

Gorenje successful also at the conclusion of nine month period 2002 >>>>

In the first nine months the Gorenje Group recorded net revenues from sales in the amount of SIT 130.2 billion SIT which is 14.2 % increase over the comparative last year period. Net profit for the period amounts to SIT 3.26 billion or 26.6 % increase over the same period last year. Such growth in net revenues was predominantly fuelled by the branch of domestic appliances which recorded a 17.7 % growth in value and 8% in quantity compared to the year before. Investments in the nine month period amounted to SIT 6,8 billion.

Markets requirements have not substantially changed compared to the year before. European customers are still rather cautious in their purchasing, while for Gorenje traditionally favourable German market still fails to reveal any signs of revitalization. Despite such adversary state of affairs Gorenje managed to increase its market shares almost in all European markets, along with significant enhancement in the structure of sold appliances, indicating that customers increasingly seek appliances with sophisticated features, modern, appealing design and highest environmental requirements. Elevated market shares and saliently recognized trademark of Gorenje, along with aggressive implementation of the proper trademark to particular markets demanded larger investments. Considerable part of such investments include erection of new warehousing and distribution facilities, exhibition halls, as well as searching possibilities for strategic investments. First result of these endeavours was the opening of kitchen furniture assembly plant in Sarajevo. Gorenje has increasingly started to make use of synergy produced by various production branches within the Group, aimed at the "All for Home" concept, including production and sale of kitchens, water heaters, ceramic tiles and bathroom equipment.

In its future development strategy Gorenje intends to further promote business branches which, although not directly associated with domestic appliances, nevertheless logically complement the entire business activity of the Group. New activities in the business of the Group involve the environmental protection segment, where Gorenje has ample practical experience: both the technology and products belong to the top group of companies conforming to strict environmental protection criteria of developed countries, applying its proper know-how. By entering the EU Slovenia will have to conform to the entire European legislation in this area, which for Gorenje means taking care of appliances also after the expiry of their useful life period. This is why the strategic interest for this area is even more important.

Presently Gorenje is facing the implementation of the SAP standard information support of business processes which will practically initiate modernization of the entire business procedures in the year 2003, including sales, production, purchasing, logistics, after sale services, accounting and controlling.

Anticipations and forecasts for the year end are optimistic, and we may with confidence expect that the Gorenje Group is going to exceed its ambitious plan for the year 2002.

The Management of Gorenje, d.d.