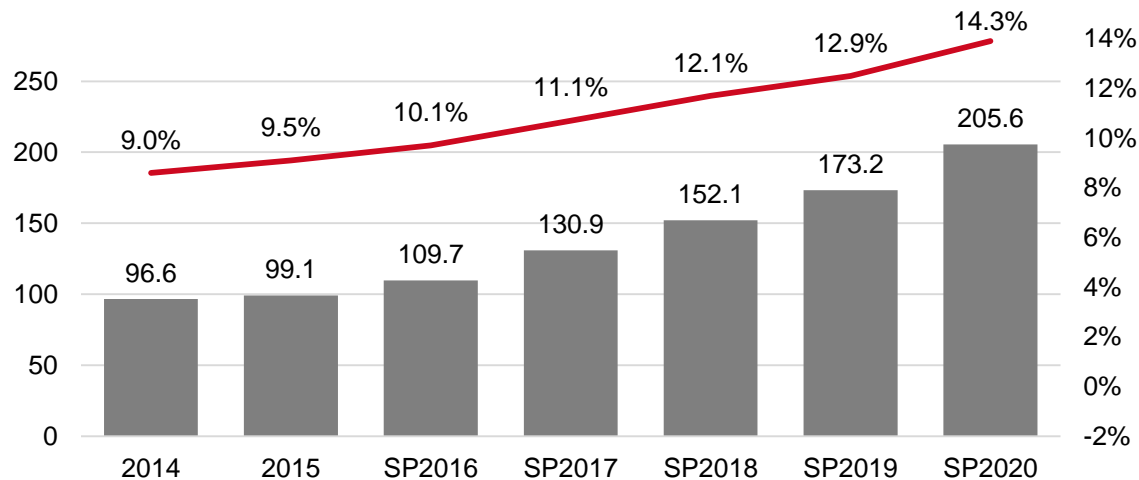
CORPORATE GOALS OF GORENJE GROUP 2020

Increase in sales of the Asko premium brand



Corporate goal 2020: ASKO REVENUE OF EUR 206 MILLION

Net revenue from Asko sales (EUR million) and share in total core activity (Home) sales, in %



gorenjegroup



ASKO

Global premium brand

Main markets: USA, Australia, Scandinavia, Russia, Asia (selected markets)

Short-term: extend product portfolio and strengthen position on key markets

Mid-term: expand to new markets

**Unaudited Financial
Statements 2016**

Year of revenue and profit growth

- **EUR 1,258.1m of revenue was generated, which is 2.7% more than in 2015. The level of Gorenje Group's comparable targeted revenue was fully implemented.**
- **The Core activity Home generated EUR 1,091.7m of revenue or 3.4% more than in 2015 and 1.1% less than planned.**
- **The Core activity Home records a 4.7 percent organic growth in revenue (by eliminating the impact of currency fluctuations)**
- **Gorenje Group recorded positive results in all quarters of 2016 and generated profit in the amount of EUR 8.4m.**
- **The targeted profit was exceeded by EUR 0.7m and profitability improved by EUR 16.4m.**

A year of improved sales structure

- Sales growth by the Core activity Home (EUR +35.7m / +3.4%)**

- Favourable geographical sales structure:**
 - CIS (+ 12.3%)**
 - Eastern Europe (+ 4.3%)**
 - Benelux (+ 4.0%)**
 - Growth was recorded also on markets of Australia, America and Asia**

- Favourable brand structure:**
 - Asko (+9.0%)**
 - Atag/Pelgrim/Etna (+ 4.3%)**

A year of improved product sales structure

2016 was marked by **successful operations of the Core activity Home**, which is attributable to:

- achieved favourable product sales structure; enhanced sales on following segments:**
 - premium appliances (4.3% growth in terms of quantity and 27.3% share in the revenue structure of MDA);**
 - innovative appliances (14.5% growth in terms of quantity and 17.4% share in the revenue structure of MDA);**
 - cooking appliances (+4.6% growth in terms of quantity);**
 - dishwashers (+19.7% growth in terms of quantity);**
 - small household appliances (+32.4% growth in revenue).**

A year of cost efficiency and savings

Efficient management of **costs of material and raw materials** as a result of:

- **renegotiations with suppliers,**
- **prior favourable lease of certain strategic raw materials** (e.g. sheet metal, plastics, etc.),
- **by optimising the usage of material** in direct production,
- **by optimising the supply chain.**

Good management of the **logistics costs**:

- activities are directed towards **optimising the logistics lines, developing new logistics models, contractual lowering of transport prices,**
- **costs of logistics declined by 1.5%, while revenue increased by +2.7%**

Employee benefits expense:

- **Growth in employee benefits expense lags behind the growth in Group's revenue by 1 p.p.**

2016 highlights

A year of targeted investments into marketing and development

Sales growth is supported by larger investments in marketing and development (EUR + 7.1m relative to 2015):

- Investments in development were recorded at EUR 32.3m (2.6% share in Group's revenue; higher expenses by 0.18 p.p. or EUR 3.1m).**
- Marketing-related investments amounted to EUR 26.4m (2.1% share in Group's revenue; increase of 0.27 p.p. or EUR 4.0m).**

A year of solid financial management

Gorenje Group's **EBITDA** was essentially **improved**

→ **EUR 87.2m (EUR +7.1m with respect to 2015;**

The impact of **finance costs** on Gorenje Group's profit was **lowered**:

→ **The average costs of financing were reduced – interest expenses declined by EUR 3.0m or by 16.5%**

→ **The result in exchange differences is significantly more favorable by EUR 12.4m and is disclosed at EUR -0.5m.**

Gorenje Group's relative indebtedness was reduced

→ **The net financial debt/EBITDA ratio was improved from 4.1 in 2015 to 3.9 in 2016 (or by 0.2 over the 2015 balance).**

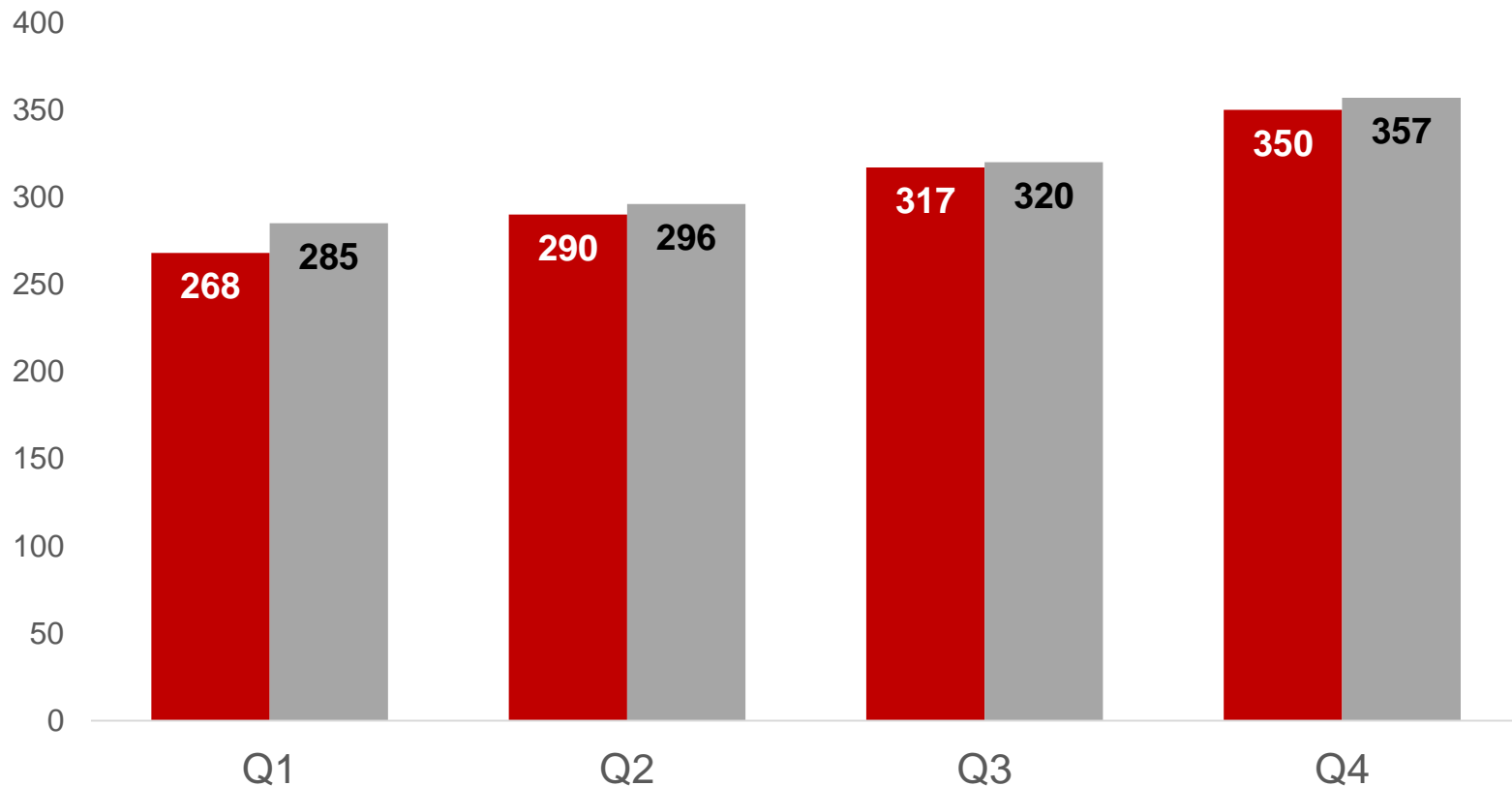
The liquidity reserve was increased to EUR 120.4m (approved borrowings and bank balances).

Higher sales volume in all segments

- Revenue growth was recorded in all quarters of 2016 if compared to 2015
- The targeted comparable level of revenue was fully achieved (comparable budgeted revenue amounted to 1,257.7 MEUR)

2016: EUR 1,258.1m
2015: EUR 1,225.0m

Gorenje Group's revenue

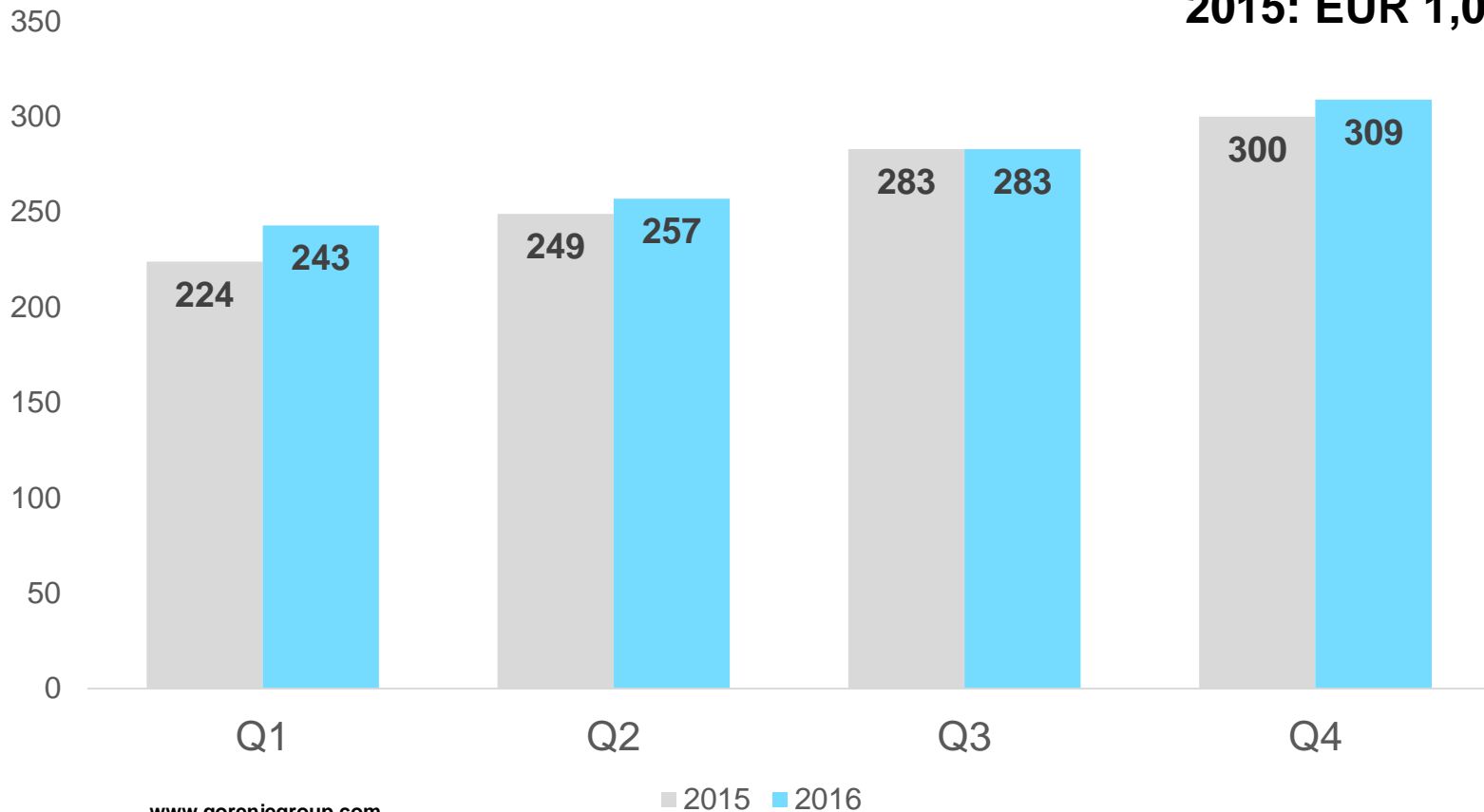


Revenue growth by Core activity Home

- ➔ Revenue growth is recorded in all quarters of 2016 if compared to 2015
- ➔ Revenue growth in Core activity Home 3.4% (+35,7 MEUR)

Core activity Home's revenue

2016: EUR 1,091.7m
2015: EUR 1,056.0m

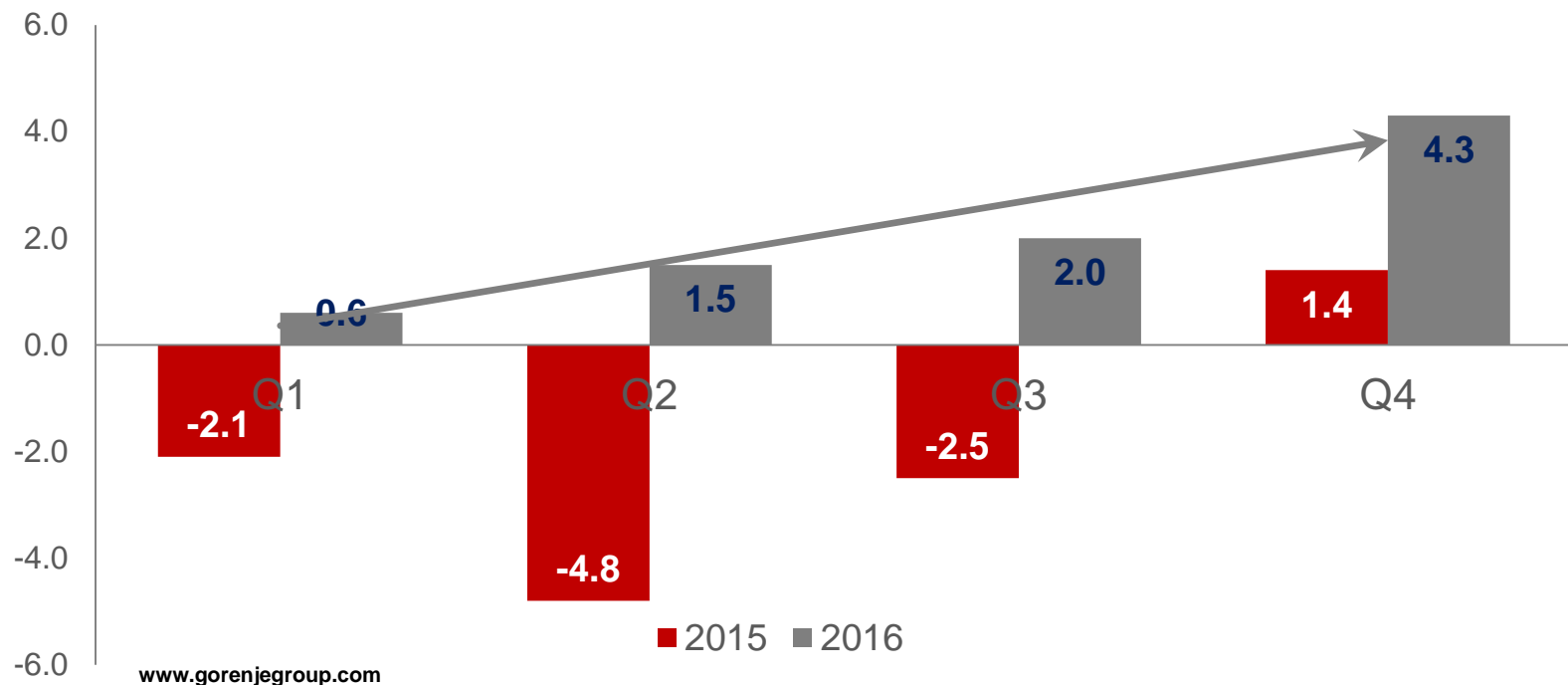


Stable generating of profit

- The planned profit for 2016 was exceeded (P2016 =EUR 7.7m).
- Improvement of EUR 16.4m relative to 2015;

Gorenje Group's profit

2016: EUR 8.4m
2015: EUR -8.0m



2016: Key financial indicators

(Budget inclusive of the companies of the Ecology segment)

EURm	2015	2016	Index	Plan 2016 (incl. Ecology)	Plan track
Revenue	1,225.0	1,258.1	102.7	1,257.7	100.0
EBITDA	80.1	87.2	108.9	89.1	98.0
<i>EBITDA Margin (%)</i>	6.5%	6.9%	/	7.1%	/
EBIT	34.4	40.2	116.7	39.8	100.9
<i>EBIT margin (%)</i>	2.8%	3.2%	/	3.2%	/
Profit before taxes	-4.0	13.2	/	11.6	114.6
Profit or loss for the period	-8.0	8.4	/	7.7	110.1
<i>ROS (%)</i>	-0.7%	0.7%	/	0.6%	/

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

2016: Key financial indicators

(Budget inclusive of the companies of the Ecology segment)

EURm	2015	2016	Index	Plan 2016 (incl. Ecology)
Gross financial debt	362.0	376.8	104.1	345.9
Net financial debt	330.4	341.6	103.4	331.2
Net financial debt / EBITDA	4.1	3.9	/	3.7

- ➔ **Gross debt:** EUR 376.8m (EUR +14.8m).
- ➔ **Net financial debt:** EUR 341.6m (EUR +11.2m).
- ➔ **Net financial debt / EBITDA ratio:** 3.9 (0.2 better than last year).

2016: Markets of the Core activity Home

- ➔ By increasing the sales **we improve our sales structure** (increasing the share of premium appliances, premium brands).
- ➔ Favourable **sales structure of brands**, where we have increased primarily the sale of brands **Asko (+9.0% growth; 10.1% in sales structure (+0,5 p.p. relative to 2015))**.
- ➔ As for sales of **small household appliances**, the **sales** recorded a **32.4 percent growth in revenue**.

EURm	2015	%	2016	%	Change (%)
Western Europe	452.7	42.9	455.8	41.8	+0.7%
Eastern Europe	492.8	46.7	524.3	48.0	+6.4%
Other	110.5	10.4	111.6	10.2	+1.0%
Total Home	1.056.0	100.0	1.091.7	100.0	+3.4%

2016: Markets of the Core activity Home

- ➔ **Sales growth in Eastern Europe:** the Czech Republic, Slovenia, Hungary, Slovakia, Poland, Romania, Bulgaria, Croatia, Albania, Montenegro and Macedonia. A significant growth was achieved also on the markets of **Russia (by 7%) and Ukraine (by more than 40%)** and thereby strengthened the market position.
- ➔ **Sales growth in Western Europe:** Benelux, (mostly in the Netherlands), Germany. **Lower sales:** Scandinavia and France (Gorenje brand).
- ➔ **Increase in sales on the markets outside of Europe (+1%):** Sales was impacted by the decline in the **off-take of industrial partners** (new growth is planned in 2017) and **lower sales on the markets of Near and Far East** (primarily in Saudi Arabia).

Essential growth: Northern America, Caucasus, Asia, Brazil and Australia.

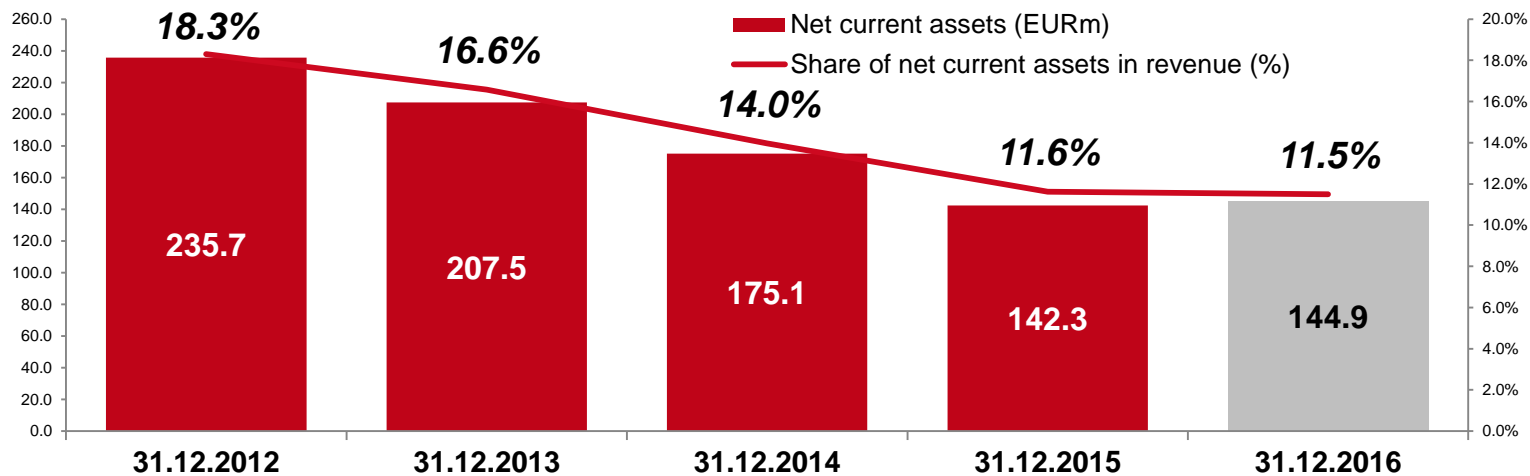
- ➔ **Higher sales of the Asko brand products** were achieved on the markets of Scandinavia, France, America, Russia, Asia and Australia.

2016: Working Capital

Investments in net working capital

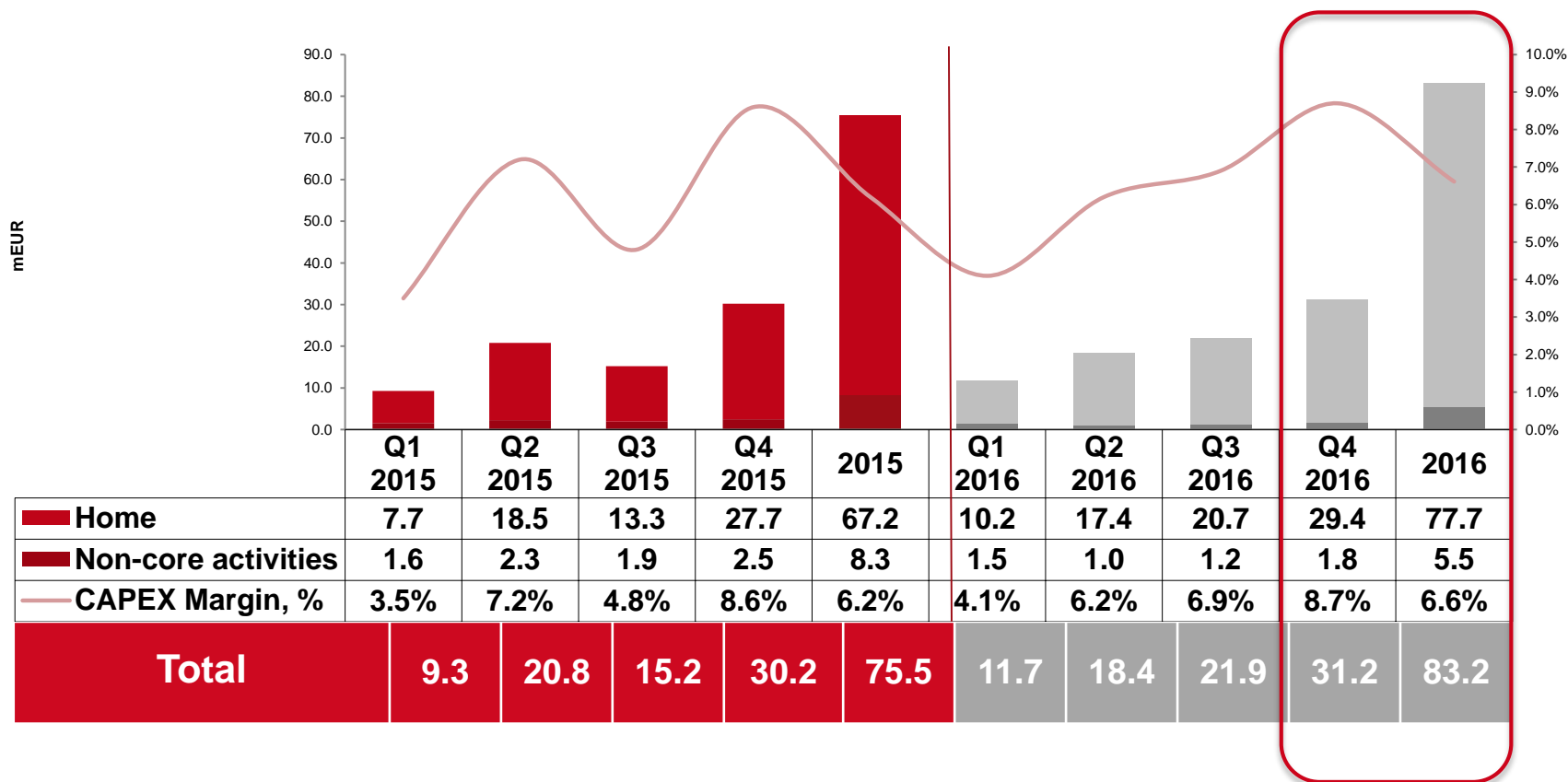
EURm	31 Dec 2012	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016
+ Inventories	253.7	236.4	219.8	225.9	225.9
+ Trade receivables	224.1	208.6	182.6	161.0	165.8
+ Other current assets	53.1	51.3	48.9	52.2	58.8
- Trade payables	-216.3	-214.0	-202.6	-221.0	-223.7
- Other current liabilities	-78.9	-74.8	-73.6	-75.8	-81.9
= Net working capital	235.7	207.5	175.1	142.3	144.9

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



2016: Investment activities

- The planned CAPEX for 2016 is EUR 85.0m, and achieved CAPEX for 2016 represents 97.9% of the FY2016 plan.



gorenjegr^oup 2016: Investment by types

Investment (CAPEX) of the Gorenje Group, by types:

EURm	2016
New product development	40.0
R&D investment	19.3
Improvement of competitiveness	15.7
Investment into network sales activities	2.7
Investment in non-core activities	5.5
TOTAL INVESTMENT	83.2

- Replacement investment is represented by the items **investment into (new product) development** and **improvement of competitiveness** (investment maintenance of tools, replacement of obsolete equipment, increased automation, acquisition of new technological equipment for improvement of productivity (replacement CAPEX); they amount to EUR 35 to 45 million annually.
- Investment into new product development technology is, as a rule, proportionate to the share of production volume at a particular production plant.

Pursuant to the Group's strategic goal, we have increased investments in product development to 2.6% in the Group's revenue structure (0.18 p.p. more than in 2015).

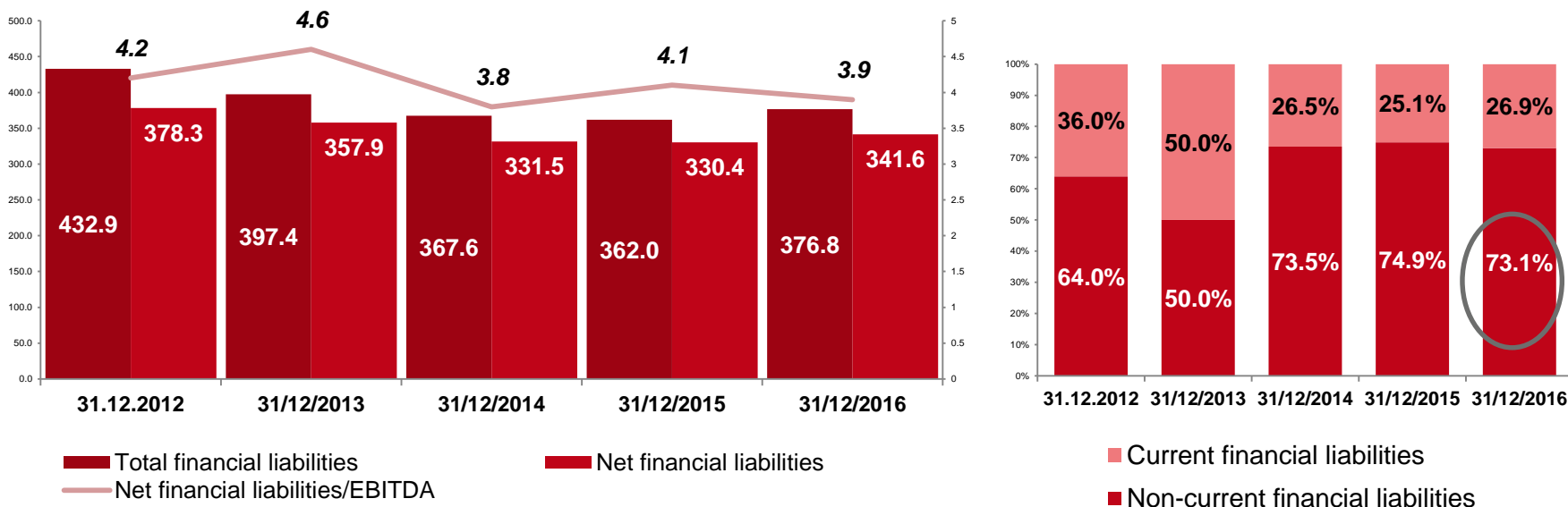
Key innovations:

- the upgraded **built-in under-counter refrigerators (600 mm)**,
- **the 10 kg washing machine** for the strategic industrial partner,
- **Asko Craft premium built-in ovens** programme,
- the new **programme of mid-price range dishwashers**.



2016: Financial performance

Movement of total and net financial liabilities in the 2012-2016 period (EURm), movement of the relative borrowing rate or the net financial debt/EBITDA ratio, and the maturity structure of financial liabilities



- Stable maturity profile of financing sources (around 3/4 of long-term sources)
- Trend in decrease of financial debt and relative deleveraging

2016: Settlement of financial liabilities**Annual repayment of the current portion of long-term debt (as at Dec 31, 2016)**

Year	2017	2018	2019	2020	2021	2022
Repayment of long-term liabilities	93.6	78.5	90.6	40.3	39.0	21.9

- Average maturity of Gorenje Group's financial sources is ~3 years.
- Long-term sources are hedged against a change in interest rate or. are negotiated with a fixed interest rate (~70% of financial borrowings as at December 31, 2016).
- Issue of 5-year bond with bullet repayment and debt refinancing activities with commercial banks will significantly extend the average maturity of financial sources.
- Short-term sources are currently renewed, and new lines are added in order to increase the liquidity reserve and to optimize interest expense.

gorenjegr^oup 2016: Balance Sheet

- The growth in business activities, **maintain the level of net working capital** – Inventory turnover is shorter by 2 days (~69 days turnover of receivables by 3 days (~47 days), turnover of liabilities was 4 days more (~85 days).
- We maintain a **stable maturity structure of financial liabilities**.
- By investing in new product development, we **increase the value of net non-current assets**.

EURm	31 Dec 2015	31 Dec 2016
Net non-current assets	535,3	552,6
Inventories	225,9	225,9
Trade receivables	161,0	165,8
Trade payables	-221,0	-223,7
Other current assets / liabilities	-23,6	-23,1
Net working capital	142,3	144,9
NET ASSETS	677,6	697,5

EURm	31 Dec 2015	31 Dec 2016
Equity	368,1	374,2
Non-current financial liabilities	271,0	275,6
Current financial liabilities	91,0	101,2
Cash and cash equivalents	-31,6	-35,2
Net debt capital	309,5	323,3
Financial investments	-20,9	-18,3
NET INVESTED CAPITAL	677,6	697,5

**Executive Summary of
Gorenje Group 2017
Business Plan**

Business Plan 2017

- **Key categories (EBITDA, EBIT, profit) are consistent with the strategic goals of the 2nd year of the 2016–2020 Strategic Plan.**
- **Further growth of sales revenue planned for:**
 - Gorenje Group (+4.5%)
 - Home segment (+5.0%)
- **Improvement of Gorenje Group profitability:**
 - EBITDA: EUR 97.1 million (+11.3%)
 - EBIT: EUR 39.7 million (-1.2%)
 - Profit: EUR 13.1 million (+54.9%)
- **Managing procurement price risk and currency risk, and the improvement projects at all levels of business.**
- **Further working capital optimization and positive cash flow.**
- **Further relative deleveraging at the Group level (net financial debt to EBITDA ratio of 3.5).**

Business Plan 2017

EUR million	2016	Plan 2017	Index
Consolidated revenue	1,258.1	1,315.3	104.5
EBITDA	87.2	97.1	111.3
<i>EBITDA Margin (%)</i>	<i>6.9%</i>	<i>7.4%</i>	<i>/</i>
EBIT	40.2	39.7	98.8
<i>EBIT Margin (%)</i>	<i>3.2%</i>	<i>3.0%</i>	<i>/</i>
Profit before taxes	13.2	19.5	147.0
Profit or loss for the period	8.4	13.1	154.9
<i>ROS (%)</i>	<i>0.7%</i>	<i>1.0%</i>	<i>/</i>
Net debt / EBITDA	3.9	3.5	<i>/</i>

Solid sales structure by territories and products

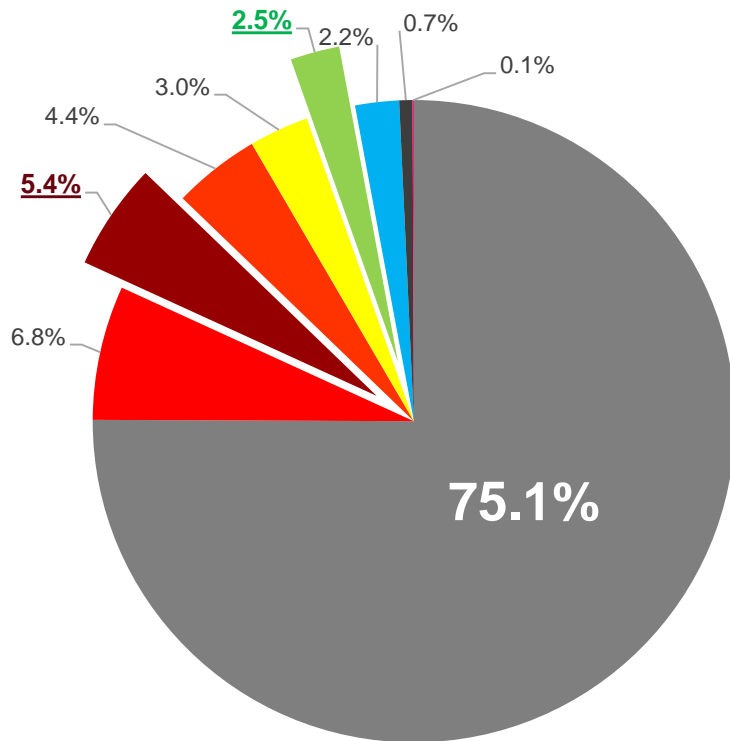
- Revenue growth and profitability shall be based on:
 - **Improved geographical structure of sales:** further growth in the markets of **Benelux, Eastern Europe, and CIS;**
 - **improved sales structure by brands:** increase of sales under the **Asko** and **Atag** brands
 - **Improved sales structure in terms of products:** growth of sales for products with higher value added

As a result:

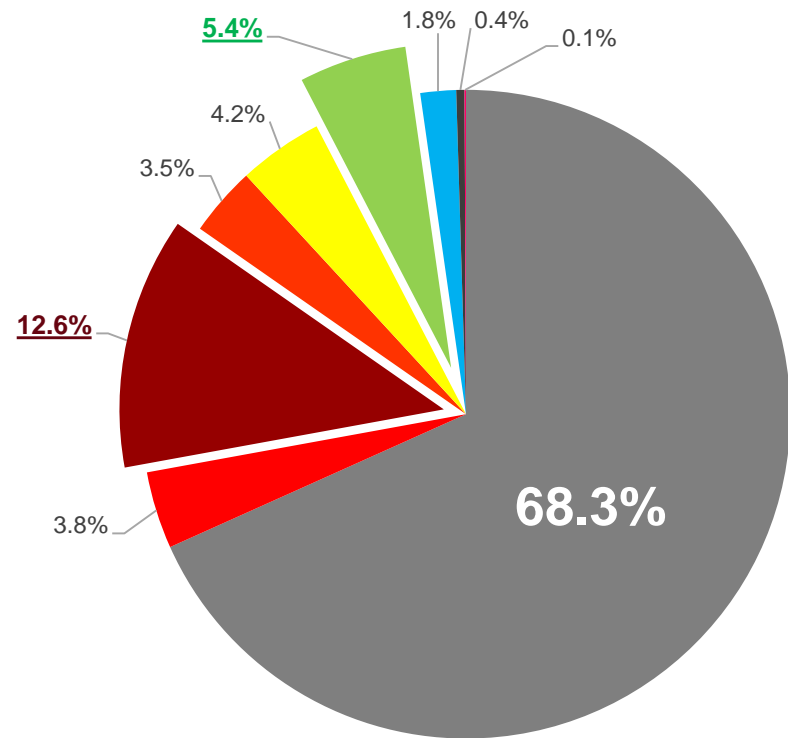
- further **growth of share of innovative and premium products**
 - **higher average sales prices**
 - **improved utilization of production capacities**
- To support the growth of sales in the premium and innovative segment, we are **stepping up our investment into marketing and development.**

Own brand portfolio for all market segments

*MDA structure: Own brands
(2017 plan; volume terms)*



*MDA structure: Own brands
(2017 plan; value terms)*



Targeted investment into new product Development (1/2)

New product development and launch

- Consistently with the strategic policies, we support sales growth with **targeted investment into new product development; 2.7% of Gorenje Group revenue to be allocated to investments into development.**
- New launches in all product categories.
- Innovative functions, simplicity, user-friendly controls.
- New platforms for high-end appliances under the Asko brand.



Business Plan 2017

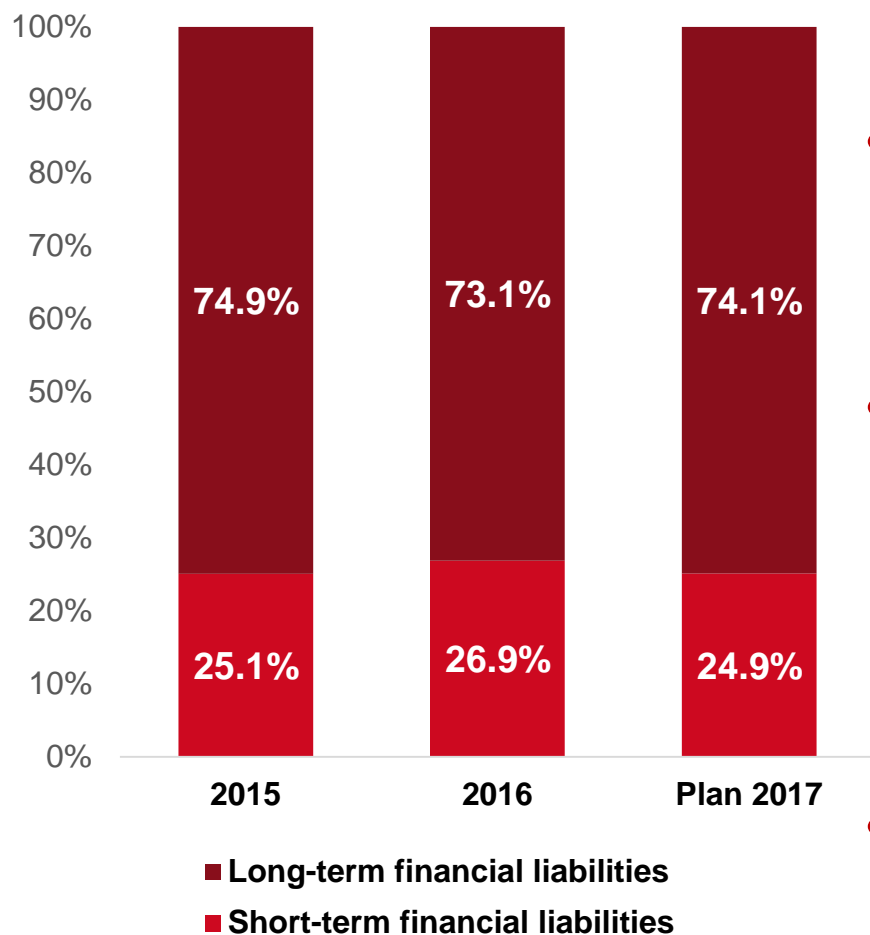
Targeted investment into new product Development (2/2)

- New premium dishwasher platform and additional dishwasher models in the mid-price segment.
- Development of a platform for connectible appliances.
- New generation of free standing cookers and gas hobs.
- New generation of built-in refrigerators.
- New collections and products of small domestic appliances.



Business Plan 2017

Stable financial structure



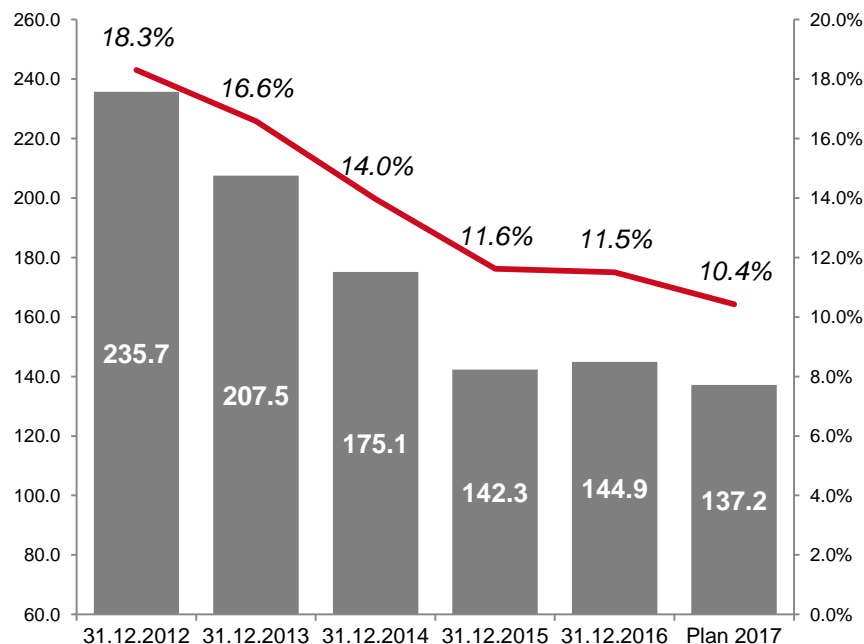
- **Further relative deleveraging** planned (net financial debt to EBITDA ratio at **3.5**)
- **We maintain a stable maturity profile** of our financial liabilities (approximately 75% of long-term sources), and the average maturity of our debt.
- **Dynamics of required refinancing** for maturing/current portions of long-term borrowings (approximately EUR 90 million per year) **consistent with cash flow generation within each year**, and **high liquidity reserve**, alleviate our refinancing risk.
- Refinancing in order to further **cut average finance expenses**

Business Plan 2017

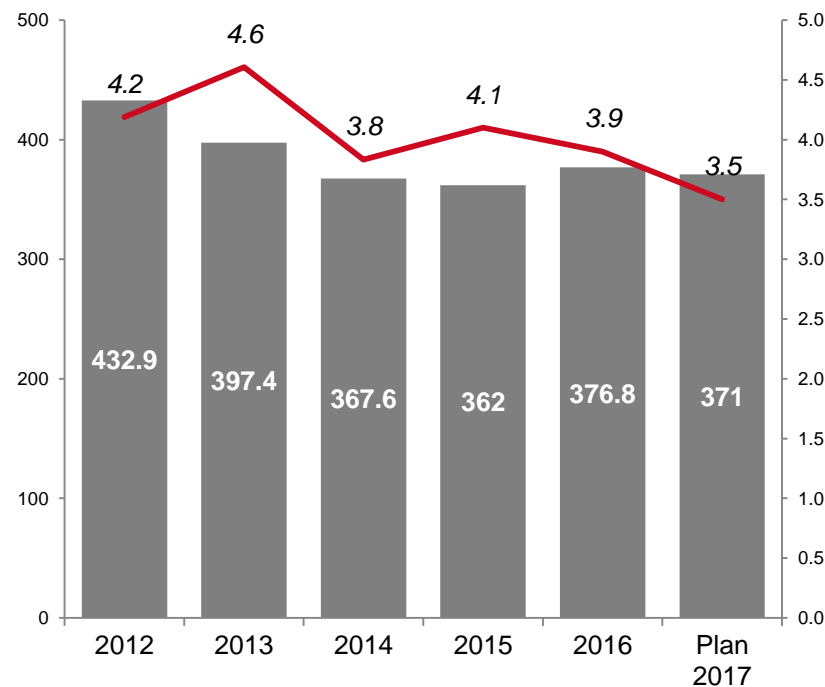
Relative deleveraging

Relative deleveraging (net financial debt to EBITDA ratio)

- Including with better **net working capital management** (inventory optimization, receivables management, reverse factoring for suppliers, extension of payment terms).



■ Net working capital (EURm)
 — Share of NWC in revenue (%)



■ Total financial liabilities (EURm)
 — Net financial liabilities / EBITDA

Forward-looking statements

This presentation 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. As a result of these factors, 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 reorganization and reorganization in purchasing. If one or more risks or uncertainties are in fact materialized 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.