

ELTEK GROUP

Profit and Loss Account

	Whole year		4th Quarter	
	2000	1999	2000	1999
Revenue	1 893 987	1 117 531	538 274	370 136
Cost of goods sold	1 154 376	644 993	329 119	210 206
Other operating costs	487 545	363 986	136 076	113 310
Ordinary depreciation	19 958	16 251	6 826	5 448
Amortisation	42 992	37 338	11 976	9 347
Total operating costs	1 704 870	1 062 568	483 996	338 311
Operating profit	189 118	54 962	54 279	31 824
Share of result in ass. comp.	6 587	1 651	3 725	684
Financial income and costs	9 920	-372	2 231	218
Net financial items	16 507	1 279	5 956	901
Profit before tax on continuing operations	205 625	56 242	60 235	32 726
Taxes on continuing operations	70 274	18 436	18 669	13 273
Net profit on continuing operations	135 350	37 805	41 565	19 452
Discontinued operations	221 376	212 359	-	187 125
Equity participation plan	-54 955	-	-54 955	-
Tax on discontinued operations	26 610	59 267	-	51 376
Tax on equity participation plan	-21 432	-	-21 432	-
Net profit	296 595	190 897	8 043	155 201
Minority interests	6 638	2 901	332	401

Balance Sheet

	31.12.00	31.12.99
Goodwill	541 561	514 668
Other fixed assets	97 972	134 942
Share of ass. companies	27 180	19 393
Total fixed assets	666 713	669 003
Inventories	258 744	195 455
Trade debtors	476 673	266 344
Other short term receivables	27 345	16 242
Cash in hand, bank deposits	128 333	124 247
Total current assets	891 094	602 289
Total assets	1 557 807	1 271 292
Share capital	24 266	14 042
Other equity	944 589	880 830
Minority interests	24 266	14 455
Total equity	993 121	909 327
Pension liabilities	3 231	3 869
Other long term liabilities	120 312	67 284
Total long term liabilities	123 543	71 153
Bank overdraft	13 271	704
Trade creditors	203 849	125 161
Other short term liabilities	224 023	164 947
Total current liabilities	441 143	290 812
Total liabilities and equity	1 557 807	1 271 292

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REPORT PER FOURTH QUARTER 2000

The business combination (merger) of Eltek and Power Conversion Products (PCP) was formally made effective as of November 1, 2000. This was a big step towards creating a global leader in the field of telecom power systems.

The accounts for 2000 include PCP for the whole year. The results of discontinued operations, Eltek Fire & Safety, together with the effect of the equity participation plan in PCP are shown on separate lines in the accounts, thus isolating the results of the continuing operations. Also 1999 accounts have been restated to reflect the merger and the results of the continuing operations.

Results

In 2000 Eltek achieved revenue of NOK 1 894 (1 117,5) million, an increase of 69 % compared to the previous year. Operating profit before depreciations and amortisations (EBITDA) increased by 132 % to NOK 252,1 (108,6) million, while operating profit (EBIT) showed a growth of 244 % to NOK 189,1(55) million. There have been no further charges of social securities taxes in the fourth quarter. Total for the year these charges were NOK 21,9 million. EBITDA-margin for the year was 13,3 %, up from 9,7 % in 1999. Profit before tax for the year for the continuing operations was NOK 205,6 (56,2) million and ordinary net profit NOK 135,4

Group Figures

Amounts in Mill NOK	Whole year		4 th quarter	
	2000	1999	2000	1999
Sales income	1 894,0	1 117,5	538,3	370,1
EBITDA	252,1	108,6	73,1	46,6
%	13,3 %	9,7 %	13,6 %	12,6 %
EBIT	189,1	55,0	54,3	31,8
%	10,0 %	4,9 %	10,1 %	8,6 %
Financial items	16,5	1,3	6,0	0,9
Profit before tax continuing operations	205,6	56,2	60,2	32,7
Taxes	70,3	18,4	18,6	13,3
Net profit continuing operations	135,4	37,8	44,6	19,5
Discontinued operations/Equity partic. (net after tax)	161,2	153,1	-33,5	135,7
Net profit	296,6	190,9	8,1	155,2
Minority interests	6,6	2,9	0,3	0,4
Basic EPS	5,36	1,48	1,72	0,81
Cash EPS	7,14	3,06	2,21	1,20
Order intake	2 162,0	1 206,1	567,0	329,2

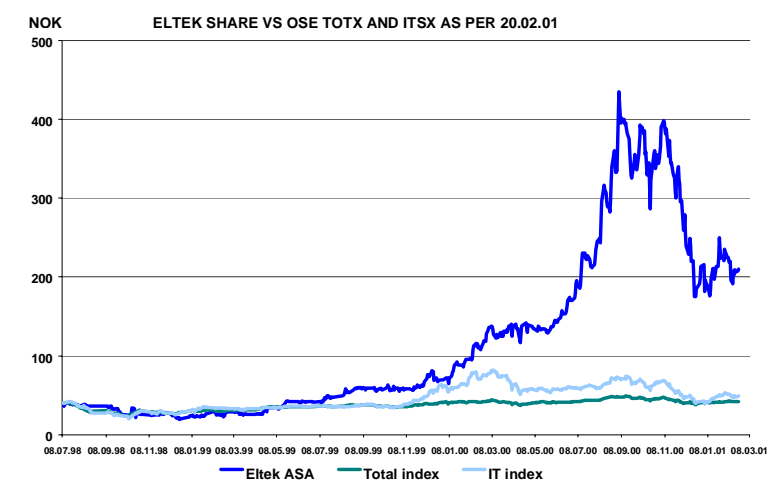
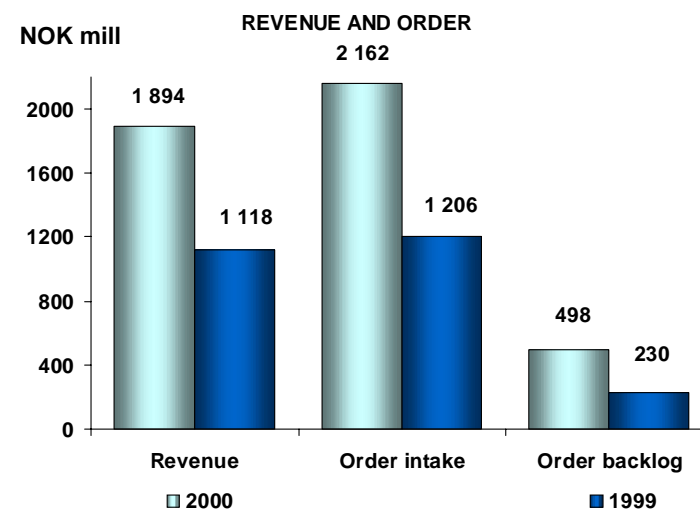
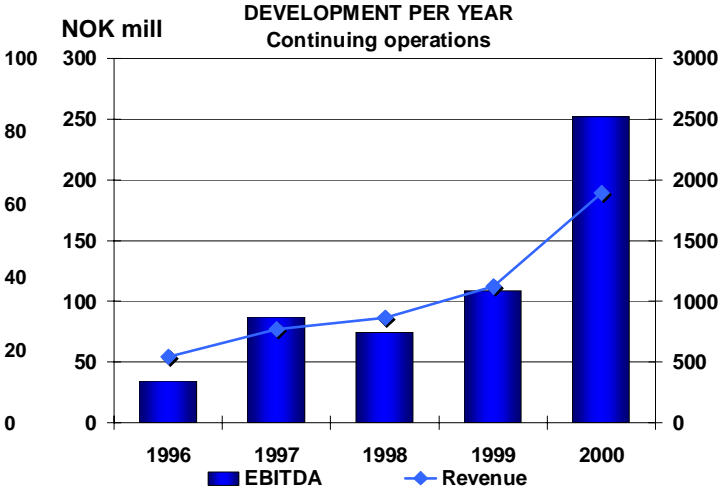
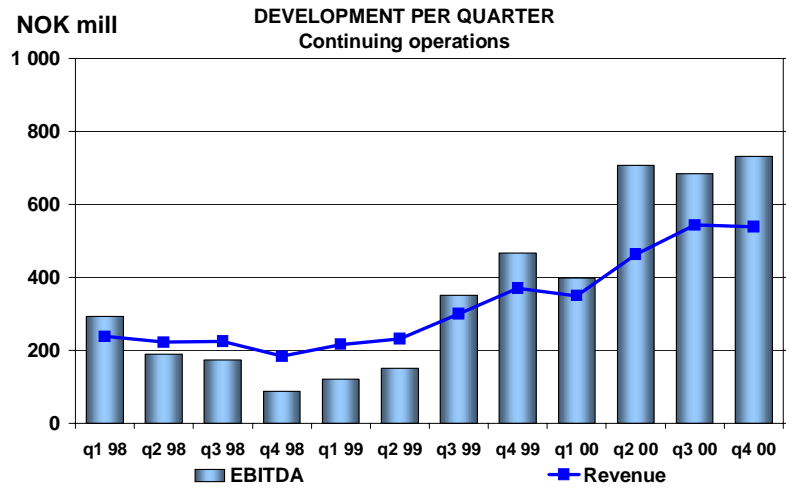
EPS figures are calculated excluding discontinued operations and equity participation compensation.

(37,8) million. Net profit after tax from discontinued operations, amounted to NOK 194,8 (153,1) million. Benefits related to an equity participation plan in PCP were released as a result of the merger. The net after tax effect of the plan, offset by a corresponding net equity adjustment, was NOK 33,4 million.

In the fourth quarter, revenue increased by 45 % to NOK 538,3 million (370,1) million. EBITDA showed an increase of 57 % to NOK 73,1 (46,6) million, while EBIT increased by 71 % to NOK 54,3 (31,8) million. EBITDA margin was 13,6 %, up from 12,6 % in the same quarter 1999.

Global component shortage leading to delivery problems

The shortage of electronic components on the world market, which started to influence results in the third quarter, hit financial performance particularly in the beginning of the fourth quarter. Due to lack of goods to deliver, orders were lost and deliveries were delayed. In dealing with the difficult situation, Eltek gave compliance with fixed delivery times the highest priority. In order to meet commitments, rush orders for materials were placed at higher costs than normal, and a number of deliveries were air freighted instead of normal shipping. Eltek considers the component shortages to be resolved by the end of first quarter 2001.



Integration

In the fourth quarter, profits were also influenced by the integration process between Eltek and PCP. In R&D and Sales staffs extensive programs have been initiated for exchange of information and planning of operational synergies in the time ahead. Costs related to these activities are estimated to NOK 7 million in the fourth quarter.

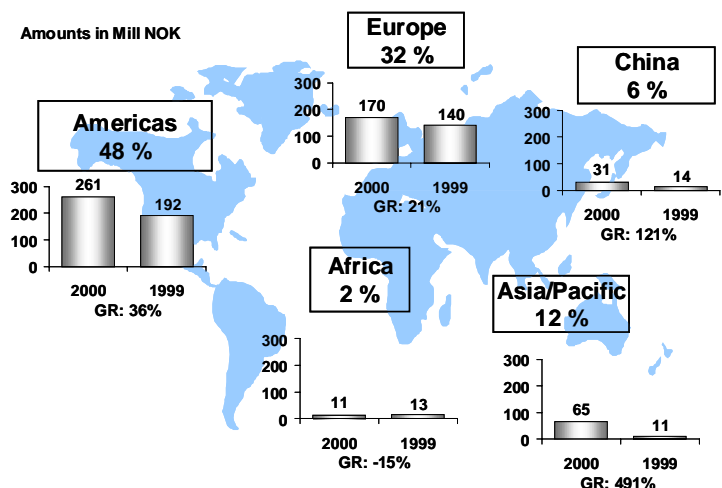
Sales in fourth quarter

In Q4 sales development was particularly positive Asia/Pacific with a growth rate of 491 %, bringing sales income to NOK 65 million. In China, sales increased by 121 % to NOK 31 million. In Americas sales income was NOK 261 million, a growth of 36 %, while in Europe, where the delivery problems caused the greatest problems, sales income grew by 21 % to NOK 170 million.

Continued strong order intake, high bid activity and cross selling Eltek/PCP

Order intake continued to be strong in the fourth quarter, with a growth rate of 72 % from fourth quarter 1999 to NOK 567 (329) million, bringing order backlog at year-end to NOK 498(230) million. For the whole year order intake was NOK 2 162 (1 206) million, 79% higher than last year. Eltek has not experienced any slow-down of activity and demand in the telecom power market, despite financial unrest in the global telecom sector and forecasts that point to a somewhat slower total market growth in the coming year. Activity in responding to requests for quotes and

GLOBALE SALE 4TH QUARTER 2000



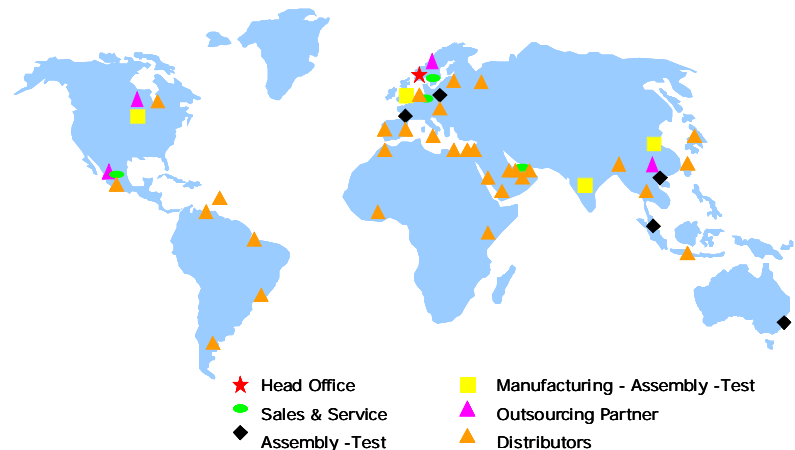
tenders from telecom companies is higher than ever before. The activity is especially high within third generation wireless (UMTS) development in Europe.

Eltek maintains its strong position in turn key deliveries of large power systems and recently achieved a contract for the first two sites in a Pan European telehotel development. In Asia, Eltek's position within wireless development has been strengthened through a contract worth NOK 36 million with Nokia in Thailand. In the US delivery has started to one of the biggest wireless operators in the country, Verizon Wireless. The merger benefits in the form of cross selling have started to materialise. Phiana, a customer of Eltek Singapore, has awarded Eltek contracts for build up of Pan-Asian co-location centres and also awarded Eltek in the US (PCP) the order for their US development. The Eltek UK customer, Carrier One has placed orders with PCP for their entry into the US market. PCP has sold Eltek's standard products to Alcatel (Texas) for Caribbean microwave installations as well as quoting Eltek products into Colombia through PCP's Colombian distributor.

Acquisition in France

Eltek has in February 2001 agreed with the owners of 49% of its French subsidiary, S.F.E.E., to buy the remaining shares at a price of NOK 29 million. In 2000 S.F.E.E. achieved revenue of NOK 86,4 million and EBITDA of NOK 13,1 million.

GLOBALE PRESENCE



Prospects

Market forecasts made by Skyline Marketing Group point to strong growth in the global telecom DC power systems market, with an estimated annual growth rate of 24% during the next four years. This is based on underlying international and technological trends, such as a strong growth in Internet usage, continued growth within second generation mobile telephony and the build-up of third generation wireless networks. The volatile stock markets and the unrest in the telecom and IT sectors may influence capital expenditure in the sector. However, growth within the power sector is expected to be higher than that of telecom equipment in general. Power systems are pervasive throughout the telecom network and are required in every type of end equipment application. Eltek is well positioned to take advantage of this growth. The range of products and systems is attractive. Combining the best from the two merged companies, the product offering is broad enough to meet all the power needs of customers, and it contains leading edge products. With the enlarged R&D capability of the combined company, Eltek is better positioned to stay in the forefront of DC power technology. As a direct result of the merger, hardly any telecom power company can match Eltek's distribution network with strong positions on all continents. Eltek is one of very few companies that are able to serve the large global builders of telecom infrastructure across all continents – who more and more desire suppliers who can match their global presence.

In the first quarter 2001 Eltek expects revenue in line with fourth quarter 2000. For 2001 Eltek maintains its previous estimate for a growth of 30 %-40 %.

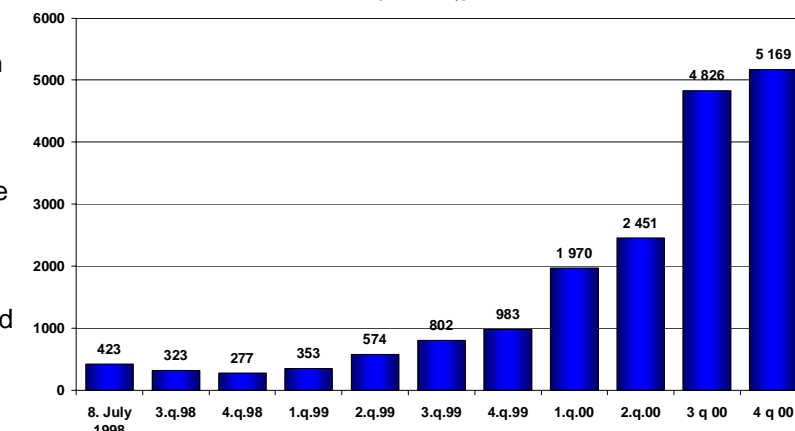
Dividend

The Board proposes to pay a dividend of NOK 1 per share.

Drammen, 20 February 2001

The Board of Directors, Eltek ASA

MARKET CAP PER QUARTER



List of largest shareholders as at 31.12.2000

CC Industries	30,8%
Eltek Holding/A.F. and W. Angellil	27,6%
Edward Weil Jr and Family Trust	4,5%
Tine Pensjonskasse	1,8%
Chase Manhattan Bank (sev. accounts)	1,7%
Storebrand Livsforsikring	1,6%
Chris Seyer III	1,4%
Christiania Markets	1,4%
SND Invest	1,4%
Gjensidige Nor/Gjensidige Forsikring	1,3%
Stephen Griffiths	1,2%
Orkla Enskilda Securities	1,2%
State Street Bank & Trust & Co. (sev. accounts)	1,0%
Goldman Sachs International Finance	1,0%

Shareholders registered in VPS as at 05.01.2001