

POWER

Eltek continues growth within telecom power:

## Record growth in revenue, profit and order intake in second quarter

In Q2 2000, Eltek Energy continued its strong growth within telecom power with an increase of 85% in revenue compared to the same quarter 1999. The revenue was NOK 268,8 million compared to NOK 145.5 million in Q2 1999. The operating margin of 12.8% (7.6%) is higher than in any previous quarter, and contributed together with higher sales volumes to an increase in operating profit of 213%, up from NOK 11.0 million to NOK 34.4 million. Order intake grew by 81% and was NOK 297 (164) million in the second quarter.

For the first half year, revenue was NOK 475.5 million and operating profit NOK 57.6 million, an increase of respectively 73% and 258%.

### GROUP FIGURES

Amounts in mill NOK	1. half year		2. quarter		Pro forma 1. half year	
	2000	1999	2000	1999	2000	1999
Revenue	568,7	471,6	303,3	239,3	475,5	274,4
Gain on sale of assets	221,9		221,9			
Operating profit	272,7	35,0	247,1	21,0	50,6	16,1
Profit before tax	273,9	35,2	247,4	21,5	52,8	17,3
Net profit	235,7	26,3	217,4	16,5	36,0	12,2
Operating margin	48,0 %	7,4 %	81,5 %	8,8 %	10,6 %	5,9 %
Profit margin pre tax	48,2 %	7,5 %	81,6 %	9,0 %	11,1 %	6,3 %
Profit per share (NOK)	16,32	1,79	15,17	1,10	2,28	0,79

### BUSINESS AREAS

	1. half year		2. quarter	
	2000	1999	2000	1999
<b>ELTEK ENERGY</b>				
Revenue	475,5	274,4	268,5	145,5
Operating profit	57,6	16,1	34,4	11,0
Operating margin	12,1 %	5,9 %	12,8 %	7,6 %
<b>ELTEK FIRE &amp; SAFETY</b>				
Revenue	101,1	208,6	35,4	100,6
Operating profit	0,2	18,9	-5,9	9,9
Operating margin	0,2 %	9,1 %	-16,7 %	9,8 %

Group figures include employer's tax on employee stock options of 7,0 MNOK in the 1. half year and 3,3 MNOK in the 2. quarter, not charged to the business areas

Pro forma figures excl. divested business

# PROFIT AND LOSS ACCOUNT

Amounts in NOK 1000

	1. half year		2. quarter		1. half year	
	2000	1999	2000	1999	Pro forma 2000	Pro forma 1999
<b>Revenue</b>	<b>568 739</b>	<b>471 646</b>	<b>303 282</b>	<b>239 269</b>	<b>475 519</b>	<b>274 416</b>
<b>Gain on sale of assets</b>	<b>221 936</b>		<b>221 936</b>			
Cost of goods sold	322 013	253 335	178 228	119 058	281 725	153 243
Other operating costs	187 104	175 452	95 719	94 740	137 003	100 717
Ordinary depreciation	5 995	5 123	2 967	2 827	4 915	3 388
Amortisation of goodwill	2 825	2 732	1 223	1 672	1 295	945
<b>Total operating costs</b>	<b>517 937</b>	<b>436 642</b>	<b>278 138</b>	<b>218 297</b>	<b>424 938</b>	<b>258 293</b>
<b>Operating profit</b>	<b>272 738</b>	<b>35 004</b>	<b>247 080</b>	<b>20 972</b>	<b>50 581</b>	<b>16 123</b>
Share of result in ass.comp.	489	536	174	571	742	273
Financial income and costs	645	-294	191	-32	1 458	899
<b>Net financial items</b>	<b>1 134</b>	<b>242</b>	<b>365</b>	<b>539</b>	<b>2 200</b>	<b>1 172</b>
<b>Profit before tax</b>	<b>273 872</b>	<b>35 246</b>	<b>247 446</b>	<b>21 511</b>	<b>52 781</b>	<b>17 295</b>
Taxes	38 221	8 980	30 077	5 001	16 781	5 057
<b>Net profit</b>	<b>235 651</b>	<b>26 266</b>	<b>217 369</b>	<b>16 510</b>	<b>36 000</b>	<b>12 238</b>
Incl. minority interests	3 879	1 467	2 020	1 234	3 631	1 279

## Balance Sheet

	30.06.00	30.06.99	Pro forma 30.06.99
Goodwill	26 312	57 412	25 913
Other fixed assets	60 197	66 863	54 328
Share of ass. companies	15 097	17 398	71 444 <sup>1)</sup>
<b>Total fixed assets</b>	<b>101 606</b>	<b>141 674</b>	<b>151 685</b>
Stock	157 773	163 746	118 826
Trade debtors	259 612	228 743	150 038
Other short term receivables	18 070	18 339	16 340
Cash in hand, bank deposits	394 511	34 471	18 933
<b>Total current assets</b>	<b>829 966</b>	<b>445 300</b>	<b>304 137</b>
<b>Total assets</b>	<b>931 572</b>	<b>586 974</b>	<b>455 822</b>
Share capital	14 334	13 825	13 825
Other equity	492 064	224 280	198 800
Minority interests	18 538	16 153	14 995
<b>Total equity</b>	<b>524 936</b>	<b>254 257</b>	<b>227 620</b>
Pension liabilities	4 439	9 344	4 946
Other long term liabilities	54 863	71 695	58 100
<b>Total long term liabilities</b>	<b>59 302</b>	<b>81 039</b>	<b>63 046</b>
Bank overdraft	6 734	30 468	16 689
Trade creditors	117 137	96 190	50 858
Other short term liabilities	223 463	125 020	97 609
<b>Total current liabilities</b>	<b>347 334</b>	<b>251 678</b>	<b>165 156</b>
<b>Total liabilities and equity</b>	<b>931 572</b>	<b>586 974</b>	<b>455 822</b>

*Pro forma figures excl. divested business*

<sup>1)</sup> Incl. value of Eltek Fire & Safety 57,1 MNOK

ELTEK ASA  
P.O.BOX 1500  
3007 DRAMMEN  
NORWAY  
TEL: 32 20 32 00  
FAX: 32 20 32 10  
E-MAIL: eltek@eltek.no  
WEB: www.eltek.no





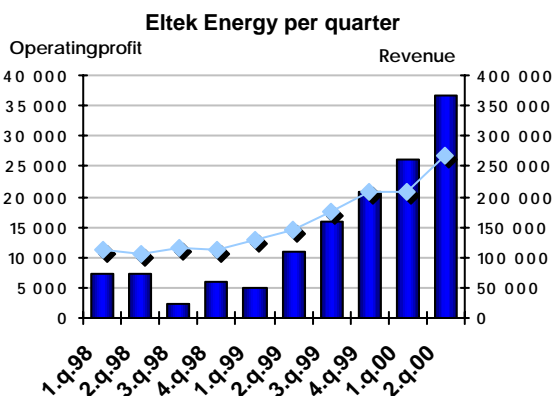
## Highlights 2000

Breakthrough in Russia -  
Frame agreement worth  
USD 5 mill

Established subsidiary in  
Sweden

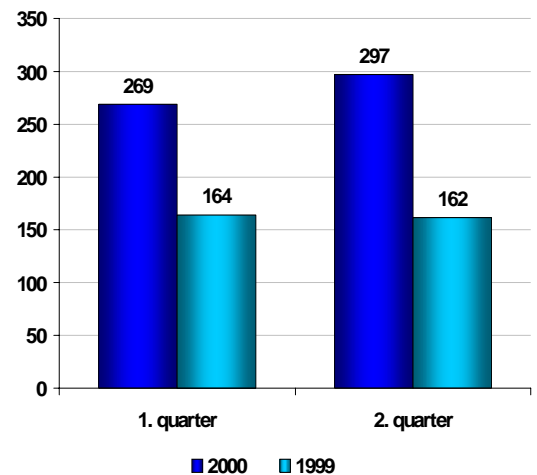
New C.E.O. (August)

Operating profit increased by 213%, up from NOK 11 million in Q2 1999 to NOK 34.4 million. The result reflects an increase in operating margin from 11.2% in Q1 to 12.8% in Q2 2000, to a large extent a result of the ongoing restructuring programme of which outsourcing of production is a main element. This programme will be concluded before the end of the year, with further improvements in operating margin expected.



In the second quarter, the Company has – through its distributor Electrotechnocom – signed a frame agreement with the Russian company Central Telegraph worth USD 5 million over two years. The agreement represents a breakthrough in Russia, a market of great potential in the coming years. A subsidiary has been established in Sweden to position Eltek in this technologically advanced market of significant size. Eltek also started deliveries of the new product Aeon 4000 in Q2. These factors combined are expected to have a further positive impact on Eltek's results into the future.

## ELTEK ENERGY - ORDER INTAKE



## Shares and capital

At the end of the first half year, Eltek's equity was NOK 524.9 million, corresponding to an equity ratio of 56.3%. Liquid funds, including unused overdraft facilities of NOK 56 million, were NOK 444 million. Interest-bearing debt amounted to NOK 57 million. The company's financial position is a solid platform from which to pursue the strategy of broadening market penetration for its products through acquisitions, mergers or strategic alliances.

### List of largest shareholders as at 2000.08.04

Eltek Holding/A.F. and W. Angelil	46,8%
Fidelity Funds -B. B. Harriman & Co.	7,0%
Chase Manhattan Bank	6,2%
Tine Pensjonskasse	3,3%
SND Invest AS	2,8%
Orkla Ensk. Sec/Orkla Investm. Fund	2,6%
Aksjefondet Gambak/Gambak Oppkj�p	2,0%
Storebrand	1,9%
T. Tvenge	1,4%
Strata AS	1,4%
Delphi Norge/Delphi Vekst	1,3%
State Street Bank & Trust & Co.	1,3%
Vesta Liv AS/Vesta Forsikring AS	0,9%
Christiania Markets	0,9%
Goldman Sachs International Finan.	0,8%
Industrifinans Fondsforvaltning	0,8%

Shareholders registered in VPS as at 2000.08.04

*Drammen, 8. August 2000*

*The Board of Directors, Eltek ASA*

## Group Accounts

The sale of Eltek Fire & Safety was concluded in the second quarter. This business area is included in Eltek's figures up until 25<sup>th</sup> of May. With Eltek Fire & Safety included, revenue for the second quarter was NOK 303.3 million and operating profit NOK 247,1 million, including gain on sale of assets of NOK 221.9 million. The period of Q2 in which Eltek Fire & Safety was part of the Group, is traditionally a weak sales period and the business area contributed a negative operating profit of NOK 5.9 million.

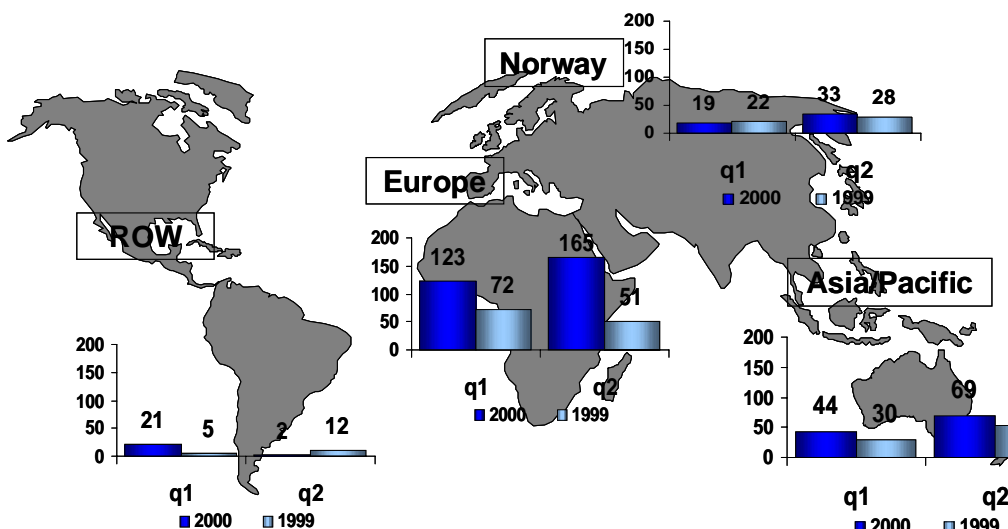
For the first half year, revenue for the group was NOK 568.7 million and operating profit NOK 272.7 million. Group figures include employer's tax on employee stock options of NOK 3.3 and 7.0 million for the quarter and half year respectively.

## Eltek Energy

The positive development continued in Q2, with significant growth and capture of market shares in Europe, Asia and Norway. Revenue increased by 85% to NOK 268.5 million. Deliveries under existing frame agreements with builders of pan-European, fibre-optic networks for fixed telephony and internet communication and networks for mobile communication in Asia,

have been significant contributors to the growth. Revenue in Europe, Norway excluding, was NOK 165 million. This is more than three times the revenue in the corresponding quarter of 1999. The growth from Q1 to Q2 2000 was 34%. In Asia, the growth from Q2 1999 to Q2 2000 was 28% (NOK 69 million versus NOK 54 million), while operating income in Norway grew by 18% (NOK 33 million versus NOK 28 million).

### GLOBAL SALE- ELTEK ENERGY



## Highlights 2000

Sale of Eltek Fire & Safety concluded

Eltek Energy achieved operating margin in 2. quarter of 12,8%

Started deliveries of Aeon 4000

