

# ELTEK ASA

## REPORT PER 1. QUARTER 2000

Amounts in mill NOK

### KEY FIGURES

	1. quarter			
	2000	1999	Pro forma 1999	Pro forma total 1999
Revenue	265,5	232,4	196,4	893,5
Operating profit	25,7	14,0	10,0	71,7
Profit before tax	26,4	13,7	10,2	70,0
Net profit	18,3	9,8	7,1	50,0
Operating margin	9,7%	6,0%	5,1%	8,0%
Profit margin pre tax	9,9%	5,9%	5,2%	7,8%
Profit per share (NOK)	1,17	0,69		
	31.03.00	31.03.99	31.12.99	
Equity (incl. minorities)	44,8%	40,9%	42,6%	
Order backlog	236	233	179	
Number of employees	646	718	623	

### BUSINESS AREAS

	1. quarter			
	2000	1999	Pro forma 1999	Pro forma total 1999
<b>ELTEK ENERGY</b>				
Revenue	206,7	128,9	143,9	675,7
Operating profit	23,2	5,1	4,9	52,7
Operating margin	11,2%	4,0%	3,4%	7,8%
<b>ELTEK FIRE &amp; SAFETY</b>				
Revenue	65,7	108,0	57,1	238,1
Operating profit	6,1	9,0	5,1	21,5
Operating margin	9,3%	8,3%	8,9%	9,0%

**Pro forma figures excl. business divested in 1999 and incl. 1. quarter for companies consolidated from 2. quarter 1999. Goodwill amortisation is included with 1,6 MNOK in 2000 and 1,0 MNOK in 1999. In Q1, NOK 3.7 million of employer's tax was incurred in connection with share options. This amount has not been charged to the business areas.**

## **STRONG GROWTH FOR ELTEK**

**In the first quarter of 2000, Eltek achieved stronger growth in revenue and profit than in any previous quarter. Compared to corresponding figures for Q1 1999, ie. excluding business divested in 1999, revenue increased by 35 % and operating profit by 157 %. Nearly 80 % of the revenue now comes from telecom power.**

### **THE GROUP**

Revenue grew by 14 % to NOK 265.5 (232.4) million, while operating profit increased by 84 % to NOK 25.7 (14.0) million, without adjustments for business divested. Profit before tax was 26.4 (13.7) MNOK. Equity increased to NOK 307.4 million. This corresponds to an equity ratio of 44.8 (40.9)%. The group result includes employer's tax of NOK 3.7 million in connection with share option programmes.

### **ELTEK ENERGY**

Eltek Energy's sale of telecom power solutions now stand for nearly 80 % of the Group's revenue. Compared to Q1 1999, revenue for Eltek Energy increased by 60% to NOK 206.7 (128.9) million. The operating margin reached an all time high of 11.2 (4.0) %, as a result of improvement measures implemented during 1999. Incoming orders in Q1 amounted to NOK 269 (164) million. Deliveries under frame agreements with builders of pan-European networks for fixed telephony and internet communication have contributed significantly to the growth in the first quarter. Other markets outside Norway also show a sound growth, and the establishment of a new subsidiary in China is expected to boost growth further in Asia from the second quarter. The completion of the development of the new product Aeon 4000 is also expected to contribute positively in the time ahead.

The company is actively seeking to expand the market penetration for its telecom power products and solutions through acquisitions or alliances with other companies, and the Board expects the strong development to continue throughout the year.

In view of a projected strong growth in Australia, final negotiations are now in progress for the acquisition of the company's Australian distributor. The price will be subject to the financial performance in the coming two years.

### **ELTEK FIRE & SAFETY**

Eltek Fire & Safety also shows a positive development and recorded revenue of NOK 65.7 (57.1) million. This corresponds to an increase of 15 %, adjusted for the business divested. Operating profit was NOK 6.1 (5.1) million, an increase of 20% compared to corresponding figures for Q1 1999. The business area thus reports a sound growth and stands out as an attractive spearhead into the Nordic market for international players seeking to establish a presence here. A letter of intent to sell the business area has been signed and is expected to result in a final sales agreement during the second quarter.

*Drammen, 26. April 2000*

*The Board of Directors, Eltek ASA*

## ELTEK GROUP

### Profit and Loss Account

	Per 1st Quarter			Pro Forma total
	2000	1999	Pro forma 99	1999
<b>Revenue</b>	<b>265 457</b>	<b>232 377</b>	<b>196 412</b>	<b>893 482</b>
Cost of goods sold	143 785	134 277	110 493	471 772
Other operating costs	91 385	80 712	72 265	333 898
Ordinary depreciation	3 028	2 296	2 252	9 814
Amortisation	1 602	1 060	1 367	6 271
<b>Total operating costs</b>	<b>239 799</b>	<b>218 344</b>	<b>186 377</b>	<b>821 755</b>
<b>Operating profit</b>	<b>25 658</b>	<b>14 033</b>	<b>10 036</b>	<b>71 727</b>
Share of result in ass. comp.	315	-35	25	221
Financial income and costs	454	-262	105	-1 948
<b>Net financial items</b>	<b>769</b>	<b>-297</b>	<b>130</b>	<b>-1 727</b>
<b>Profit before tax</b>	<b>26 426</b>	<b>13 736</b>	<b>10 166</b>	<b>70 000</b>
Taxes	8 144	3 979	3 063	19 958
<b>Net Profit</b>	<b>18 282</b>	<b>9 757</b>	<b>7 103</b>	<b>50 042</b>
Minority interests	1 859	234	362	3 710

### Balance Sheet

	31.03.00	31.03.99	Pro Forma 31.03.99
Goodwill	55 409	55 926	54 101
Other fixed assets	72 769	64 188	57 081
Share of ass. companies	16 617	17 171	17 231
<b>Total fixed assets</b>	<b>144 795</b>	<b>137 284</b>	<b>128 412</b>
Stock	177 539	157 052	143 252
Trade debtors	250 261	239 248	175 381
Other short term receivables	29 081	15 936	14 990
Cash in hand, bank deposits	84 679	33 848	23 095
<b>Total current assets</b>	<b>541 561</b>	<b>446 084</b>	<b>356 718</b>
<b>Total assets</b>	<b>686 356</b>	<b>583 368</b>	<b>485 130</b>
Share capital	14 277	13 825	12 375
Other equity	275 333	210 321	183 852
<b>Total equity</b>	<b>289 610</b>	<b>224 146</b>	<b>196 227</b>
<b>Minority interests</b>	<b>17 800</b>	<b>14 495</b>	<b>14 200</b>
Pension liabilities	5 893	9 344	7 618
Other long term liabilities	70 587	67 999	59 497
<b>Total long term liabilities</b>	<b>76 480</b>	<b>77 343</b>	<b>67 115</b>
Bank overdraft	7 356	16 246	7 231
Trade creditors	125 559	126 916	91 162
Other short term liabilities	169 551	124 223	109 195
<b>Total current liabilities</b>	<b>302 466</b>	<b>267 385</b>	<b>207 588</b>
<b>Total liabilities and equity</b>	<b>686 356</b>	<b>583 368</b>	<b>485 130</b>