



# GORENJE, D.D.

www.gorenje.si

Sector:  
Household appliances

Ticker:  
GRVG SV

PRICE (10.04.2007)	EUR 34.56
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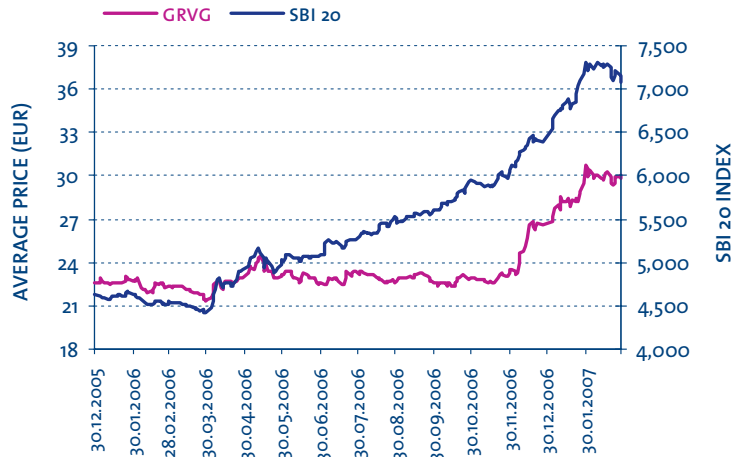
GRVG	
NO OF SHARES	12,200,000
MIN (52 WEEK)	EUR 21.33
MAX (52 WEEK)	EUR 30.69
MARKET CAP.	EUR 421.63 MN

BV (31.12.2006)	EUR 20.83
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RATIOS*	
P/E	16.38
P/B	1.44
EPS	EUR 2.03

\* values based on 2006 results and current prices

Gorenje is a company with more than a 50-year-old tradition in manufacturing and retailing of household appliances. The company has 14 affiliates in Slovenia and 33 international subsidiaries. In reference to sales, at a level of 3 million of large household appliances, Gorenje is one of the top eight leading European manufacturers and has a market share of 4% of the European market of large household appliances. Gorenje has managed to keep the leading market share position on the Southeastern European markets and kept a strong leading manufacturers position in Eastern Europe as well. Gorenje, with more than 10,000 employees, is categorized as one of the largest Slovenian manufacturing companies and net exporters.



Gorenje Group is organised into three divisions: household appliances division, home interior division and trade and service

division. The household appliances division manufactures and sells household appliances of its own production and other manufacturers. It sells supplementary programme of home electronics and small household appliances. It also manufactures and sells heating appliances. Home interior division produces and sells kitchen and bathroom furnishing, bathroom fittings and ceramic tiles. Trade and services division comprise energy and protection, engineering, agency services, restaurant and catering services, tourism and real estate management.

## COMPANY PROFILE:

Gorenje was established in a small village called Gorenje in 1950. At the beginning, the company was involved in manufacturing agricultural machinery and the provision of building materials. Eight years later it expanded its operations to the production of solid-fuel cookers. Till 1970, Gorenje expanded its business to washing machines and refrigerators, becoming the leading household appliances company in Yugoslavia. In 1997, Gorenje Plc. became a public company. In 2005, Gorenje acquired Czech cooking appliances producer Mora Moravia a.s.

Besides the mother company, Gorenje Group includes the following subsidiary companies:

THE COMPANIES OPERATING IN SLOVENIA:  
Gorenje I.P.C. d.o.o., Velenje; Biterm d.o.o., Bistrica ob Sotli; Gorenje Notranja oprema d.o.o., Velenje; Gorenje Orodjarna d.o.o.,



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Velenje; Gorenje Tiki d.o.o., Ljubljana; Gorenje GTI d.o.o., Velenje; Gorenje Gostinstvo d.o.o., Velenje; LINEA d.o.o., Velenje; Energygor d.o.o., Velenje; Opte Ptuj d.o.o., Ptuj; Kemis d.o.o., Radomlje; ZEOS d.o.o., Ljubljana; Istrabenz-Gorenje d.o.o., Ljubljana; IG Prodaja d.o.o., Nova Gorica.

### THE COMPANIES OPERATING OUTSIDE SLOVENIA:

Gorenje Beteiligungs GmbH, Austria; Gorenje Austria Handels GmbH, Austria; Gorenje Vertriebs GmbH, Germany; Gorenje Körting Italia S.r.l., Italy; Gorenje France S.A.S., France; Gorenje BELUX S.a.r.l., Belgium; Gorenje UK Ltd., UK; Gorenje Skandinavien A/S, Denmark; Gorenje AB, Sweden; Gorenje spol. s r.o., Czech Republic; Gorenje real spol. s r.o., Czech Republic; Gorenje Slovakia s r.o., Republic of Slovakia; Gorenje Budapest Kft., Hungary; Gorenje Polska Sp. z o.o., Poland; Gorenje Bulgaria EOOD, Bulgaria; Gorenje Zagreb d.o.o., Croatia; Gorenje Skopje d.o.o., Macedonia; Gorenje Commerce d.o.o., Bosnia and Herzegovina; Gorenje d.o.o., Serbia; Gorenje Podgorica d.o.o., Montenegro; Gorenje OY, Finland; Gorenje AS, Norway; OÜ Gorenje, Estonia; SIA Gorenje, Latvia; Gorenje Romania S.R.L., Romania; Gorenje aparati za domačinstvo d.o.o., Serbia; Mora Moravia s.r.o, Czech Republic; Gorenje Küchen GmbH, Austria; Gorenje - kuchyne spol. s r.o., Czech Republic; Gorenje Imobilia, d.o.o., Serbia; Gorenje Adria Nekretnine d.o.o., Croatia; Kemis d.o.o., Croatia; Kemis BiH d.o.o., Bosnia and Herzegovina; Kemis d.o.o., Serbia; Nacionalni brendovi d.o.o., Serbia; Gorenje Gulf FZE, United Arab Emirates; Istrabenz-Gorenje d.o.o., Croatia; Gorenje Espana S.L., Spain; Gorenje Tiki, d.o.o., Serbia.

Gorenje d.d. also has representative offices in Moscow, Russia; Krasnojarsk, Russia; Kiev, Ukraine; Athens, Greece; Barcelona, Spain; Shanghai, China; Belgrade, Serbia; Priština, Serbia.

On the average there were 5,557 employees in the company in 2005 and 10,492 employees in the group. The number of the employees in

the company increased by 0.3% and the number of the employees in the group increased by 10.4% compared to 2004.

With the agreement signed on 18<sup>th</sup> July 2006, Gorenje, Plc, purchased a 49.95 percent share in Istrabenz Energetske sistemi, Ltd. This has made it an equal partner with the holding company Istrabenz, Plc, which has retained an equal 49.95 percent share in the company. The two companies have undertaken to join forces in the development of projects in the energy sector and investment in the power generation resources in the target energy markets in Slovenia and abroad.

In reference to their sales, at a level of 3 million of large household appliances, Gorenje is found on a scale of top eight leading European manufacturers and is in command of 4% of the European market of large household appliances. Gorenje managed to keep the leading market share position on the Southeastern European markets and kept a strong leading manufacturers position in Eastern Europe as well. 94% of products are sold on foreign markets.



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### PERFORMANCE:

In 2006 Gorenje Group created EUR 1.1 bn of net sales revenues, which is an increase of 9% in comparison to previous year. Operating profit increased 14% to EUR 30.8 mn and the net income amounted to EUR 22.4 mn, which is 5 % higher compared to the total net income of 2005. On the other hand the parent company created EUR 731.8 mn net sales revenues, which is an increase of 14%. Operating profit increased by 42% to EUR 16.3 mn and the net profit of the company reached EUR 12.1 mn, which is 19% higher than the year before.

The strategic plan of the Group predicts an average 5% sales growth till 2010. In 2010 the Group is planning to achieve EUR 112 mn profit before amortization and reservations doubling the results of 2006. The investments in tangible assets are planned at an annual average of EUR 40 - 50 mn and the annual average labour productivity growth is estimated at 4.7%. One of the main goals of the company is to shift its products to upscale luxury market.

### SHAREHOLDERS:

On 10<sup>th</sup> April 2006, ten largest shareholders owned a 57.42% stake of the company:

SHAREHOLDER	NO OF SHARES	% STAKE	CUMULATIVE % STAKE
KAPITALSKA DRUŽBA, D.D.	3,073,579	25.19	25.19
GORENJE, D.D.	1,183,342	9.70	34.89
RAIFFEISEN ZENTRALBANK OSTERREICH AG	519,130	4.26	39.15
KD GALILEO	506,963	4.16	43.3
PROBANKA D.D.	408,446	3.35	46.65
DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	380,951	3.12	49.77
KD RASTKO	360,447	2.95	52.73
KRONA SENIOR, DELNIŠKA ID D.D.	224,697	1.84	54.57
BANK AUSTRIA CREDITANSTALT AG	179,031	1.47	56.04
KD ID, DELNIŠKA ID, D.D.	169,020	1.39	57.42



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FINANCIAL  
DATA

ooo EUR	GROUP			COMPANY		
	2006	2005	06/05	2006	2005	06/05
<b>INCOME STATEMENT</b>						
Net sales revenues	1,111,035	1,014,657	9%	731,761	639,952	14%
Operating profit	30,822	26,956	14%	16,306	11,501	42%
EBITDA	80,404	75,748	6%	50,074	44,480	13%
Profit before tax	27,844	23,815	17%	13,539	9,532	42%
Net profit	22,358	21,311	5%	12,113	10,213	19%
<b>BALANCE SHEET</b>						
Total assets	904,610	815,848	11%	629,431	568,294	11%
Total equity	254,183	244,195	4%	209,230	210,502	-1%
Minority interest	249	840	-70%	-	-	-



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