



## GORENJE ACQUIRED ASKO

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# STRATEGIC PLANED GROWTH OF GORENJE

**Historical Milestones** of the business performance of Gorenje  
and the winning combination with the positive effects

- Acquisition of the cooking appliances factory Mora Moravia, 2004
- Green field of the refrigerator plant in Valjevo, Serbia, 2006
- Water heaters plant in Stara Pazova, Serbia, 2007
- Acquisition of home appliances company Atag, 2008
  
- Focus on design and innovations
- Reputation and value of the pan-European Brand name Gorenje

## ABOUT ASKO

- Headquarters: Vara, Sweden
- Two factories: Vara in Sweden (dish washers, washing machines and dryers) and Lahti in Finland (freestanding electric cookers, built-in ovens, cold irons)
- Sales in Scandinavia, Australia, USA
- Present in all distributional channels
- 850 employees (540 Sweden, 122 Finland)
- Revenues in 2009: EUR 173 million



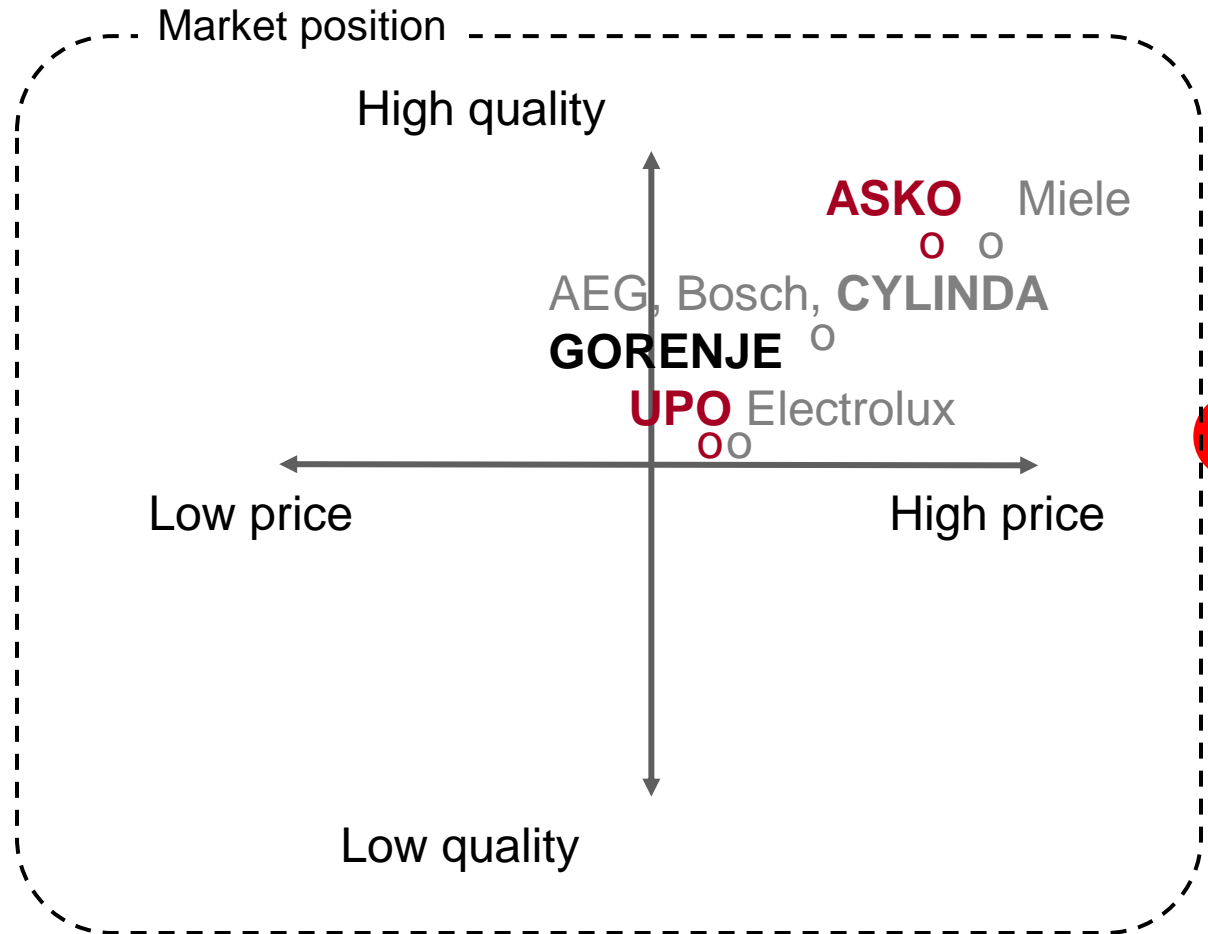
# TWO DIFFERENT POSITIONED BRAND NAMES



- ASKO is top-level global brand name in the high-end price segment.



- UPO is Skandinavien brand name of the mid-segment with 70-years of tradition.



## KEY POINTS OF THE DEAL

- Signed contract with the former owner Antonio, 27 July 2010 in Rome
- Acquisition price for 100 % stake amounted to EUR 4.5 million
- Consolidation in the Gorenje Group from 1st of August 2010 onwards.

## PLANNED IMPACT OF THE ACQUISITION

- **New strategic steps in the development and growth of the Gorenje Group**
- **Products – dish-washers**
- **Synergies**
- **Top Management team**

## NEXT STEPS – CREATING SYNERGIES

Activities for **repositioning of the Gorenje Group brand names** enable the acquisition of Asko

### Numerous synergies

- Sales & Marketing,
- Product development,
- Procurement
- Production

### Complementarities of the products

- Asko is the top-level producer of the dish-washers, and also washing machines and cooking appliances
- Completion of the product groups



## NEXT STEPS

### **Plan of the marketing activities**

- Strengthening of the brand portfolio of the Gorenje Group with high positioning brand Asko and Upo in the mid segment – clear position
- Strengthening and defining of the distribution channels

### **Market position**

- Strengthening market position of the Gorenje Group brand names in Scandinavia
- To fill up the grey spots in Australia and USA
- Realizing the strategy of the Gorenje growth as the global offerer in the industry

**Plan of the investments** in product R&D and in the brand name of Asko

**Plan of the long-term exploiting of the potentials and strengthening of all the others synergies**



## FINANCIAL IMPACTS OF THE ACQUISITION

### Asko

#### Plan 2010

Revenue	176 million EUR
EBITDA	7.2 million EUR

### Balance Sheet of the Asko Group 30 June 2010

In m EUR

Fixed Assets	23.6	Equity	26.5
		Provisions	19.4
Current Assets	74.1	Financial liabilities	18.9
		Others	32.8
<b>ASSETS</b>	<b>97.7</b>	<b>EQUITY AND LIABILITIES</b>	<b>97.7</b>

Consolidation: 1 August 2010

## FINANCIAL IMPACTS OF THE ACQUISITION

### Ratios - Plan 2010 Comparison Asko/ Gorenje

	Asko	Gorenje
Net debt / Equity	0.55	0.94
Net debt / EBITDA	2.23	4.3

- Due to the agreement of the additional decrease of the liabilities to the former owner, will the company in the second half of 2010 realize EUR 3 million extraordinary profit.
- Planned profitability of Asko in the years 2011-2013 – positive impact on the realizing of the Gorenje Group Strategic Plan in all major elements
- The difference between the estimated net value of the assets (estimated equity) and the acquired equity price – in accordance with the IFRS is increasing the equity of the Gorenje Group and the Consolidated P&L



Growth of the Shareholder value

# ASKO - HISTORY



1950  
Karl-Erik Andersson  
Produces the first  
Washing machine in Vara

1960's-70's  
Dishwashers & Tumble dryers  
Is produced and export starts  
from Vara

1978  
ASEA buy Junga verkstäder  
change name to ASEA Cylinda

1980's  
Asea Skandia starts sales with  
the Cylinda brand in Sweden  
Sales organizations established in:  
USA,AU,NZ,NO,DK

2008  
Name change to  
Asko Appliances AB  
due to Swedish ASKO launch

2009  
ASKO is launched in Sweden  
ASKO Kitchen  
ASKO Laundry Care

1918  
ASKO founded by  
Aukusti Asko Avonius

1938  
UPO metal production

1950's  
Refrigerator developed  
in Lahti, Finland

1960's-70's  
Washers, Cookers, Cold Iron,  
Ovens is produced in Lahti

1988  
ASKO buy Asea Cylinda  
New name: ASKO CYLINDA  
(Cylinda brand stays with  
ElektroSkandia)

2000  
Antonio Merloni buys  
ASKO Group

2000-2008  
Investments in  
Product development  
New markets

## SALES OF ASKA IN NUMBERS

### **Sales by products**

- 1/3 dish washers
- 1/4 washing machines

### **Geographical covering**

- Major markets are Scandinavia – 60% of turnover
- 18% in North America
- 14 % in Australia

### **Sales by market segments**

- 44% brand name Asko
- 27% brand name Upo
- 5% niche half-professional products – segment with the high growth potential