

# WELCOME TO THE ELTEK PRESENTATION IN LONDON FOR FINANCIAL ANALYSTS AND INVESTORS

11 - 13 JANUARY 2000

Alain F. Angelil  
CEO  
Eltek ASA



# PROGRAMME

11 JANUARY 2000

- Welcome and Programme A. F. Angelil
- Oslo Stock Exchange - 1999 & 2000 J. E. Fleisher
- Presentation by Telenor A. Johansen
- Presentation by Level 3 D. Fisher
- Eltek Energy M. F. Angelil
- Financial Performance & Status J. Larsen
- Summary A. F. Angelil

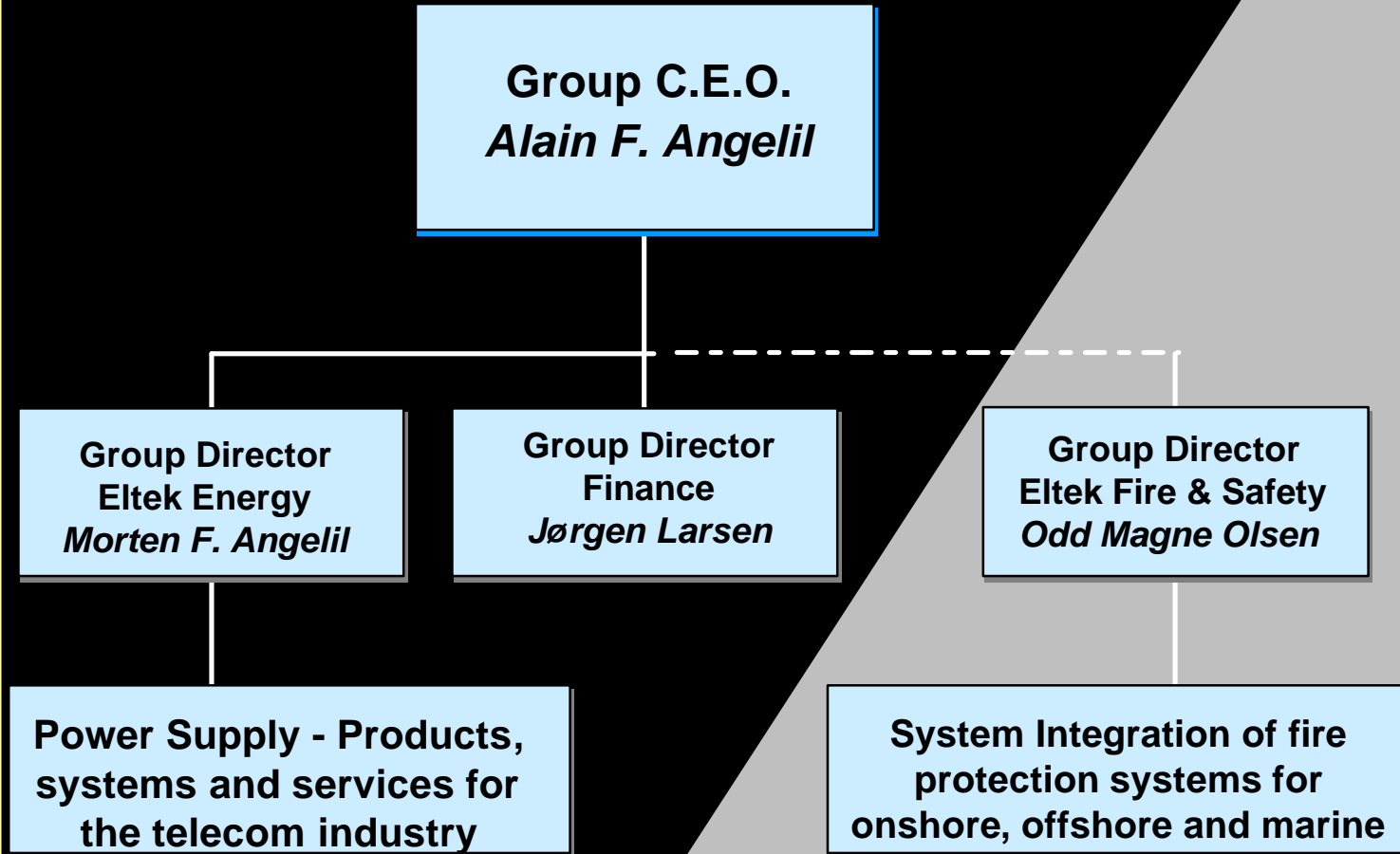
12 JANUARY 2000

- Visit Eltek UK
- Presentation Eltek UK C. Howe
- Visit to Dolphin Sites
- Presentation by Dolphin Telecom M. Benke

## Present from ELTEK

- Alain F. Angelil CEO, Eltek ASA
- Jørgen Larsen Group Director Finance,  
Eltek ASA
- Morten F. Angelil Group Director, Eltek Energy
- Colin Howe Managing Director, Eltek (UK) Ltd
- Therese Fuglerud Secretary, Eltek ASA
- Jorunn Vognild Secretary, Eltek Energy
- Sharon Culpin Secretary, Eltek (UK) Ltd

# ORGANISATION 2000.01.01



# ELTEK companies



# Presentation by

**Oslo Stock Exchange - 1999 & 2000 J. E. Fleisher**

**Presentation by Telenor**

**A.**

**Johansen**

**Presentation by Level 3**

**D. Fisher**



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London, 11 January 1999

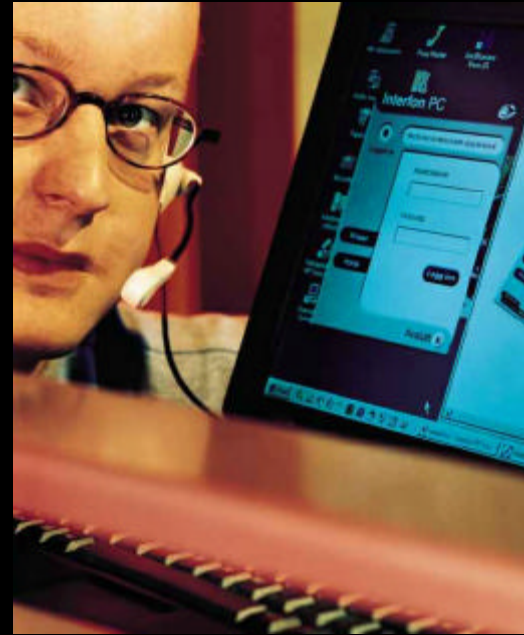
# ELTEK ENERGY

## MARKET DEVELOPMENT STRATEGIES

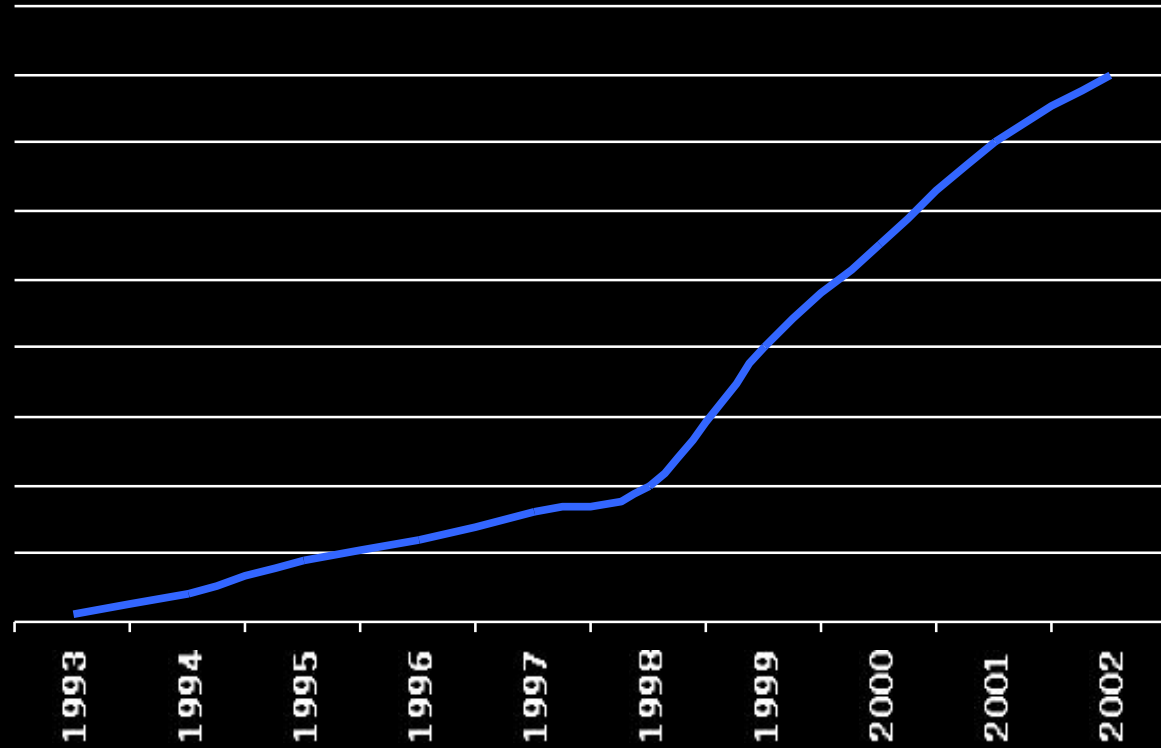
Morten F. Angelil  
Group Director  
Eltek Energy



# TWO TRENDS changing the world



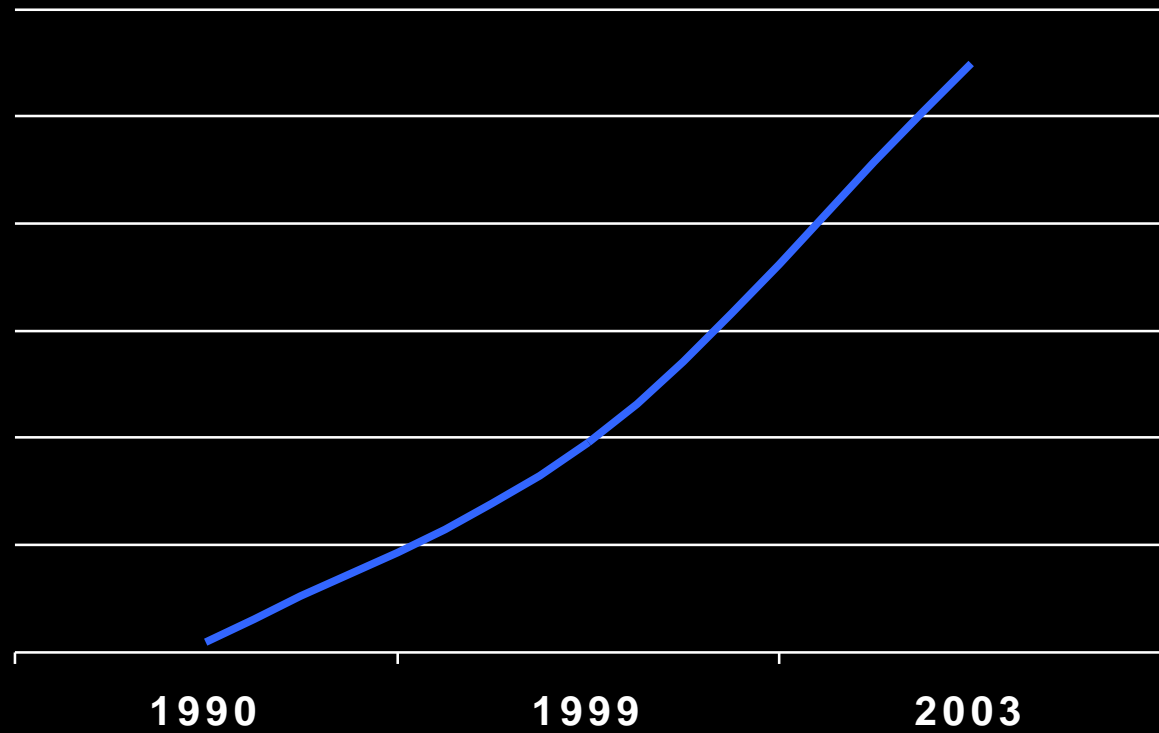
# Everyone goes MOBILE



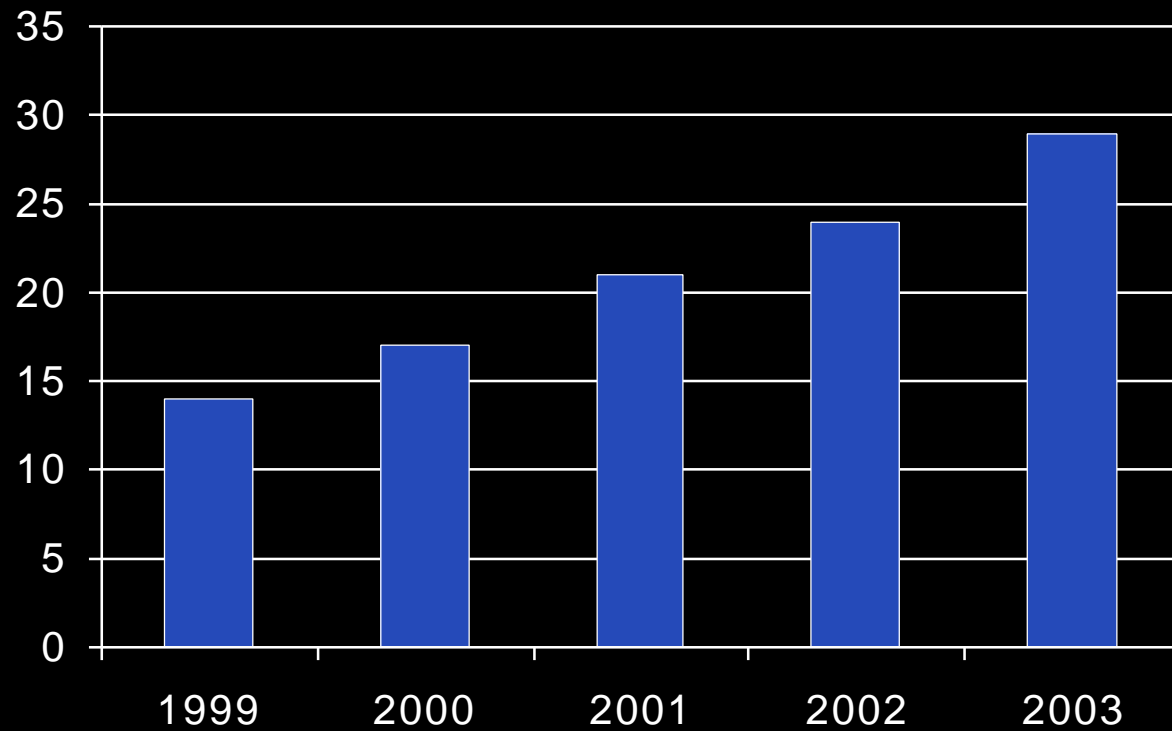
10

trends

# Everyone goes ONLINE



# The telecom power solution MARKET



# TELECOM is Eltek Energy's business

Energy system solutions (power) for the mobile and fixed telecom networks

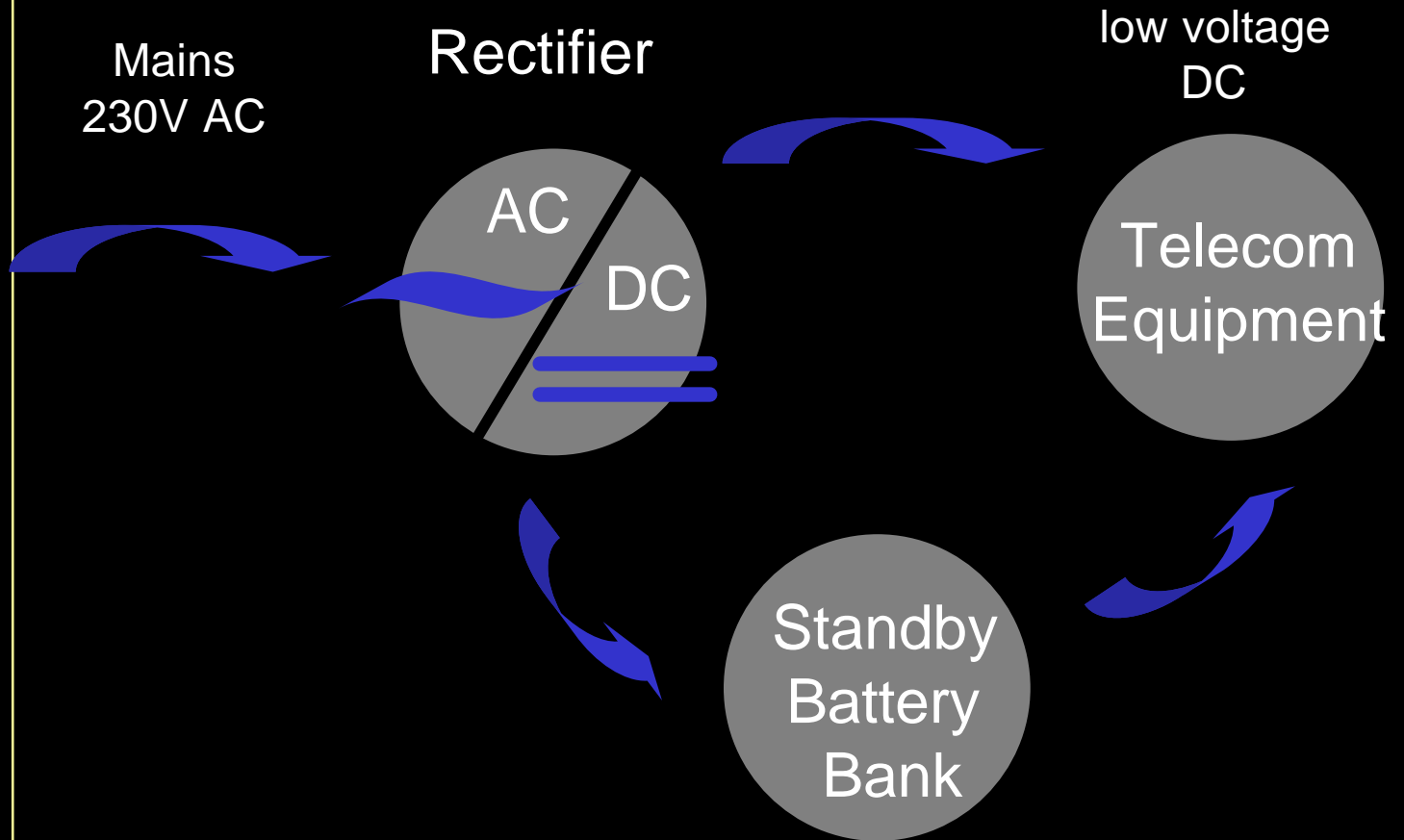
30 years of experience

Global presence

*an international technology company  
within telecommunications*



# POWER SUPPLY - what is it really?



# Eltek ENERGY at a glance

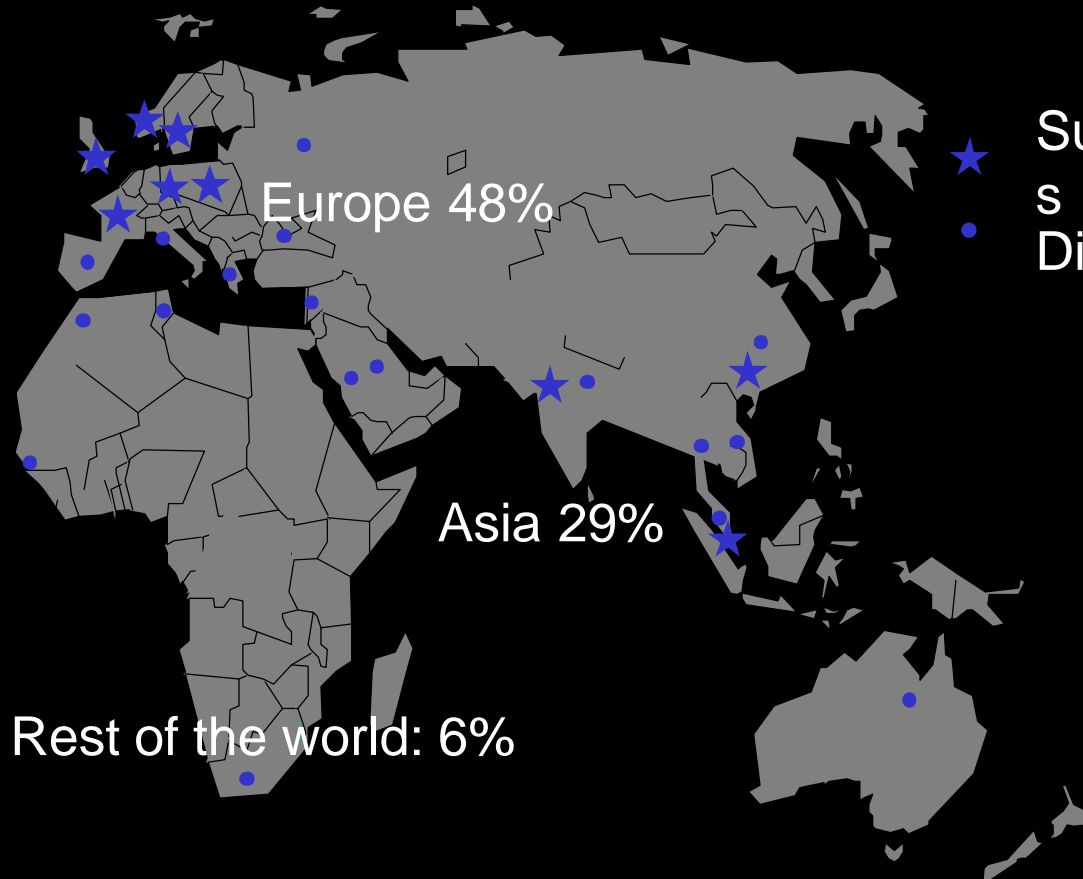
Employees: 472

Abroad: 288

Norway: 184

Sales per region:  
Norway 17%

Subsidiaries  
Distributors



Norway



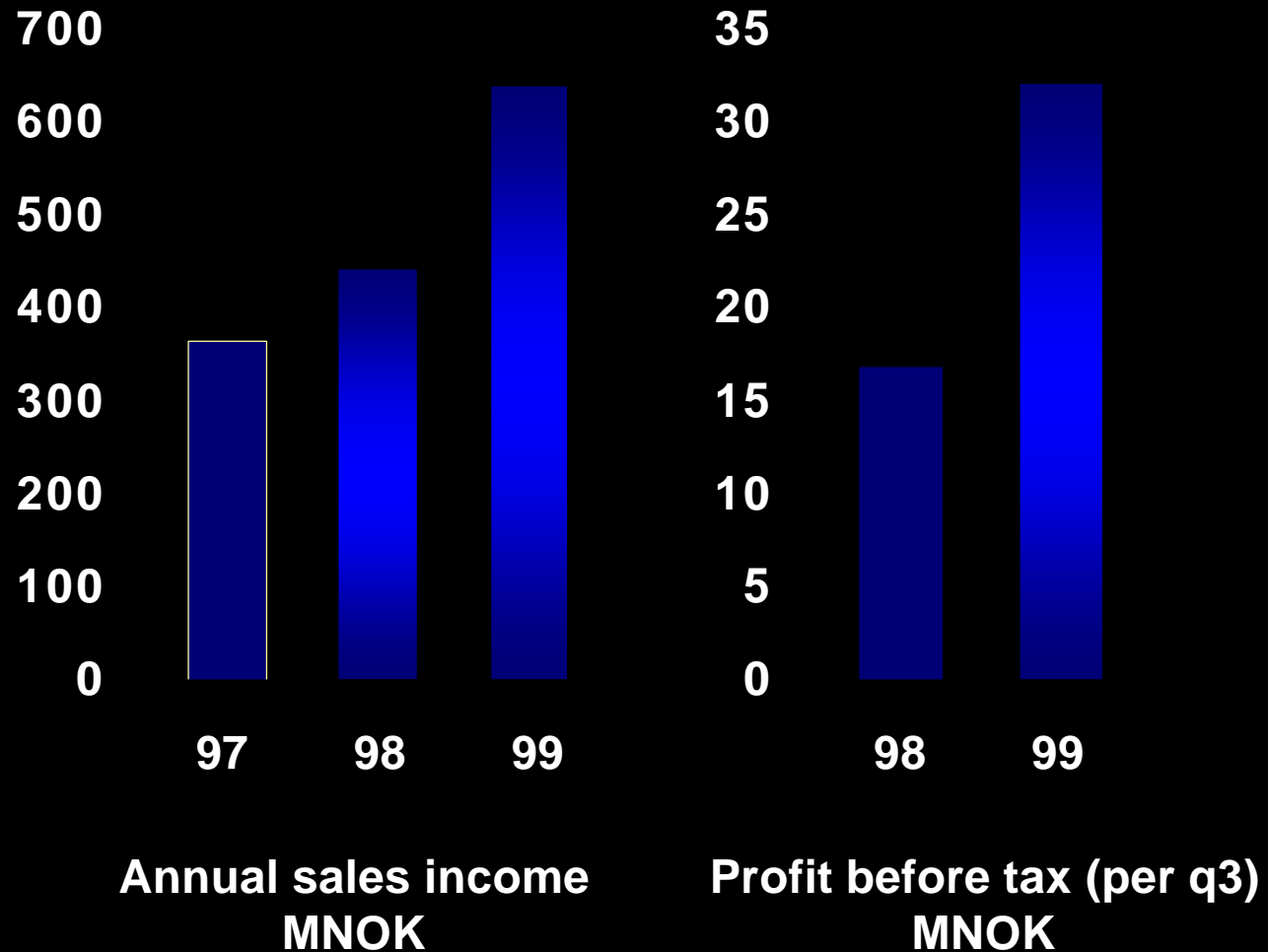
UK



France



# GROWTH in revenue and profit



# Telecom CUSTOMER References

## Equipment Manufacturers Service Providers

Nortel Networks

China Telecom

Siemens

Mannesmann ARCOR

Motorola

Esat DigiFone

Bosch Telecom

Dolphin

NERA

Level 3

Alcatel

WorldCom/MKI

Telenor

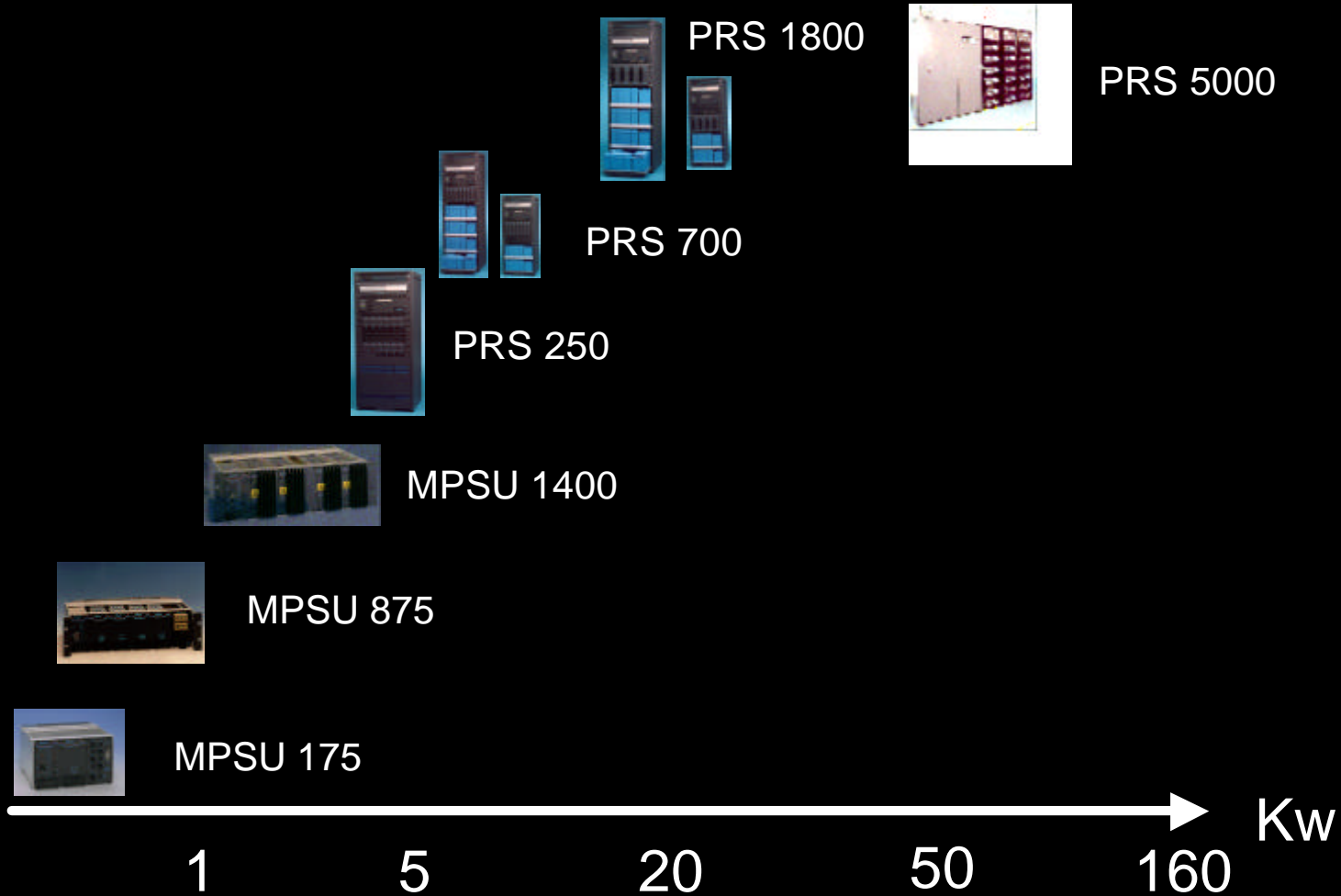
Telecom Portugal

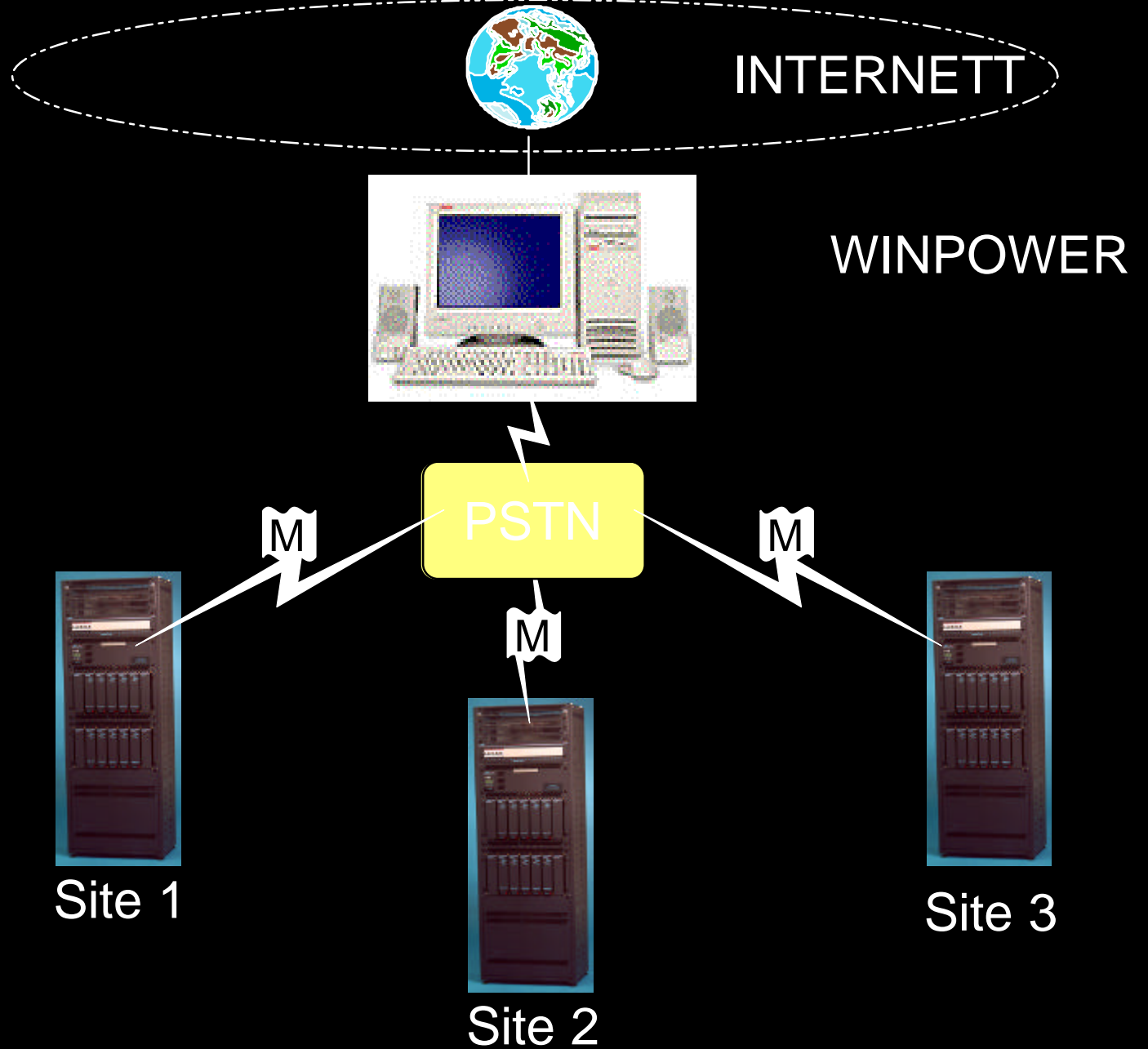
MAXIS Communication

Singapore Telecom

AIS Thailand

# Application range





# AEON Gold - power management unit

Individual rectifier communication through CAN-bus

Winpower - Running on Windows

Remote software download

IP connectivity through SNMP



# SMPS 4000

100-300 Vac input voltage

100- 185Vac- Reduced output power

4000W output power, equals 75A

Fan cooling

Front display and buttons

High voltage disconnect ( $> 300$  Vac)

High efficiency,  $> 91\%$

Unity Power factor

CAN communication with AEON Gold monitoring unit



# AEON 4000

Power system for medium to very large telecom sites

High power density

- three times more power than previous generation

Reduced cost compared to previous generation



# MOBILE networks power solution trends

Growth and Renewal of infrastructure in all countries

“Time to market” is key factor for operators

Smaller base stations with integrated power solutions (UMTS)



Infrastructure suppliers will look for tailor made (OEM) and standard power solutions

Volume increases

# FIXED network trends

Growing number of service providers that require infrastructure

Turnkey solutions

Extremely large sites due to co-locations

Global sales and service networks

# A significant OEM SUPPLIER

## Acquisition of Unitech

- OEM track record and expertise

Utilise Eltek Energy's strong telecom relations and expertise

Synergies on development and logistics

Complete integration to form Eltek Energy OEM division

Strong growth expected within 18 months



# TURNKEY supplier for fixed networks

Strong distribution and service network in Europe and Asia

- A main competitive advantage

Strengthen global distribution and service network in Americas

# Acquisition CRITERIA

Strong OEM customer base

Unique technology

Distribution networks in new markets

# Continue to REDUCE COST BASE

Continue to outsource all major products

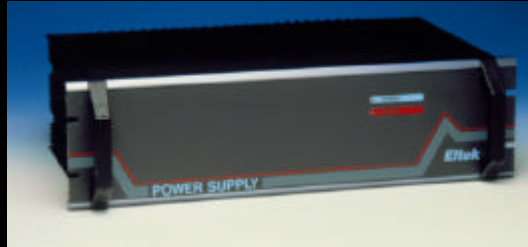
- simplifies logistics

Cost saving through R & D

- reduce both time to market and cost with 30% - 50%

# Higher PERFORMANCE, lower COSTS

SMPS 1500, 1989



Cost/watt:

3

1

0.08

0.29

Power density  
(W/cm<sup>3</sup>)



SMPS 1000, 1998



SMPS 5000, 1990



Cost/watt:

2

1

0.18

0.44

Power density  
(W/cm<sup>3</sup>)



SMPS 4000, 2000



# Major R&D EFFORT

Considerable R&D investments

Leading R&D centre - 1800m<sup>2</sup>

Focus on essential features

- digitalisation
- miniaturisation
- Internet communication
- cost-effective solutions
- time to market



# Streamline PRODUCT DEVELOPMENT

Increased standardisation



Rationalisation of product range



High volume



Reduced costs



# Exploit SYNERGIES

Common IT platform between Eltek UK, Norway and France

- Share methods and resources, distribute workload
- Expertise exchange

e-based ordering system

# Summary

## Strong market growth

## Eltek Energy well positioned

- expertise - global reach - strong R&D/OEM
- reduced cost level - the right products

## Clear strategy for growth

- OEM and standard solutions
- continued technological leadership
- acquisitions/mergers

## By the way....

*Eltek Energy has during 1999 and in the beginning of the present year achieved frame work agreements for delivery of telecom power solutions for four telecom operators who are building out Pan European net works.*

*In 1999 deliveries of equipments to these projects amounted to 83 MNOK. Based on received orders and the project plans which the companies have presented for Eltek Energy, the delivery volume is estimated to 240 MNOK this year.*

# Significant new CONTRACTS

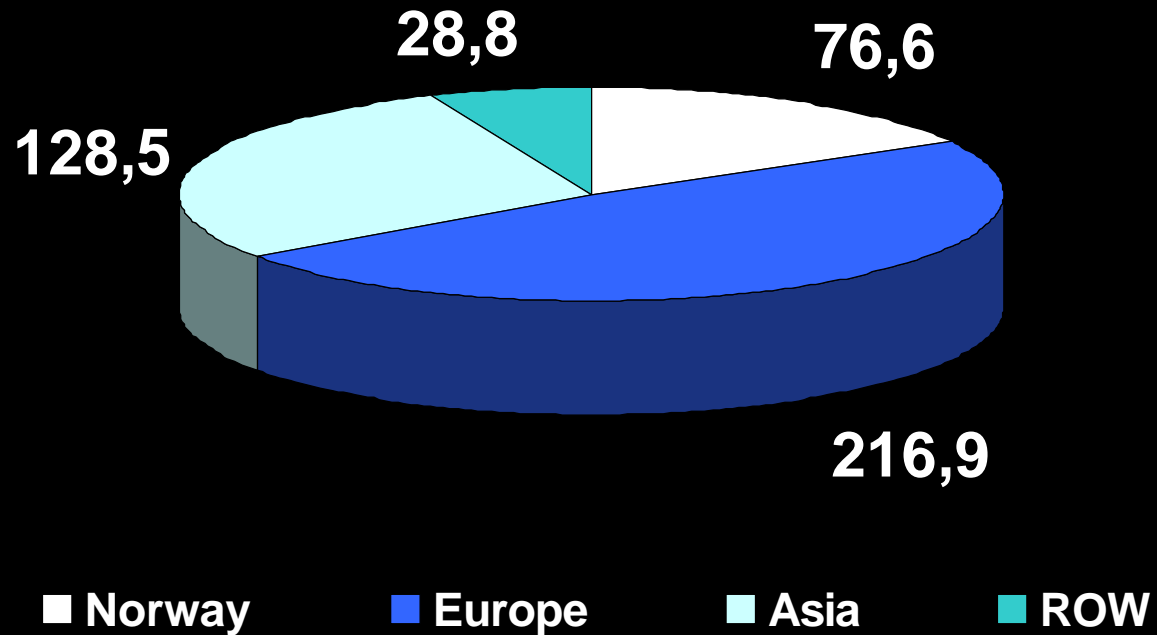
Major telco's building Pan European networks

Value: 240 MNOK

Frame agreements: Further contracts expected



# Eltek ENERGY - sale per 3q 1999



Figures in MNOK

37

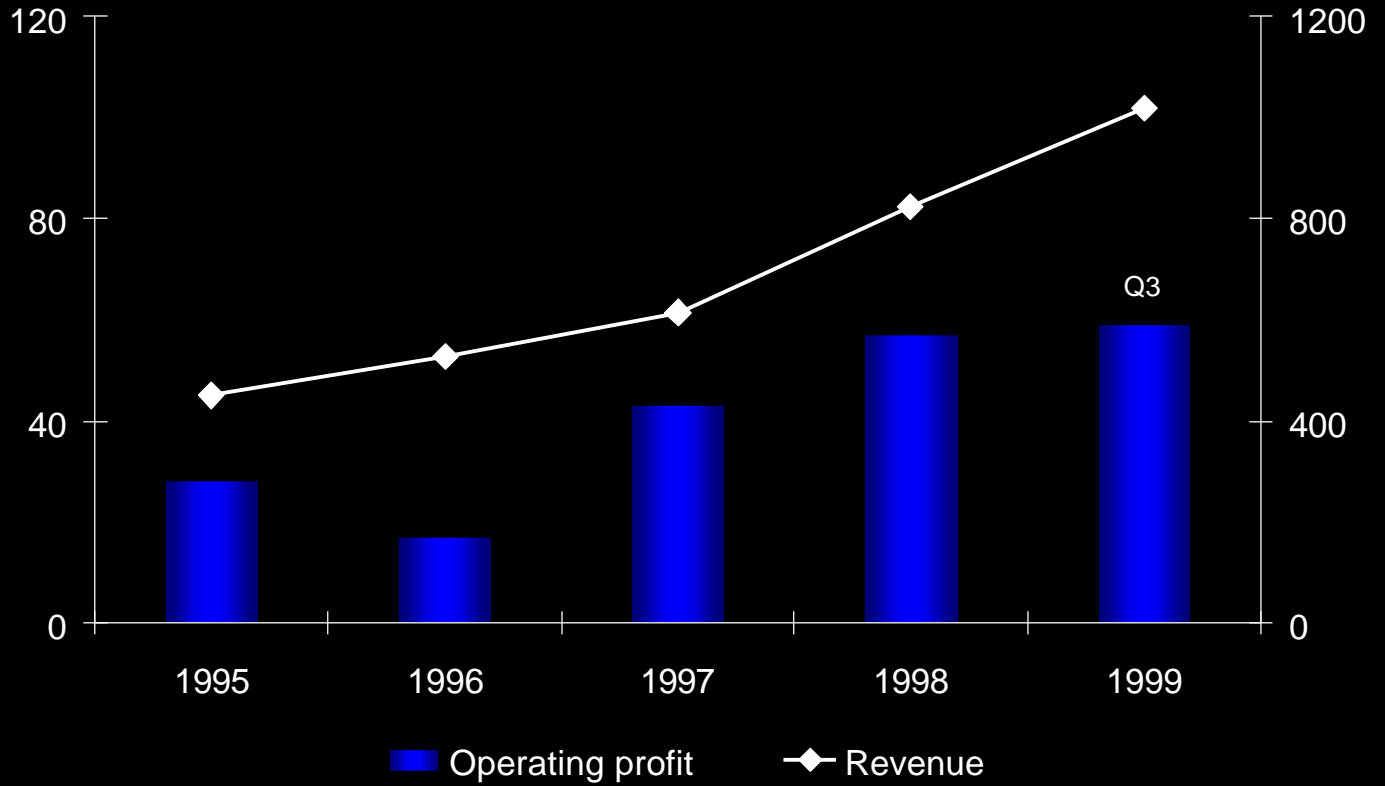
London, 11 January 1999

# financial PERFORMANCE & STATUS

Jørgen Larsen  
Group Director  
Finance



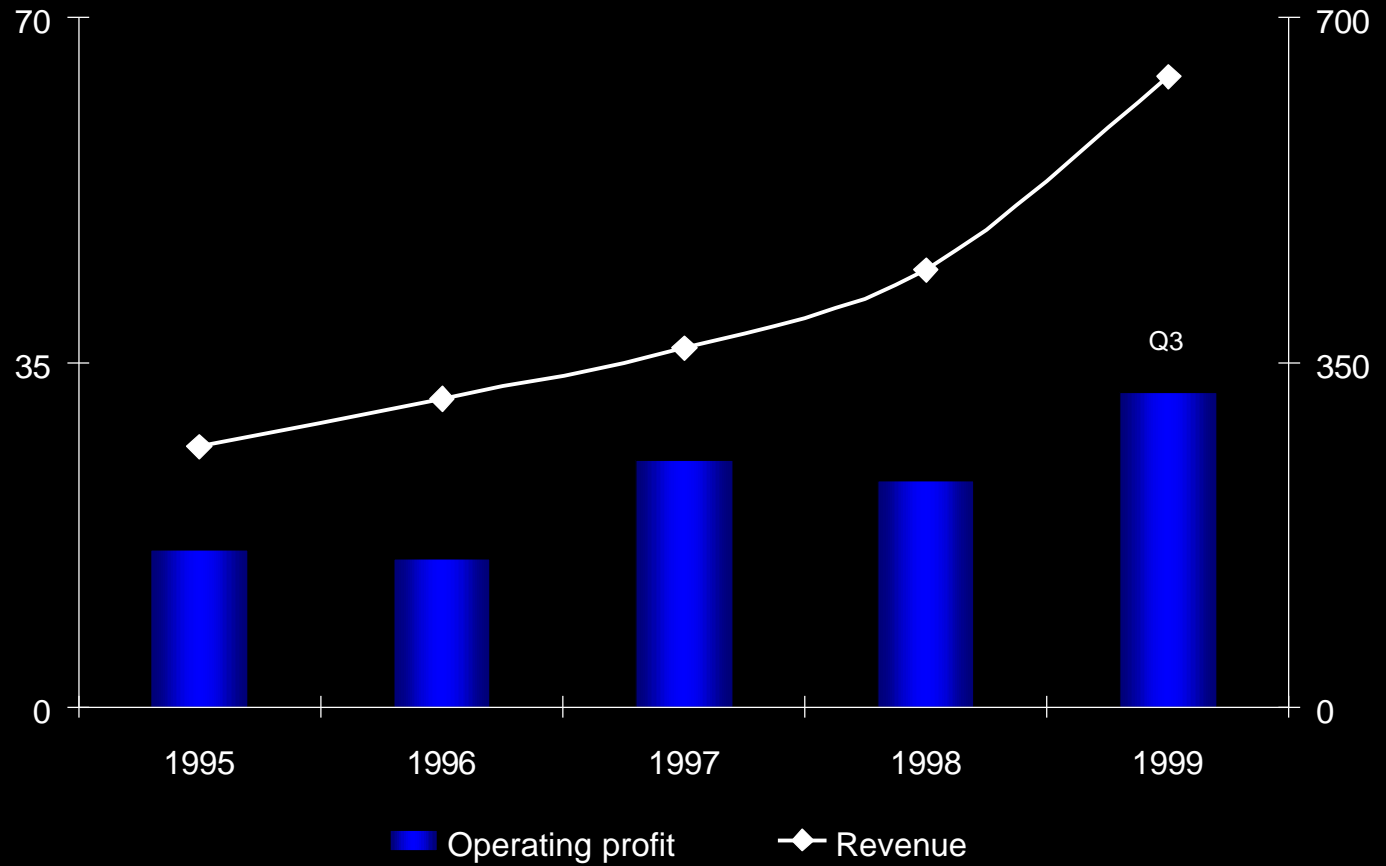
# ELTEK group



EBIT 1999 only per 3q  
CAGR Revenue: 23%



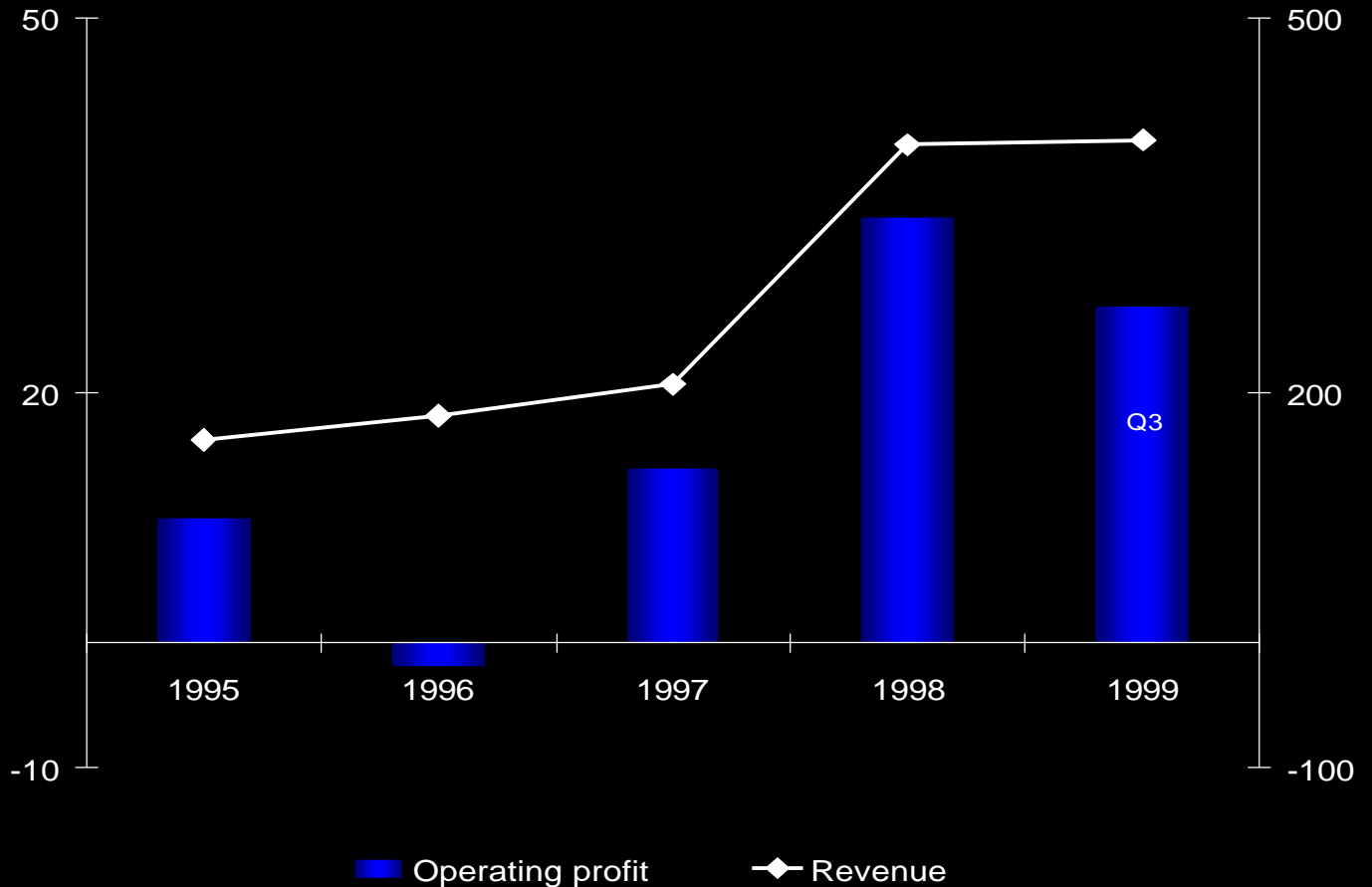
# ELTEK energy



EBIT 1999 only per 3q  
CAGR Revenue: 25%



# ELTEK fire & safety



EBIT 1999 only per 3q  
 CAGR Revenue: 25%



# Financial position after SALE of Eltek Fire & Safety

Equity	500
Total Assets	750
Equity Ratio	67%

Possible financing capacity	
Cash	300
Borrowing	<u>500</u>
Funds available	<b>800</b>

Amounts in MNOK

42

London, 11 January 1999

# VISION & STRATEGY

Alain F. Angelil  
CEO  
Eltek ASA



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London, 11 January 1999

# PERFORMANCE

What we PROMISED...

What we ACHIEVED...



# ELTEK

## PROMISED

Turnover >NOK 1 billion before 2000

Market cap. > NOK 1 billion

Restructuring of Eltek Energy - better margins by 2q 99

## ACHIEVED

Turnover in 1999  
1.020 billion

Achieved market cap. of  
NOK 1.165 billion in Dec.  
99\*

EBIT: q1: 4,0%  
q2: 7,6%  
q3: 9,1%

\* Before dividend: NOK 10,- per share

# ELTEK

## PROMISED

## ACHIEVED

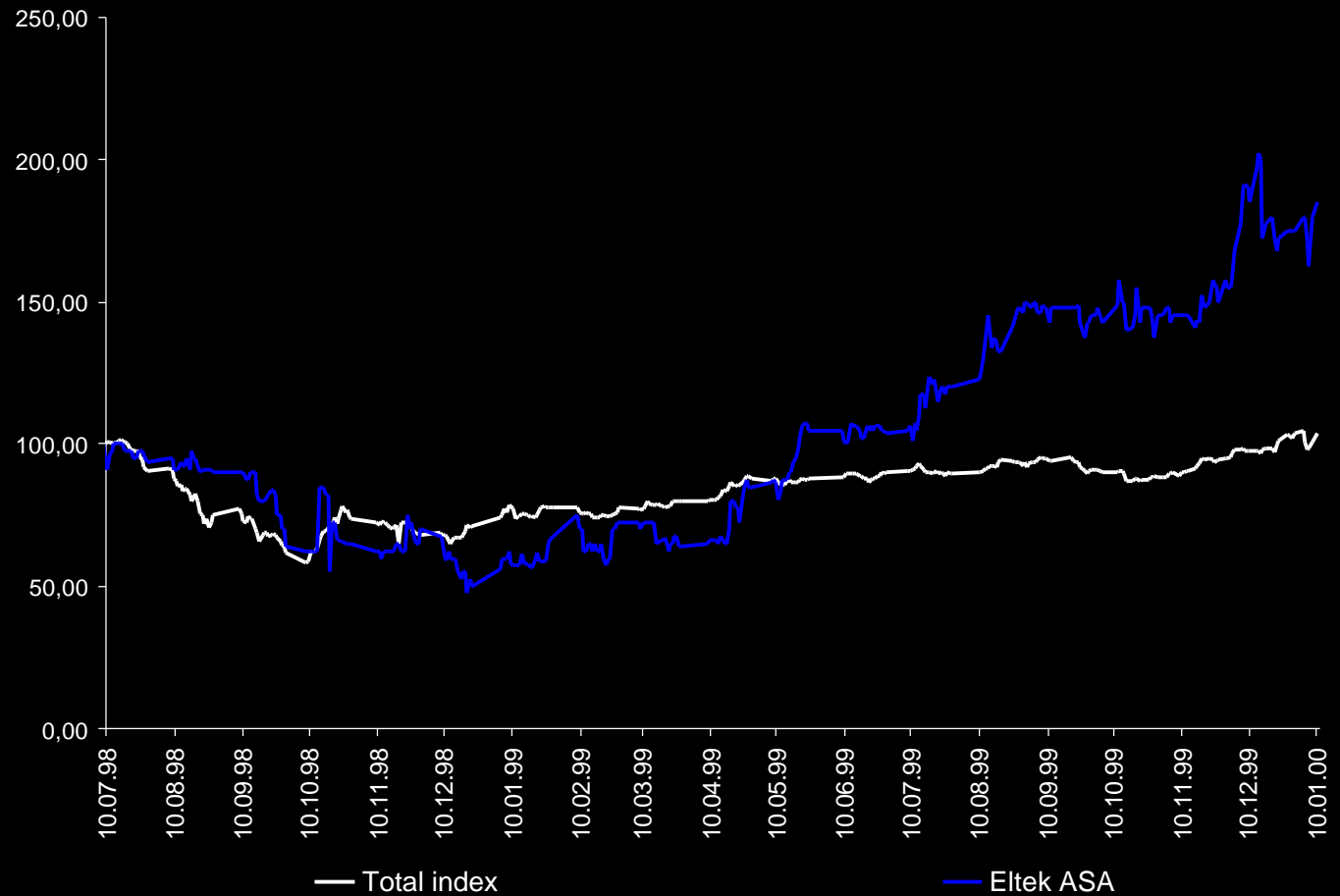
Strong sales growth in Eltek Energy → 45% up from 1998

Several acquisitions in pipeline → S.F.E.E., Micropower and Finntek acquired in 1999

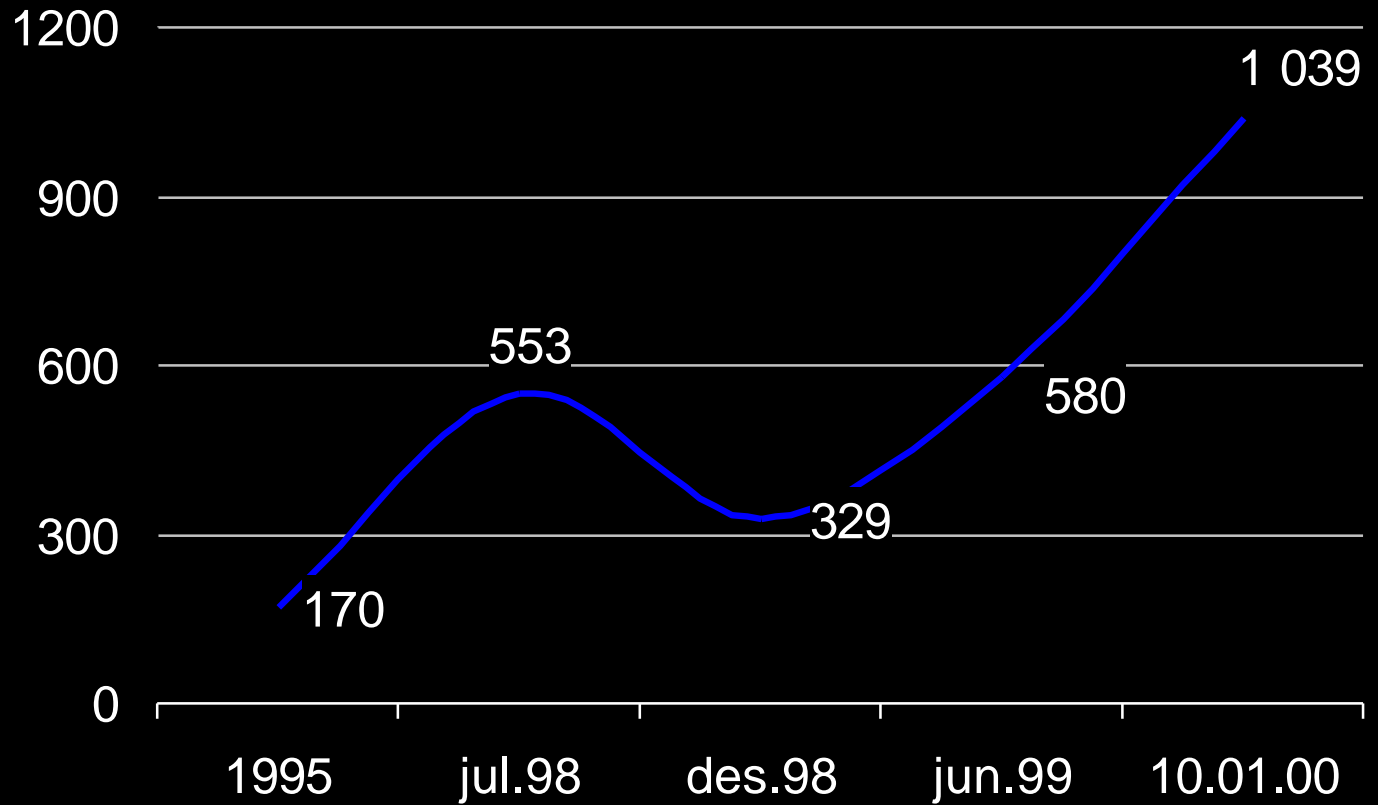
Sale of Eltek Fire & Safety → Offshore/Marine sold  
Landbased expected 1Q 2000



# Eltek SHARE vs Oslo Stock Exchange Total Index per 2000.01.10



# Development STOCK VALUE per 2000.01.10

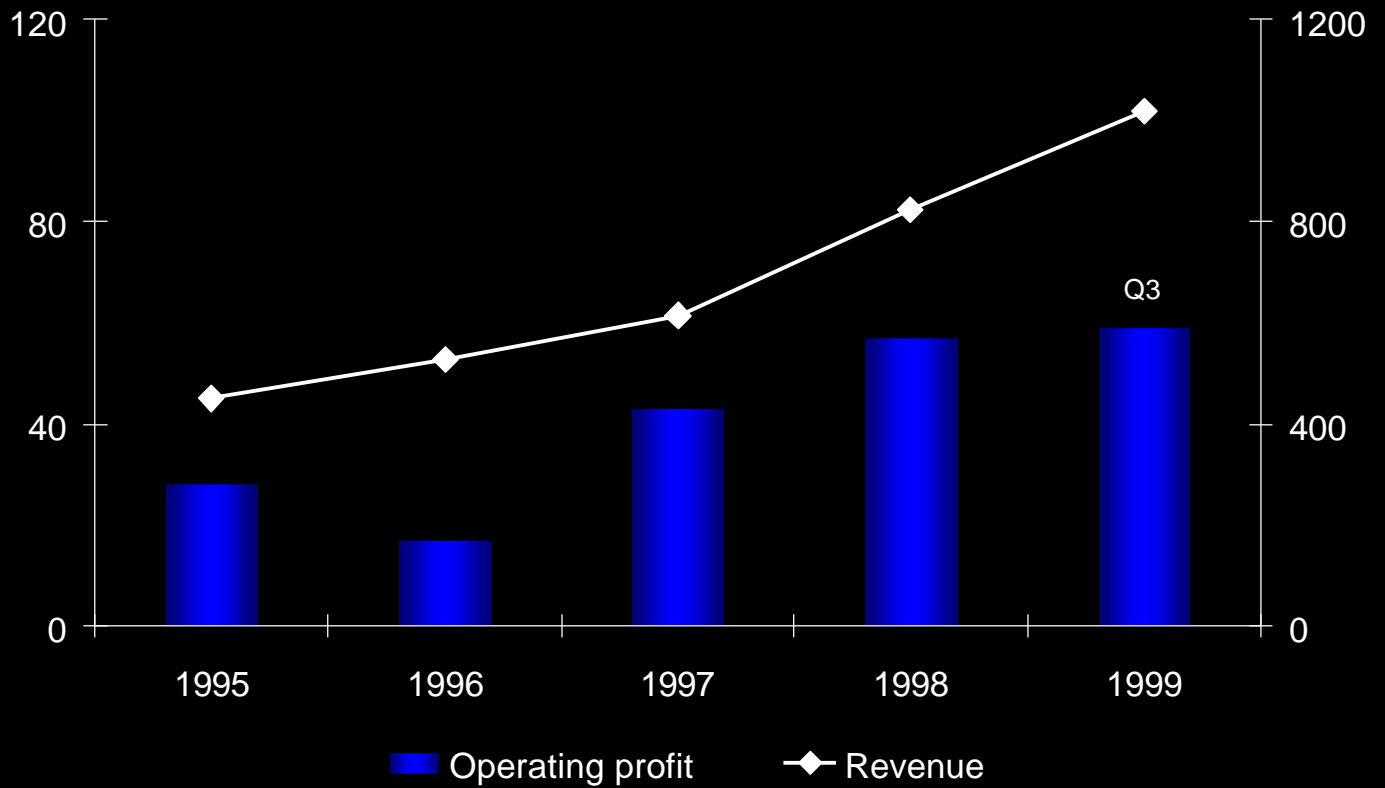


# Stock WINNERS 1999

	<i>Category</i>	<i>Increase 1999 in %</i>	<i>Value MNOK</i>
Opticom	IT	2 329	20 340
Norman	IT	924	898
Profdoc	IT	513	211
SuperOffice	IT	475	414
Pan Fish	Industry	454	1 803
E-line Group	Trade	364	238
<b>Eltek</b>	<b>Industry</b>	<b>314</b>	<b>983</b>
Tandberg	IT	312	2 785
CanArgo Energy	Industry	278	241
Nera	IT	271	3 604



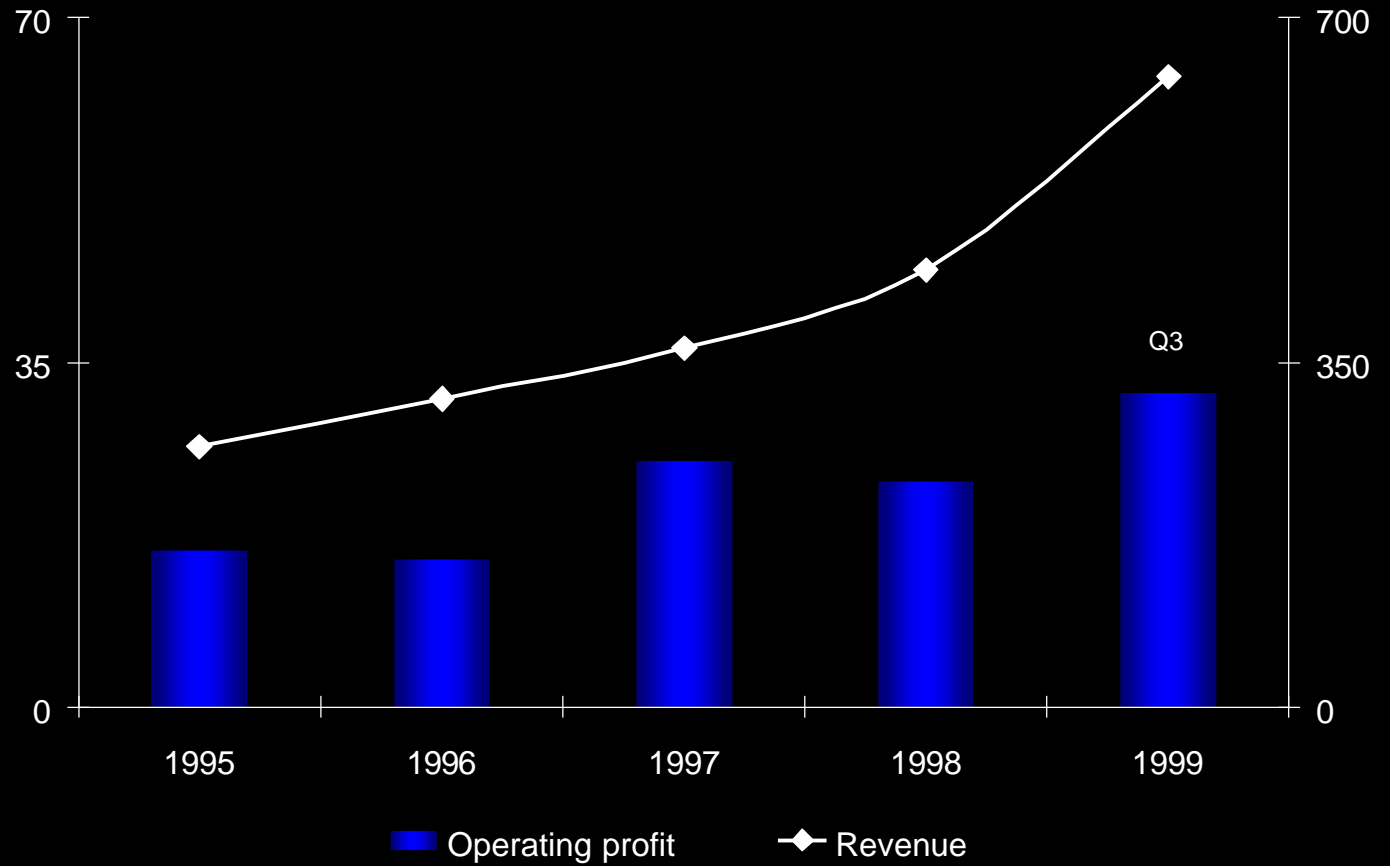
# ELTEK group



EBIT 1999 only per 3q  
CAGR Revenue: 23%



# ELTEK energy



EBIT 1999 only per 3q  
CAGR Revenue: 25%



# VISION & strategy

## The First Choice in Telecom Power Solutions

- Strong development of OEM base
- Strong technology base
- Clean & Lean
- 20 to 30% organic growth revenue
- Continuous improvement in margins
- Looking for more and larger acquisitions
- Looking for partnerships/mergers



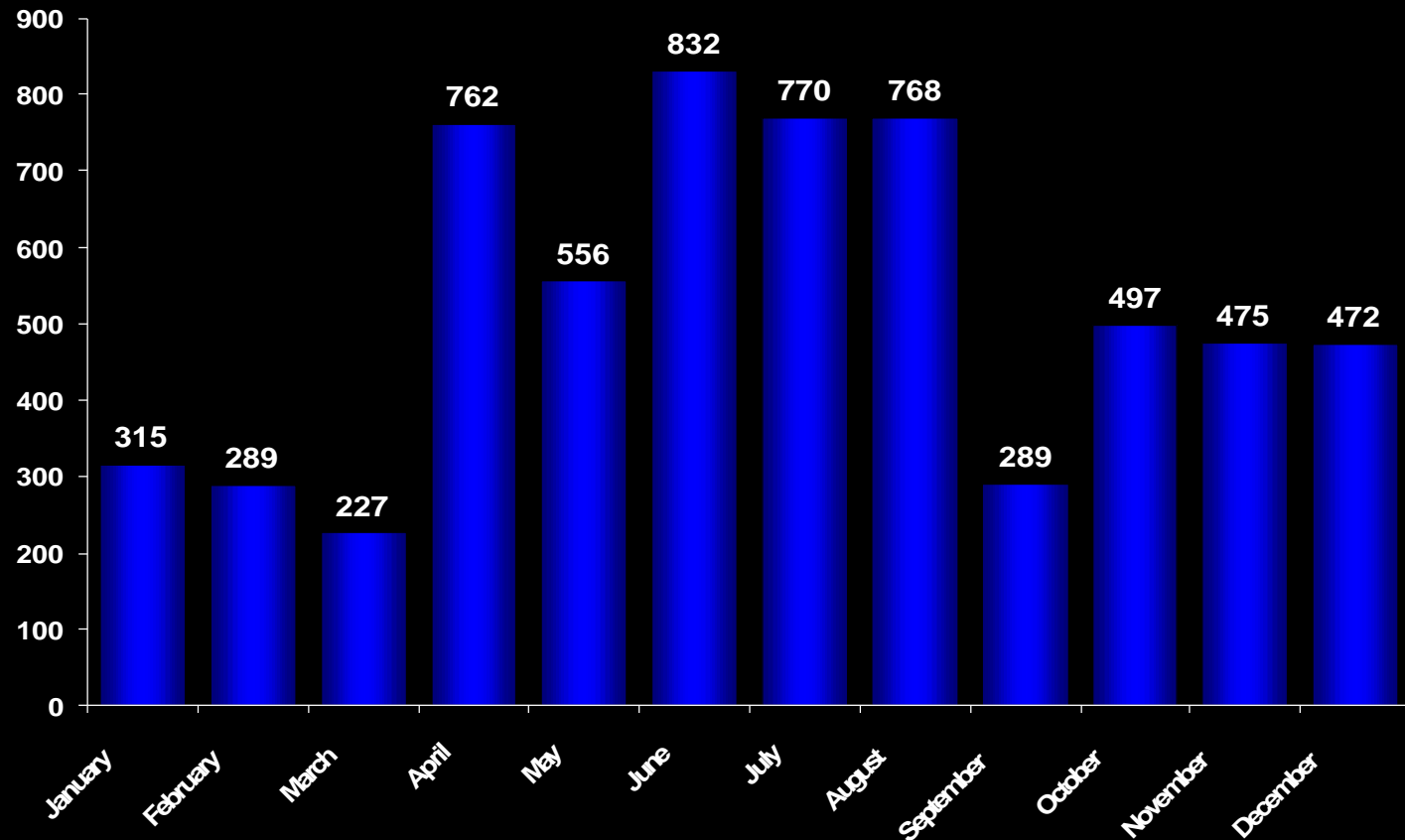
# Shareholders POLICY

- Increased shareholder value
- Attractive dividend policy
- Free fund shares
- Increased float of Eltek shares

## ELTEK ASA - Largest shareholders per 2000.01.06

Eltek Holding AS/Angelil family	6.750.303	48,1%
Norfass Holding A/S	829.750	5,9%
T. Tvenge/Fram Realinvest AS/Titas Eiendom AS	689.900	4,9%
Telenor Venture AS	618.500	4,4%
SND Invest AS	500.000	3,6%
Tine Pensjonskasse	488.900	3,5%
Industrifinans	409.400	2,9%
Aksjefondet Gambak	390.000	2,8%
Credit Agricole Indosuez	354.536	2,5%
Storebrand Livsforsikring/Skadeforsikring	313.400	2,2%
Anabeth Drammen AS	237.100	1,7%
Omega Investment Fund	170.000	1,2%
Strata AS	168.800	1,2%
Vesta Liv/Vesta Forsikring	134.700	1,0%
Vår Livsforsikring A/S	125.000	0,9%
Odd Magne Olsen	109.320	0,8%
K-G Invest A/S	104.775	0,7%
ABB Pensjonskasse	92.600	0,7%
Arne Slevikmoen	88.780	0,6%
Jørgen Larsen	83.249	0,6%

# SHARES traded per month 1999



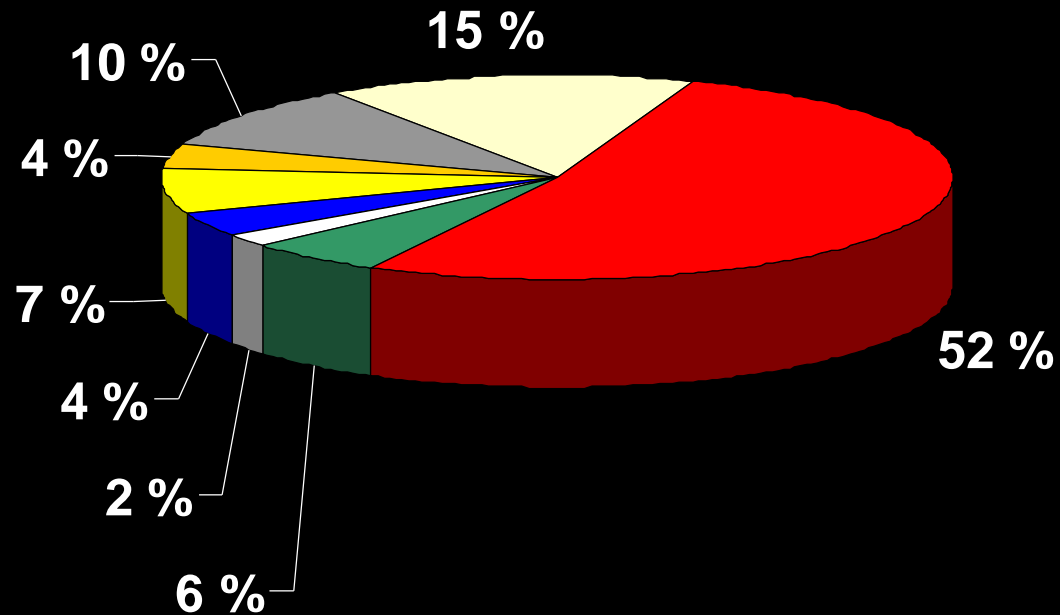
Total shares traded 1999: 6.252

Figures in NOK 1.000



# STOCK BROKERS - share of trade

## 2nd half year 1999



- |  |   |  |
|--|---|--|
| <span style="color: red;">■</span> Christiania Markets | <span style="color: green;">■</span> DnB                  | <span style="color: grey;">■</span> Sundal Collier     |
| <span style="color: blue;">■</span> Karl Johan Fonds   | <span style="color: yellow;">■</span> Enskilda Securities | <span style="color: orange;">■</span> First Securities |
| <span style="color: grey;">■</span> Fondspartner       | <span style="color: yellow;">■</span> Øvrige              |  |

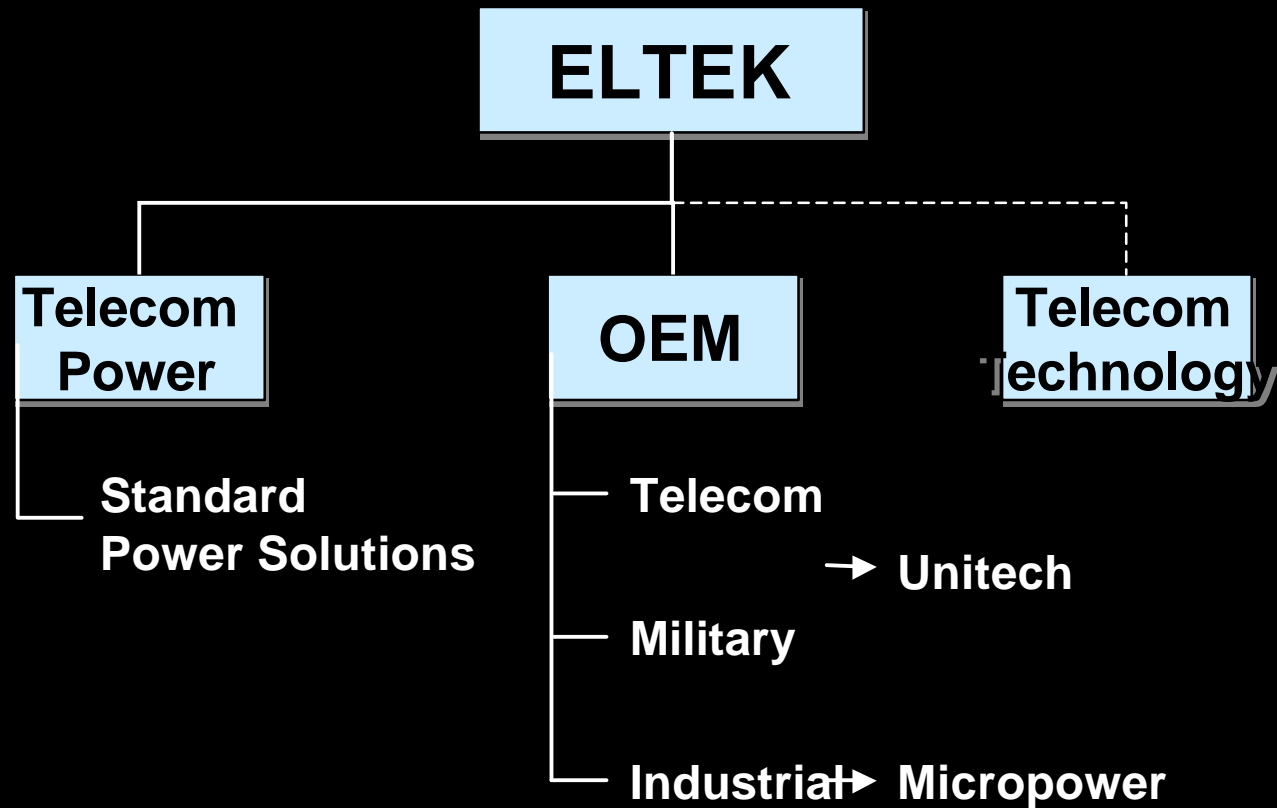
# Micropower

Fits in with existing business areas

Product synergies

Potential for margin improvements

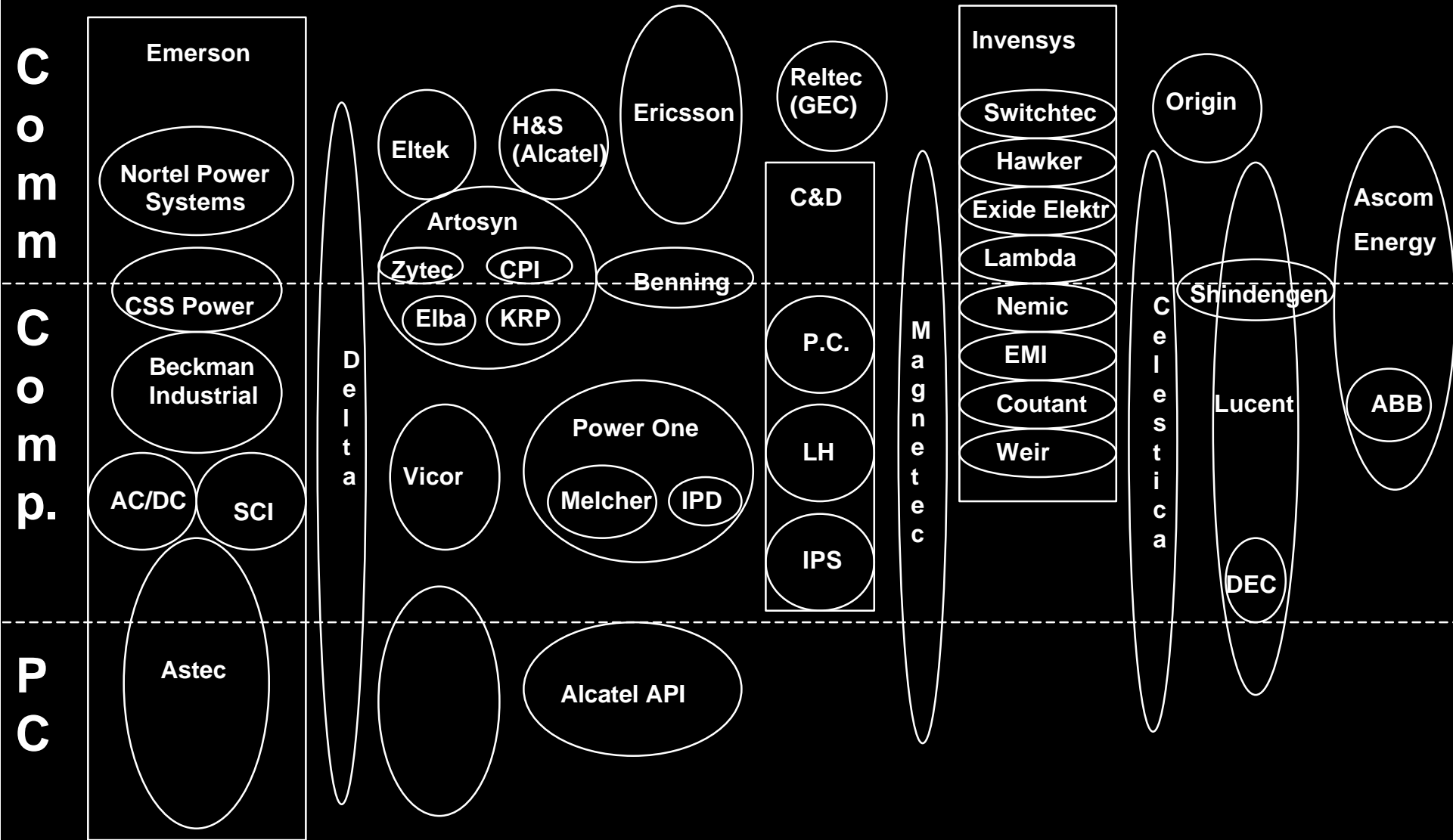
# ELTEK FUTURE ORGANISATION



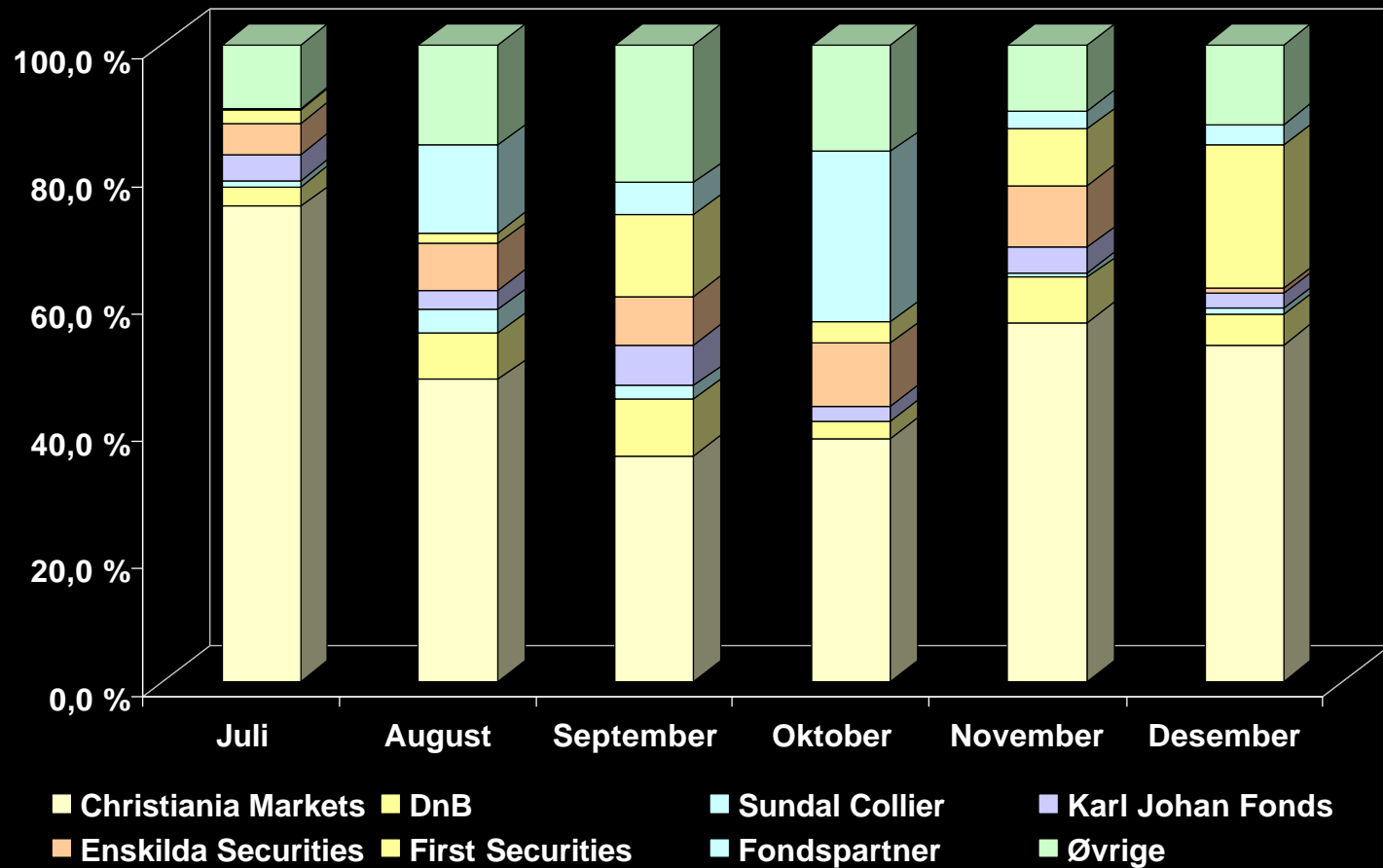
# The new industrial revolution

- Software based industry
- Hardware based industry

# Suppliers Approaching the New Telecoms World



# STOCK BROKERS - share of trade per month



# Stock WINNERS 1999

<i>Main list</i>	<i>Category</i>	<i>Increase 1999 in %</i>	<i>Value MNOK</i>
Pan Fish	Industri	453,85	1 803
<b>Eltek</b>	<b>Industri</b>	<b>313,65</b>	<b>983</b>
Tandberg	IT	311,76	2 785
Nera	IT	271,29	3 604
DNO	Industri	235,53	191
Avenir	IT	200,00	1 678
Frontline	Shipping	196,55	2 539
Elkjøp	Handel	187,37	5 692
TGS Nopec	Offshore	183,05	2 004
Hitec	Industri	150,98	963
Bergensbanken	Finans	147,26	1 550
Choice Hotels	Annet	145,73	971
I.M. Skaugen	Shipping	125,00	351
Elkem	Industri	111,83	9 116
Jinhui Shipping	Shipping	108,33	246
Stolt-Nielsen B	Shipping	107,45	4 615
NetCom	IT & komm.	102,02	19 031



# Stock WINNERS 1999

<i>SMB-list</i>	<i>Category</i>	<i>Increase 1999 in %</i>	<i>Value MNOK</i>
Opticom	IT	2 328,57	20 340
Norman	IT	923,53	898
Profdoc	IT	512,50	211
E-line Group	Handel	363,99	238
SuperOffice	IT	474,96	414
CanArgo Energy	Industri	277,78	241
VMetro	IT	244,39	1 552
Aktiv Kapital	Annet	172,73	532
Otrum Electronics	IT	155,66	810
Visma	IT	155,32	947
WiCom	IT	153,85	116
Computer Advances	IT	149,36	82
Software Innovation	IT	121,88	816