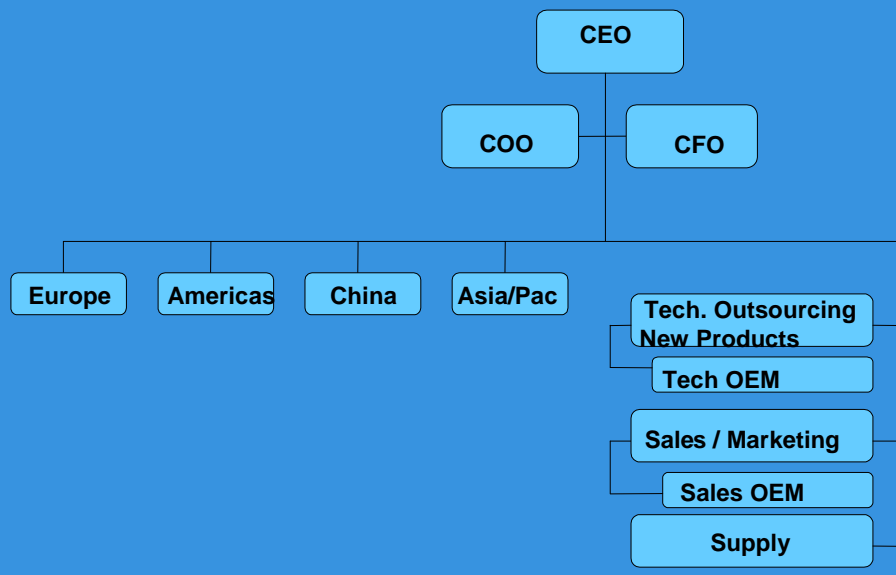


Market Strategy

Organization



A leading player in Europe

➔ Locations in Norway, UK, Germany, France, Sweden and Poland

Sales in more than 25 countries

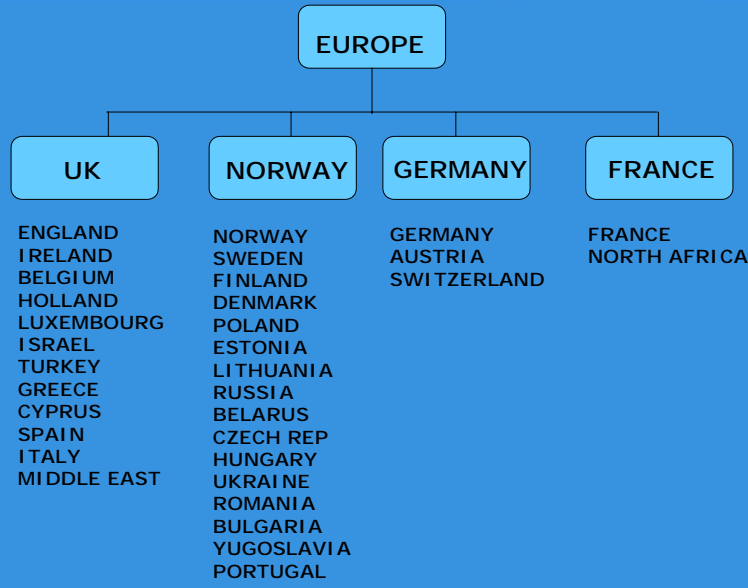
➔ Turnover per Q3 534 million NOK

➔ Customers/contracts

- Level 3
- Dolphin
- Nortel
- Telenor
- Ericsson
- Siemens
- KPN Qwest
- NG Bailey
- Alcatel
- Fibreway

➔ Facilities

Head office, R&D, System Assembly, Service, Installation



Market outlook

- **UMTS licences awarded in 80% of Europe**
 - New infrastructure (approx 5000 base stations per licence)
 - Fierce competition
 - Time to market/deliveries vital
- **Broadband networks build-up**
 - UK build nears completion
 - Mainland Europe requires more capacity
- **Great demand for new co-location facilities**
 - UK still European Hub
 - Mainland Europe currently developing
- **Deregulation of network access**
 - Opportunities for new players

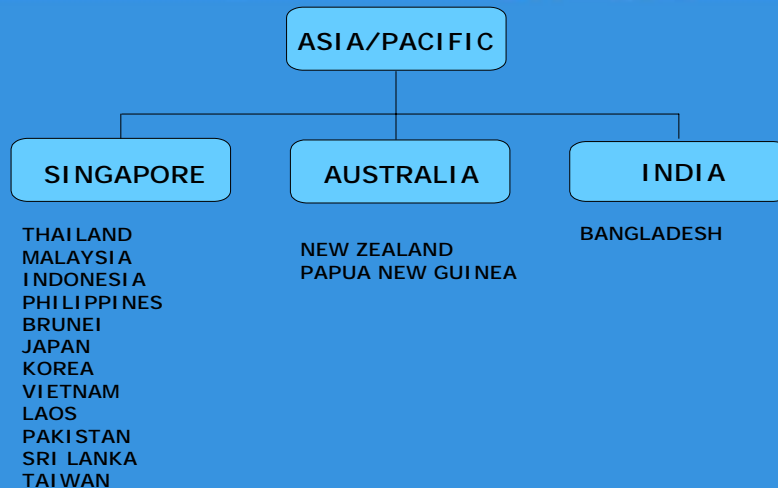
Strategic focus

- Go aggressively for UMTS opportunities
- Strengthen sales in France, Germany and Eastern Europe
 - Key Account Management
- Develop Strategic Partnerships to grow our market share
- Ensuring shorter delivery times by improved logistics

Significant player in Asia/Pacific

- Market leader in Singapore, big in Australia and the region
- Turnover per Q3 128 million NOK
- Customers/contracts
Nortel, Silcar, Singapore Telecom, Phiana, Nokia, Maxis, Motorola
- Facilities
Engineering and system design, System assembly, installation, service/maint.

Locations
Singapore
Sydney
Dehli



Market Outlook

- Strong demand for 2/2,5G wireless networks
- Internet development requires infrastructure
 - Large Internet sites
 - Tele hotels
 - Co-location facilities
- Broadband networks/Network access
 - Trend from US and Europe starting in Asia
- Promising future for 3G wireless networks

Strategic focus

- Capitalize on existing network
- Fulfill Silcar demands
- Strengthen sales to equipment suppliers
- Key Account Management

Cross sales

Phiana is a common customer

- PCP has supplied their Los Angeles site and Eltek Singapore are in the process of supplying the rest of Asia.

Well established in China

- Consolidated turnover per Q3 80 million NOK
- Turnover based on Eltek/PCP products per Q3 230 million NOK
- Customers/contracts
 - GuangDong Province Mobile,
 - Dongguan City Telecom
 - GuangZhou City Telecom
 - YuNan Province Mobile
 - PRTEM
 - China Unicom

Locations
Donguan
GuangZhou
Beijing
ShenYan
WuHan
HongKong

- Facilities
 - Manufacturing, Engineering and system design,
 - System assembly, installation, service/maint.



Market Outlook

Huge & promising market with world's highest growth rate

- Telephone subscribers >200M in Year 2000
- Mobile subscribers 70M in Year 2000, 200M in Year 2000
- Internet subscribers 20M in Year 2000 with 150-200% growth rate per year

Strategic focus

- Use Aeon 4000 to penetrate market with lower cost product
- Open more sales representative offices
- Speed up product localization and engineering capabilities to reduce direct cost and cater to local requirements

A strong position in the world's largest market

- Turnover per Q3 68 million USD
- Customers/contracts
 - Worldcom
 - Nextel
 - Motorola
 - Allegiance
 - Switch & Data
 - AT&T

Locations

Crystal Lake
8 sales offices
across the US

Mexico City

- Facilities
 - Manufacturing, Engineering
and system design,
System assembly, installation,
service/maint.



Market Outlook US

- Public network cap ex still strong but growing slower than past two years
- Biggest spenders still RBOCs, IXC, wireless
- DC power spending rate ahead of overall capex
- High growth segments
 - Optical networking
 - Broadband access
 - Wireless
 - Web hosting
- Supplier opportunities over next 3-4 years

- Rapid and simultaneous expansion of local, long-distance and wireless networks
- Proliferation of facilities-based competitive carriers and co-locations
- Long-term massive shift to IP networking and broadband access
- Increasing level of contract services

Market Outlook CALA

- Strong demand for 2/2,5G wireless networks
 - Licenses still being awarded
 - Great demand for fixed wireless
- Underdeveloped fiber network infrastructure
 - Backbone
 - Web hosting
 - Access and competitive services
- Promising (long term) market for 3G

Strategic focus

- **Improve capacity**
 - Strengthen US distribution
 - Build Systems and rectifier modules for stock
- **Lower product costs**
 - Present products – several aggressive plans
 - Introduce Eltek products – first SMPS 1000, then SMPS 4000
 - Affect from Q3
- **Strengthen sales capacity**
 - Hire more sales people
- **Strengthen presence in South America**
 - Distribution center in Brazil

Cross sales

- Phiana (formerly PIXC)
- Alcatel (Texas)
- Carrier One
- Future prospects excellent

Market drivers

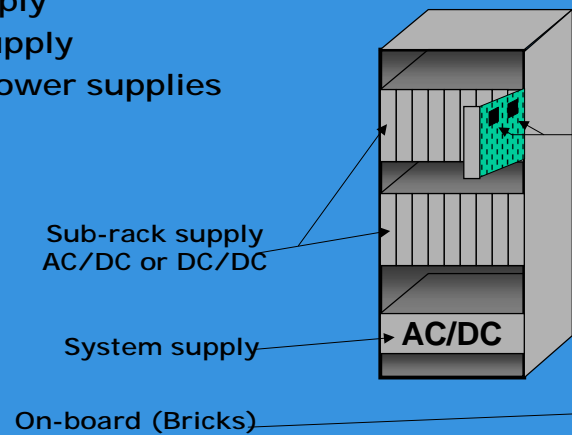
- ↘ Increased outsourcing to reduce lead times and achieve cost reductions
- ↘ Captive manufacturing divested to obtain greater flexibility and competitiveness (e.g. Ericsson sale of power supply division to Emerson Electric)
- ↘ Higher demand for compact and efficient units (reduce life time cost)

Our potential market

- ↘ **Telecom**
 - Strong growth
 - High volumes/unit price
 - Eltek a well known player
- ↘ **Geography**
 - North America
 - Europe

Three different OEM segments

- ↘ System supply
- ↘ Sub-rack supply
- ↘ On-board power supplies



Current status

- ↘ In dialogue with most major telecom equipment manufacturers.
- ↘ Establishing global account management
- ↘ Involved in several bid processes

Focus Areas 2001

Market requirements

- **Competitive prices**
 Price sensitivity varies between markets
 US market less sensitive than Europe and Asia
- **Time to market**
 Major concern for builders of both wired and wireless infrastructure
- **Turn key solutions**
 Often a decisive factor
- **Global capabilities**
 Large telecom companies look for global suppliers
 Still need for local content and local service
- **Superior products**
 Innovative technology and total product quality that provide value beyond pure compliance

Continue growth and global expansion

- 
- Organic growth
 - Acquisitions
 - Mergers
 - Strengthen sales and distribution in the US
 - Expand into South America
 - Leverage UMTS opportunities in Europe
 - Expand sales network in China
 - Capitalise on network in Asia/Pacific

Continue outsourcing

- No production of any high-volume products internally
- High quality and low cost operators in Asia or South America
- Established an internal global component sourcing group

Strengthen OEM position

- Target major OEM contract with telecom equipment manufacturer
- Strengthen project organization which will develop products according to demand
- Look for acquisition/merger opportunities

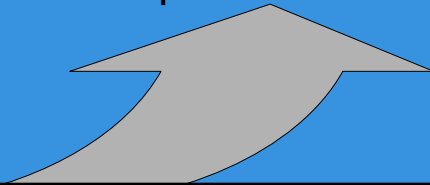
Intensify and coordinate R&D – standardize product range

- Co-ordinate our resources to exploit their full potential
- Consolidate and reduce product range
- Standardize on one monitoring technology
- Focus on cost efficiency
- Reduce development time to 12 months or less for new products

Leverage the strength of a global brand

- Serve key accounts globally
- Extend cross-selling
- Intensify branding and market communication

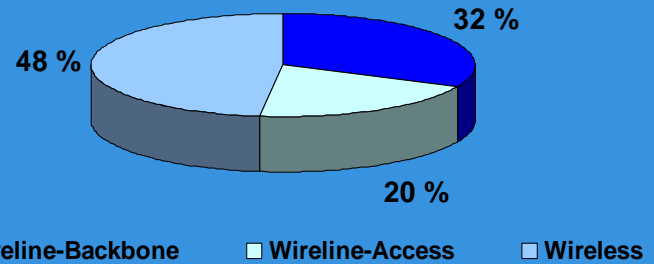
Leading edge product and services at the best prices – on time, all over the world



Nextel
Level 3
Switch & Data
Worldcom
PRTEM
Allegiance
Maxis Communication
Dolphin
N G Bailey
KPN-Qwest
Nortel
Motorola
Dongguan City Telecom
Alcatel
Telenor

Share of total revenue: 55%

Sales per customer group 2000



10 pieces of good investment advice from Ed Yardeni

Chief Investment Strategist
Deutsche Bank Securities