

# **Presentation of 2<sup>nd</sup> quarter 2001**

## Highlights 2<sup>nd</sup> quarter 2001



- Revenue down 19% 375 MNOK
- EBITDA, before non-recurring items 1 MNOK
- Non-recurring items 140 MNOK
- Goodwill write-down 480 MNOK
- Liquid funds end of Q2 301 MNOK
- Two new Group Companies
  - BPCP, China (previously associated)
  - Tripod, Sweden

# Key Figures

## Continuing operations



Amounts in Mill NOK	1 <sup>st</sup> Half Year			2 <sup>nd</sup> Quarter		
	2001	2000	Change	2001	2000	Change
Revenue	886.0	812.4	9 %	374.6	463.0	-19 %
EBITDA	73.4	110.5	-34 %	1.1	71.9	-98 %
EBIT	39.3	81.6	-52 %	-17.0	57.4	
Profit before tax	28.0	83.7	-67 %	-25.0	57.9	
Net profit, before non-recurring items	18.5	62.8	-71 %	-16.0	45.4	
Goodwill write-down	-480.0			-480.0		
Other non-recurring items	-139.7			-139.7		
Tax on non-recurring items	80.9			80.9		
Net profit	-520.3	62.8		-554.7	45.4	
Basic EPS (NOK) before non-recurring items	0.62			-0.76		
Basic EPS (NOK)	-21.40	2.47		-22.78	1.81	
Cash EPS (NOK) before non-recurring items	1.58			-0.26		
Cash EPS (NOK)	-0.78	3.32		-2.63	2.25	

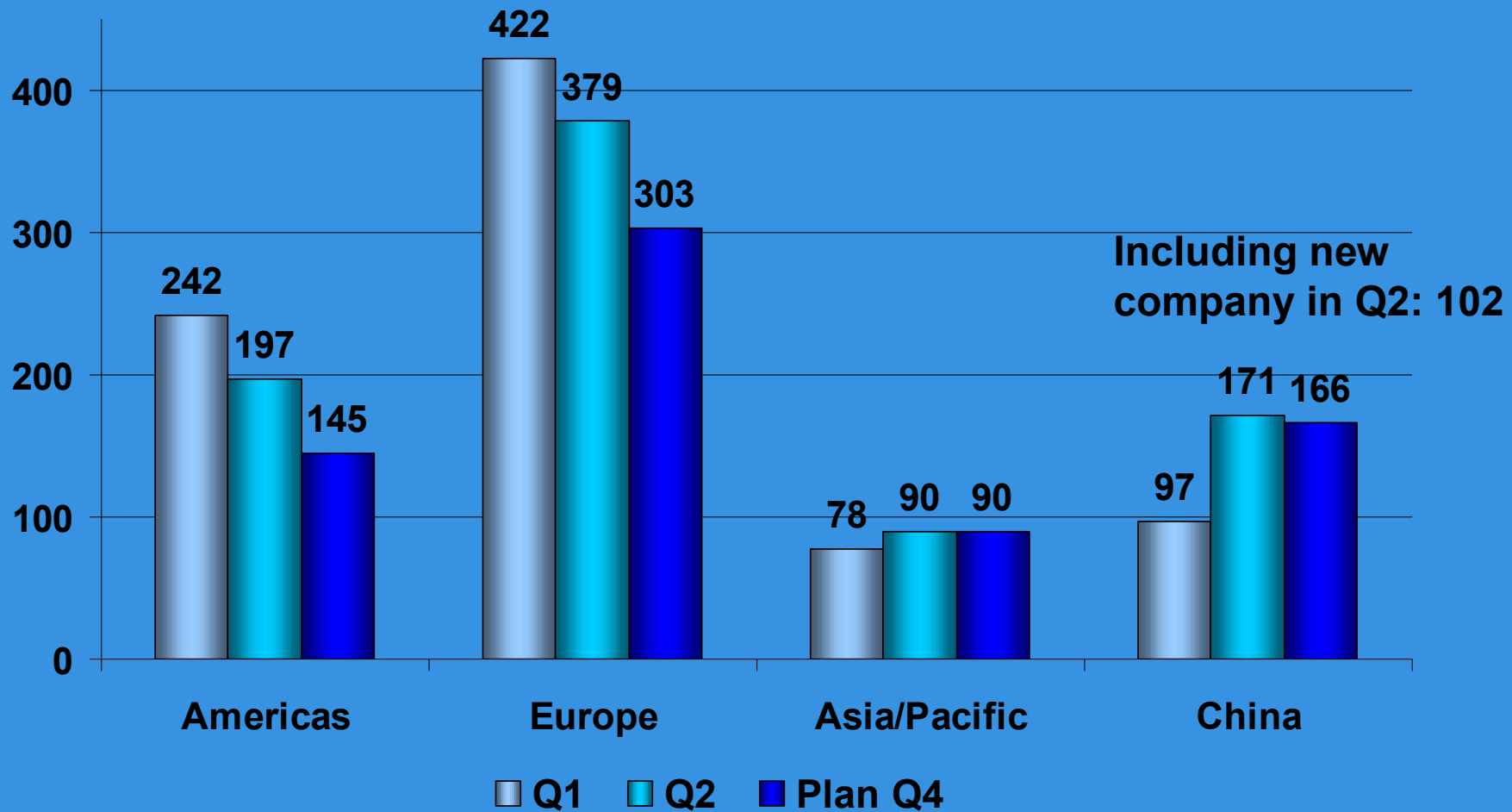
# Goodwill



	MNOK
Per 30.06.2001	563
Write-down	-480
<b>Remaining</b>	<b>83</b>
Tax asset, discounted	40

Write-down is mainly related to goodwill in PCP

# Employees



- Increase in Q2 96 MNOK (excl. new companies, 13 MNOK)
- Reached the highest level
- Reduction from Q3 onwards
- Reduced deliveries lead to lower turnover
- **Increased provisions 69 MNOK**

- Reduction in Q2 114 MNOK (excl. new companies, 47 MNOK)
- Good progress in collection
- 3 customers in liquidation
- Losses will incur
  
- **Increased provisions 40 MNOK**

## Non-recurring items



	MNOK
Terminations	30.7
Inventory provisions	69.1
Accounts receivable provisions	39.9
<b>Total</b>	<b><u>139.7</u></b>

# Working capital



## Excl. non-recurring items

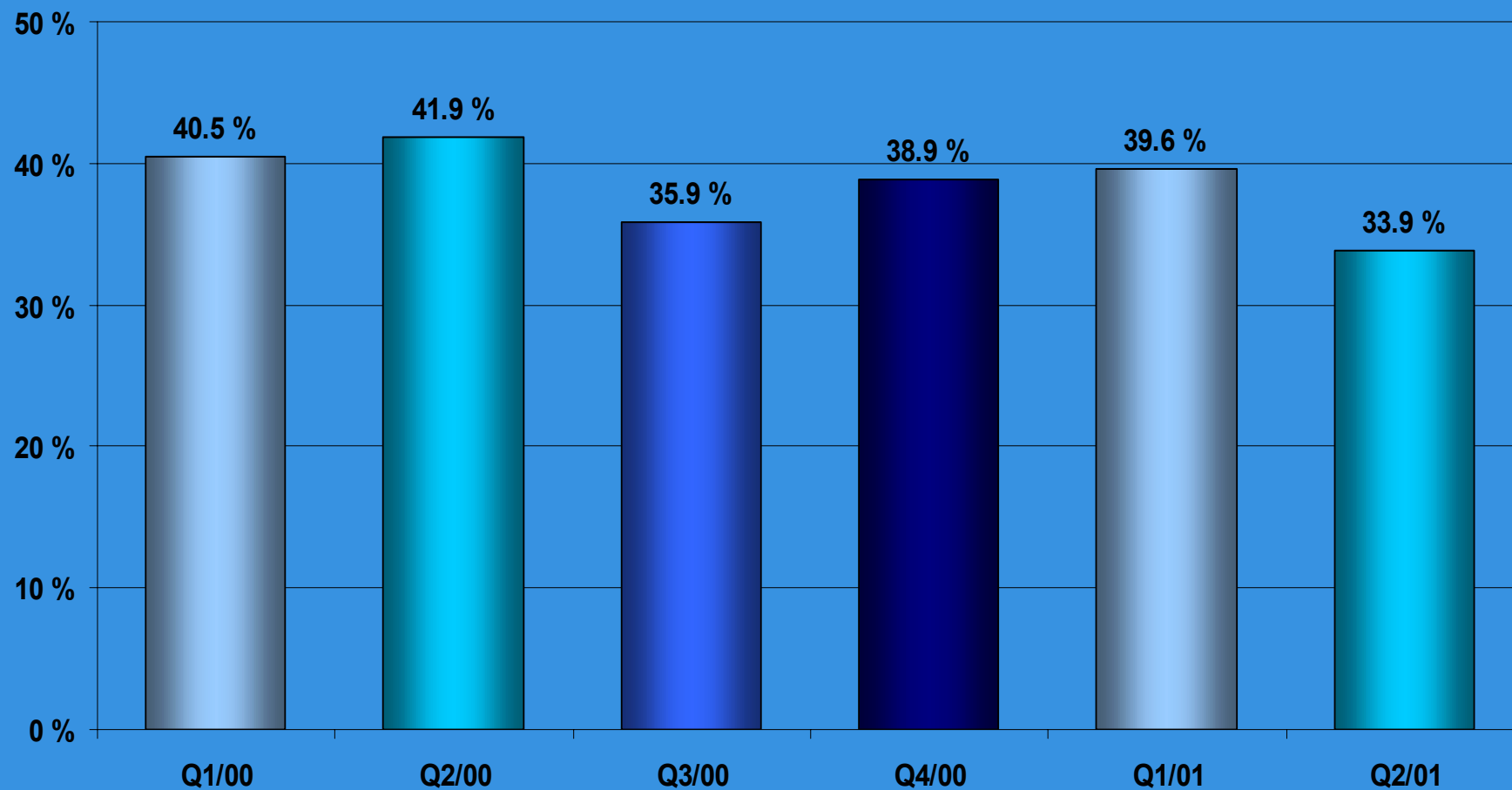
	30.06.01	30.03.01	Change	New companies	Net change
Inventories	471	362	109	13	96
Trade receivables	460	527	-67	47	-114
Trade payables	-224	-226	2	-17	19
<b>Net working capital</b>	<b>707</b>	<b>663</b>	<b>44</b>	<b>43</b>	<b>1</b>

# Cash



	30.06.01	30.03.01	Change
Cash	83	64	19
Overdraft	-46	-34	-12
Net cash	37	30	7
Overdraft facilities	264	152	112
Liquid funds	301	182	119
New long-term financing			105
Share issue options			11
Dividend			-24
Acquisitions			-32
Cash in new companies			-10
Net working capital			-1
Capex			-10
Cash earnings, EBITDA + Fin.items			-7
Tax and other			-25
Total			7

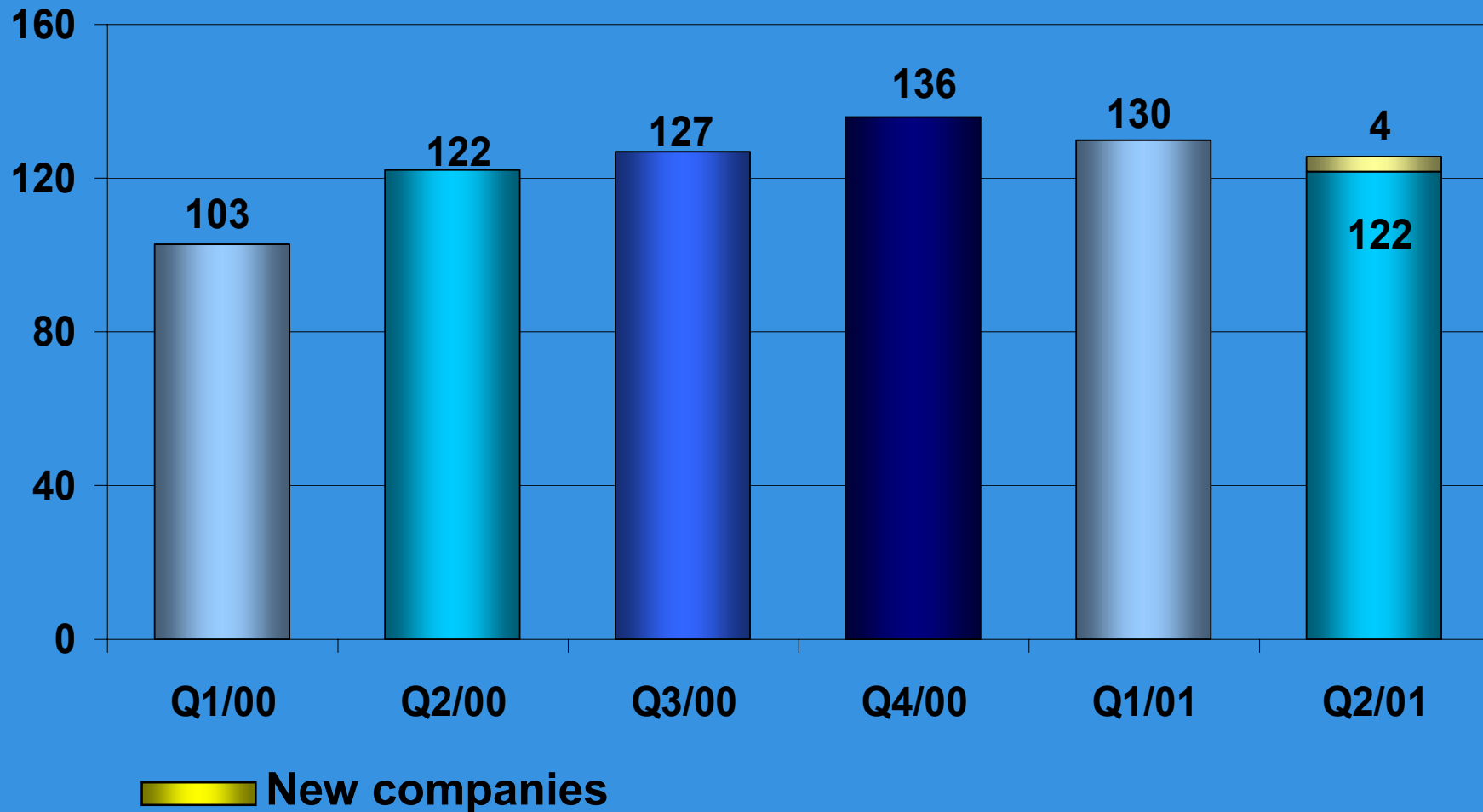
# Quarterly gross margin 2000-2001



# Quarterly operating cost 2000-2001



Amounts in Mill NOK



# Balance sheet



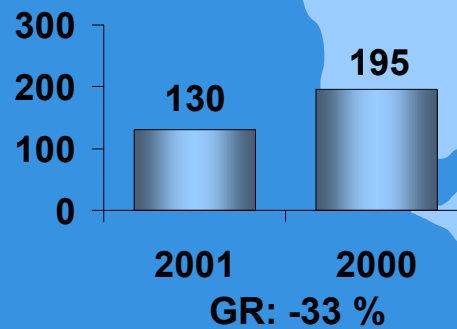
<i>Amounts in MNOK</i>	<u>31.06.01</u>	<u>31.03.01</u>	<u>31.12.00</u>
Goodwill	83.1	546.3	541.6
Other fixed assets	208.6	139.1	125.2
<b>Total fixed assets</b>	<b><u>291.7</u></b>	<b><u>685.4</u></b>	<b><u>666.7</u></b>
Inventories	401.9	362.0	258.7
Short term receivables	455.5	571.5	504.0
Cash and cash equivalents	83.0	63.6	128.3
<b>Total current assets</b>	<b><u>940.4</u></b>	<b><u>997.1</u></b>	<b><u>891.1</u></b>
<b>Total assets</b>	<b><u>1 232.1</u></b>	<b><u>1 682.5</u></b>	<b><u>1 577.8</u></b>
Share capital	24.5	24.5	24.3
Other equity	470.1	1 013.4	944.6
Minority interests	23.7	23.6	24.3
<b>Total equity</b>	<b><u>518.2</u></b>	<b><u>1 061.4</u></b>	<b><u>993.1</u></b>
Long-term liabilities	240.4	138.7	140.9
Bank overdraft	46.1	33.8	13.3
Short term liabilities	427.4	448.6	410.5
<b>Total current liabilities</b>	<b><u>473.5</u></b>	<b><u>482.4</u></b>	<b><u>423.8</u></b>
<b>Total equity and liabilities</b>	<b><u>1 232.1</u></b>	<b><u>1 682.5</u></b>	<b><u>1 577.8</u></b>
<b>Equity ratio</b>	<b>42.1 %</b>	<b>63.1%</b>	<b>63.8 %</b>

# Global sale 2<sup>nd</sup> quarter

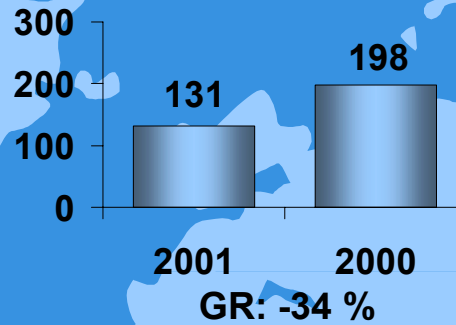


Amounts in Mill NOK

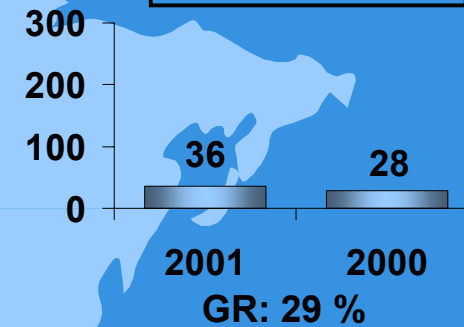
**Americas**  
35 %



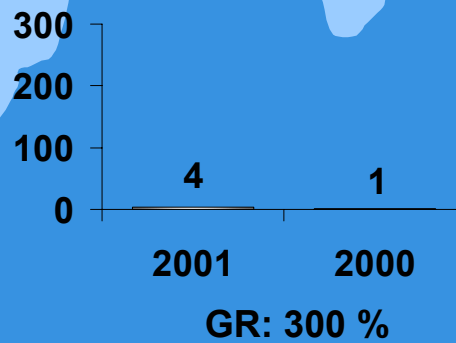
**Europe**  
35 %



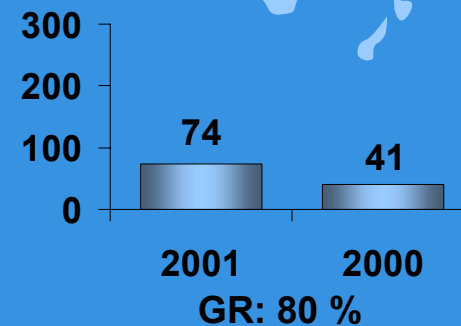
**China**  
9 %



**Africa**  
1 %



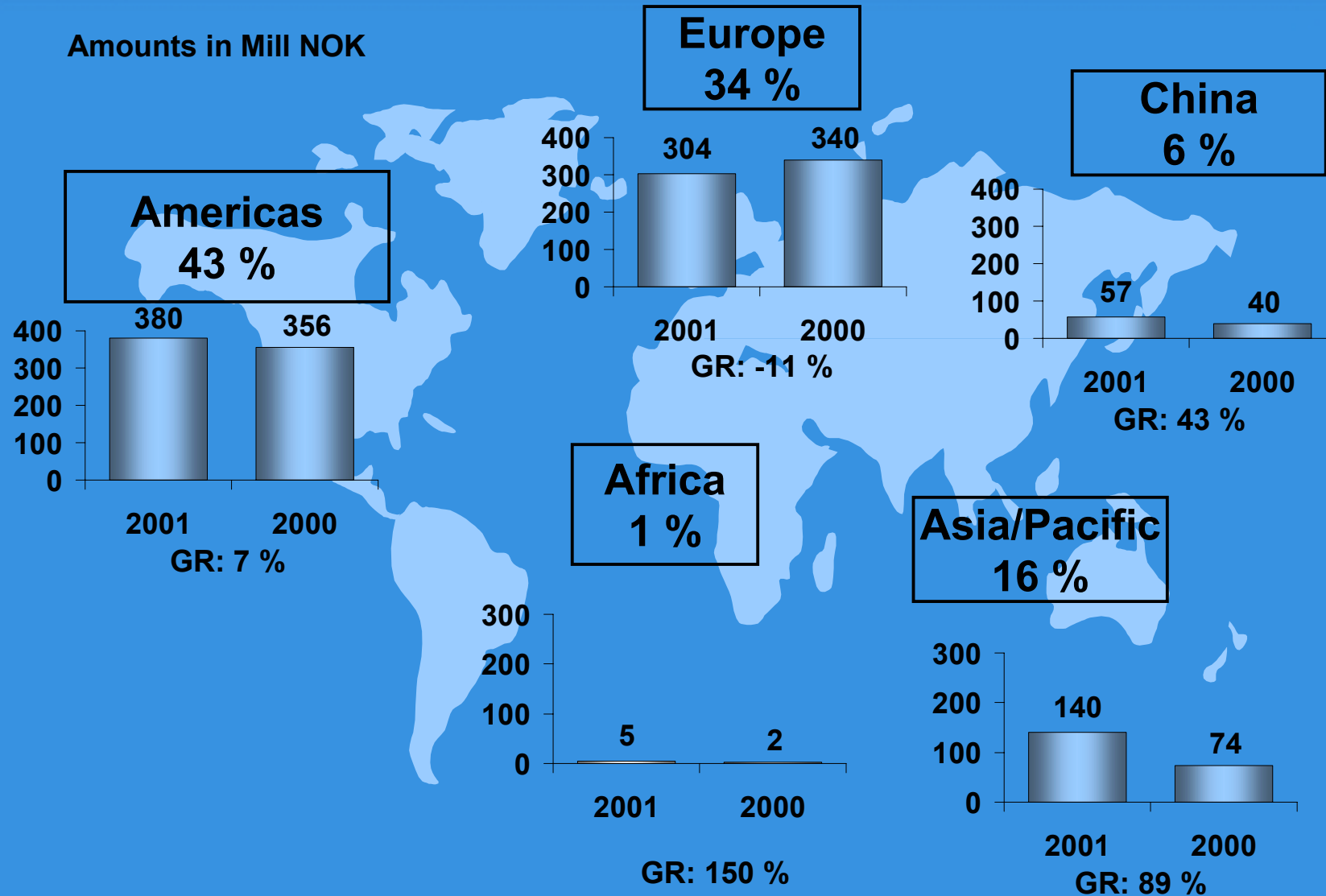
**Asia/Pacific**  
20 %



# Global sale per 2<sup>nd</sup> quarter



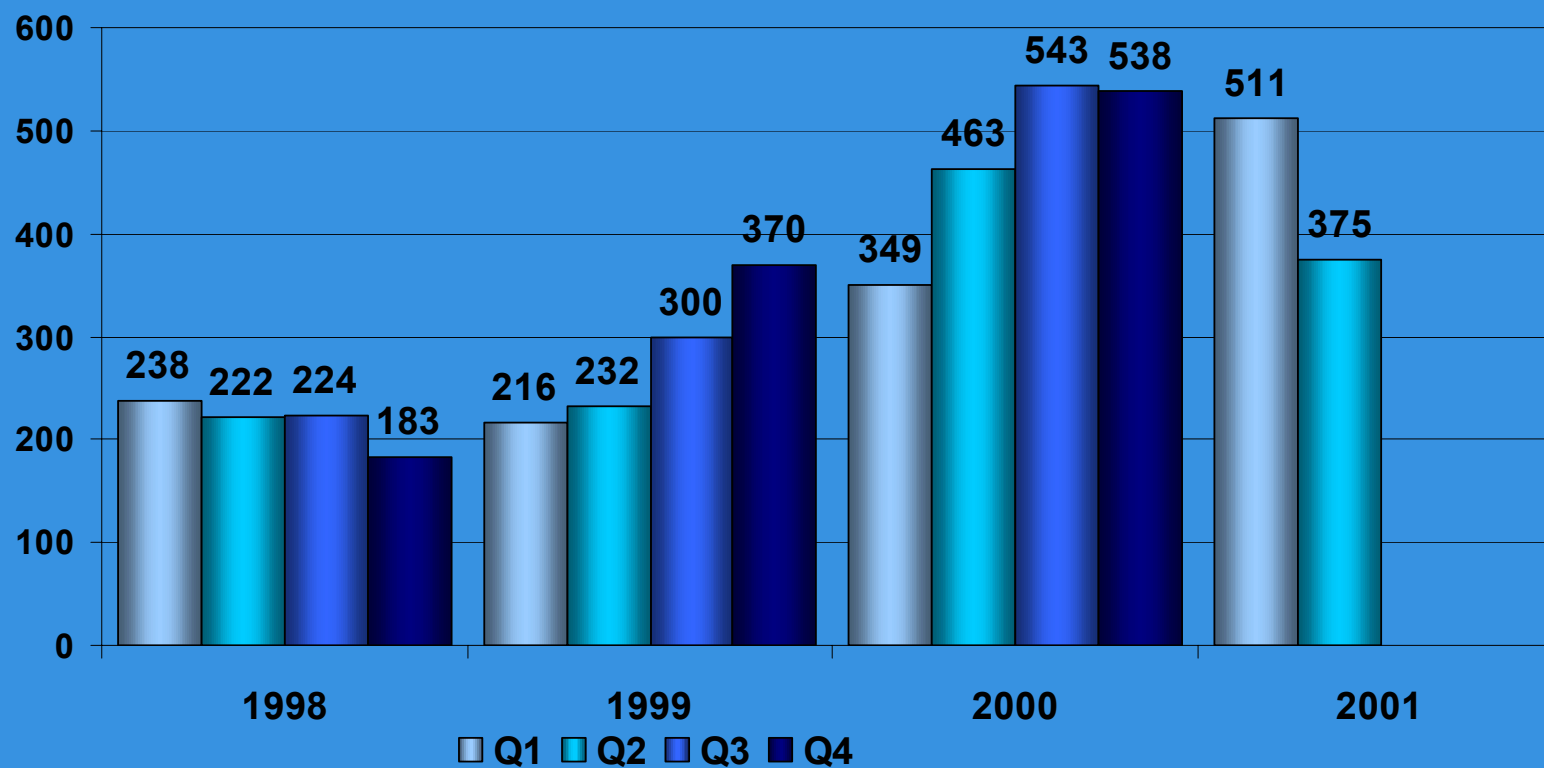
Amounts in Mill NOK



# Revenue per quarter



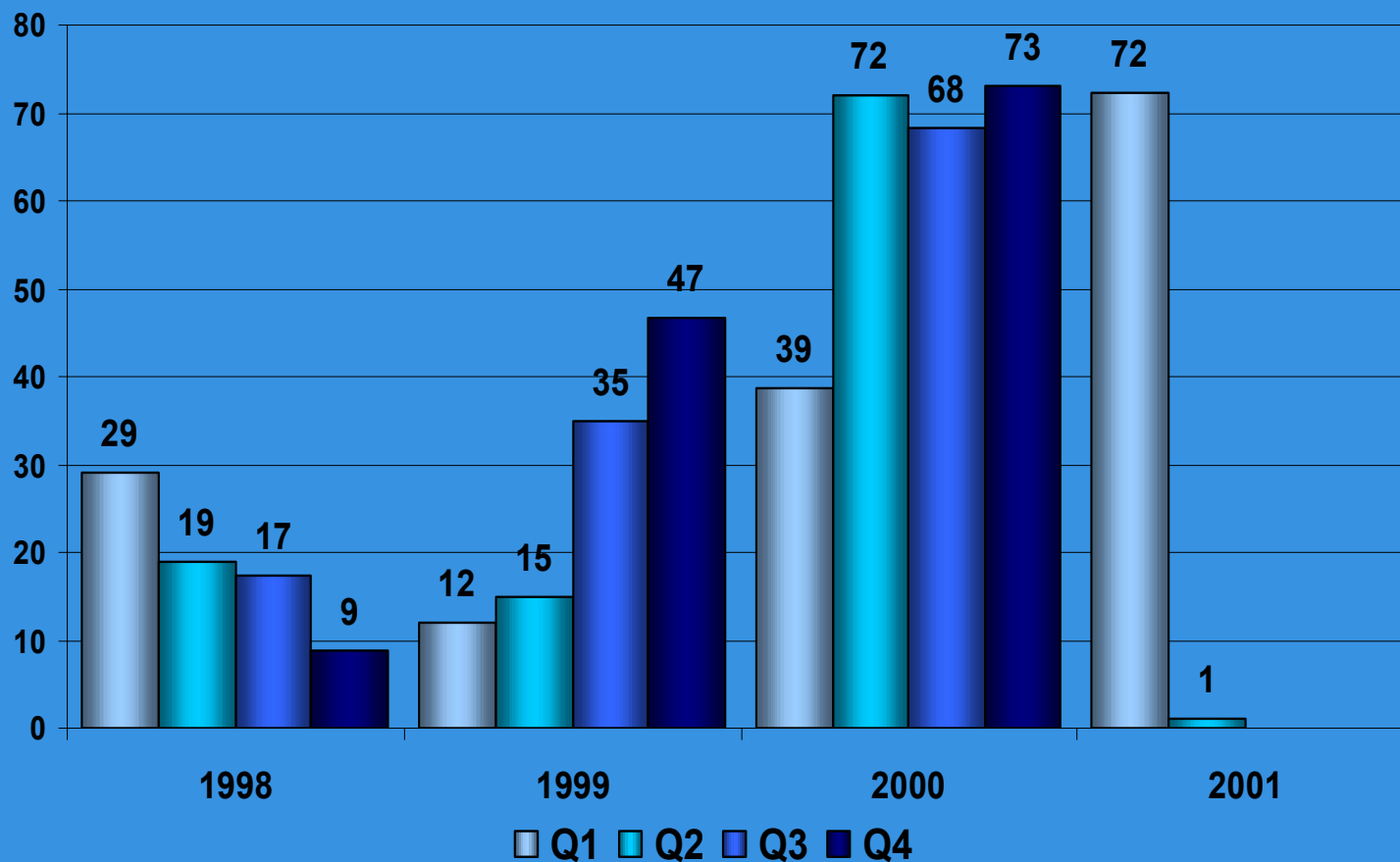
Amounts in Mill NOK



# EBITDA per quarter



Amounts in Mill NOK

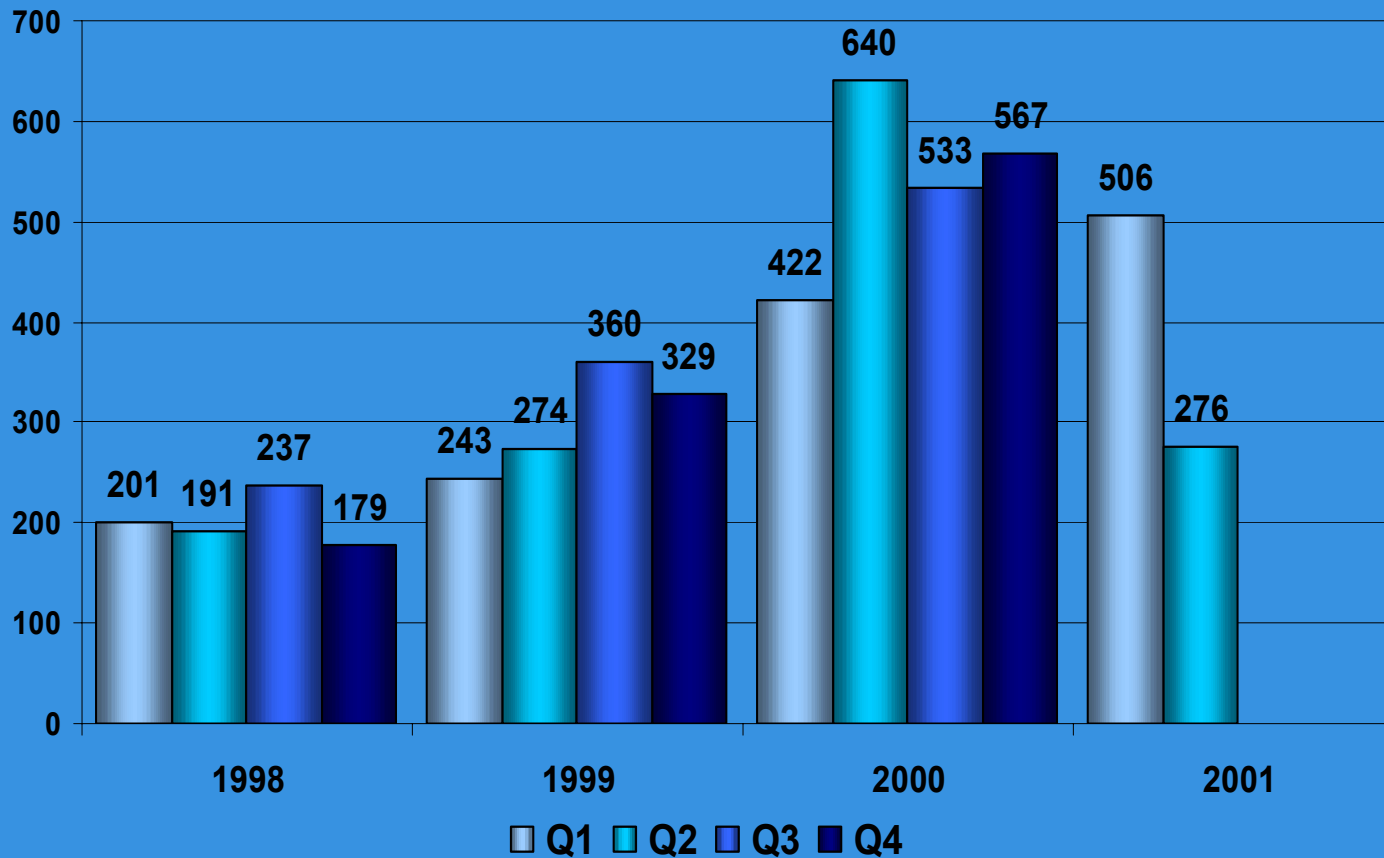


Excl. non-recurring items in Q2 2001

# Order intake per quarter



Amounts in Mill NOK

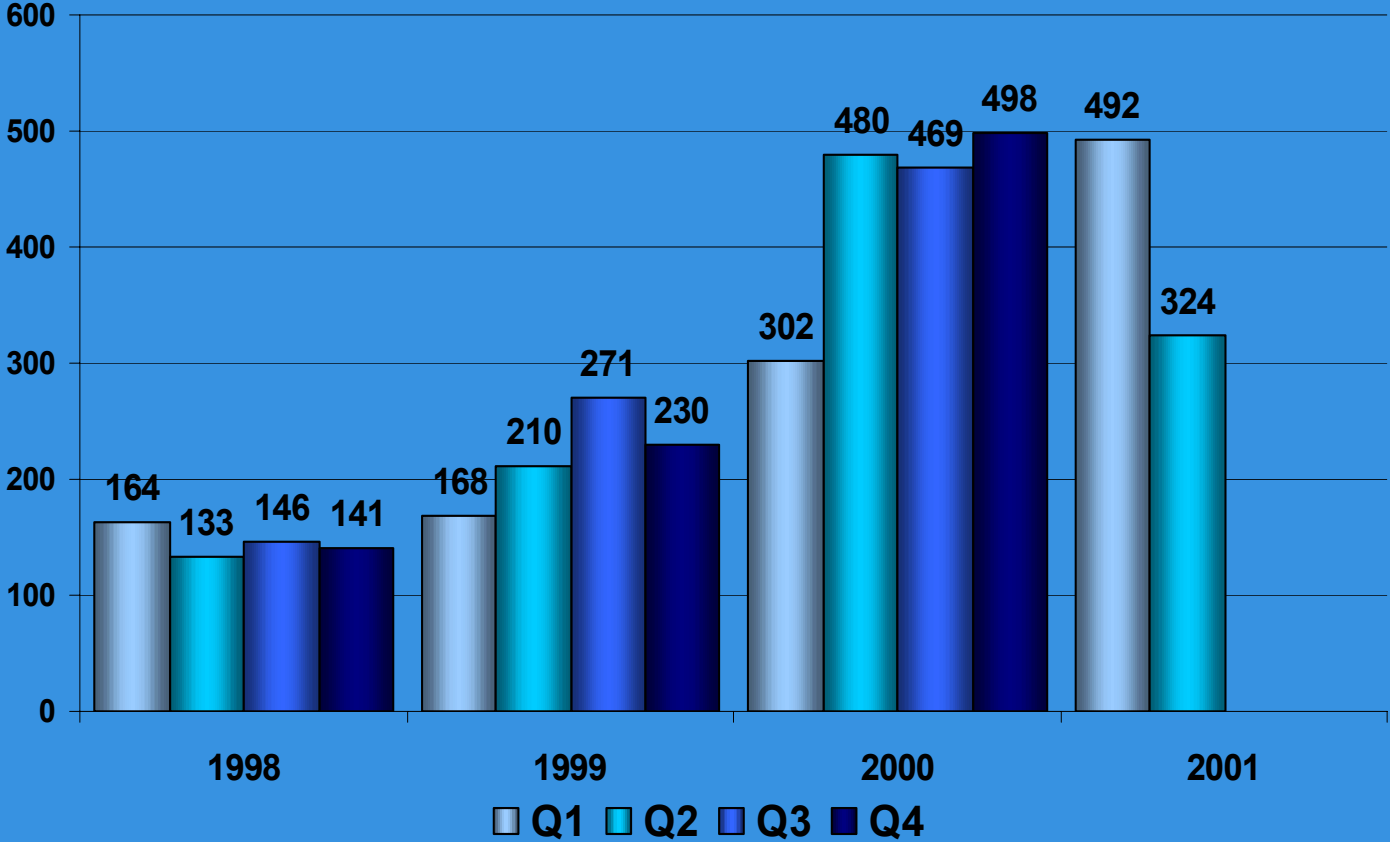


Excl. cancelled orders in Q2 2001; 69 MNOK

# Order backlog per quarter



Amounts in Mill NOK



## 15 largest customers 2001



- Nextel**
  - Maxis Communications**
  - Allegiance**
  - N G Bailey**
  - Nokia**
  - Motorola**
  - WorldCom**
  - Alcatel**
  - Ipsaris**
  - Energy Products**
  - Portastor**
  - Global Switch**
  - Guangzhou PTT**
  - Level 3**
  - PRTEM**
- Share of total revenue: 46 %**

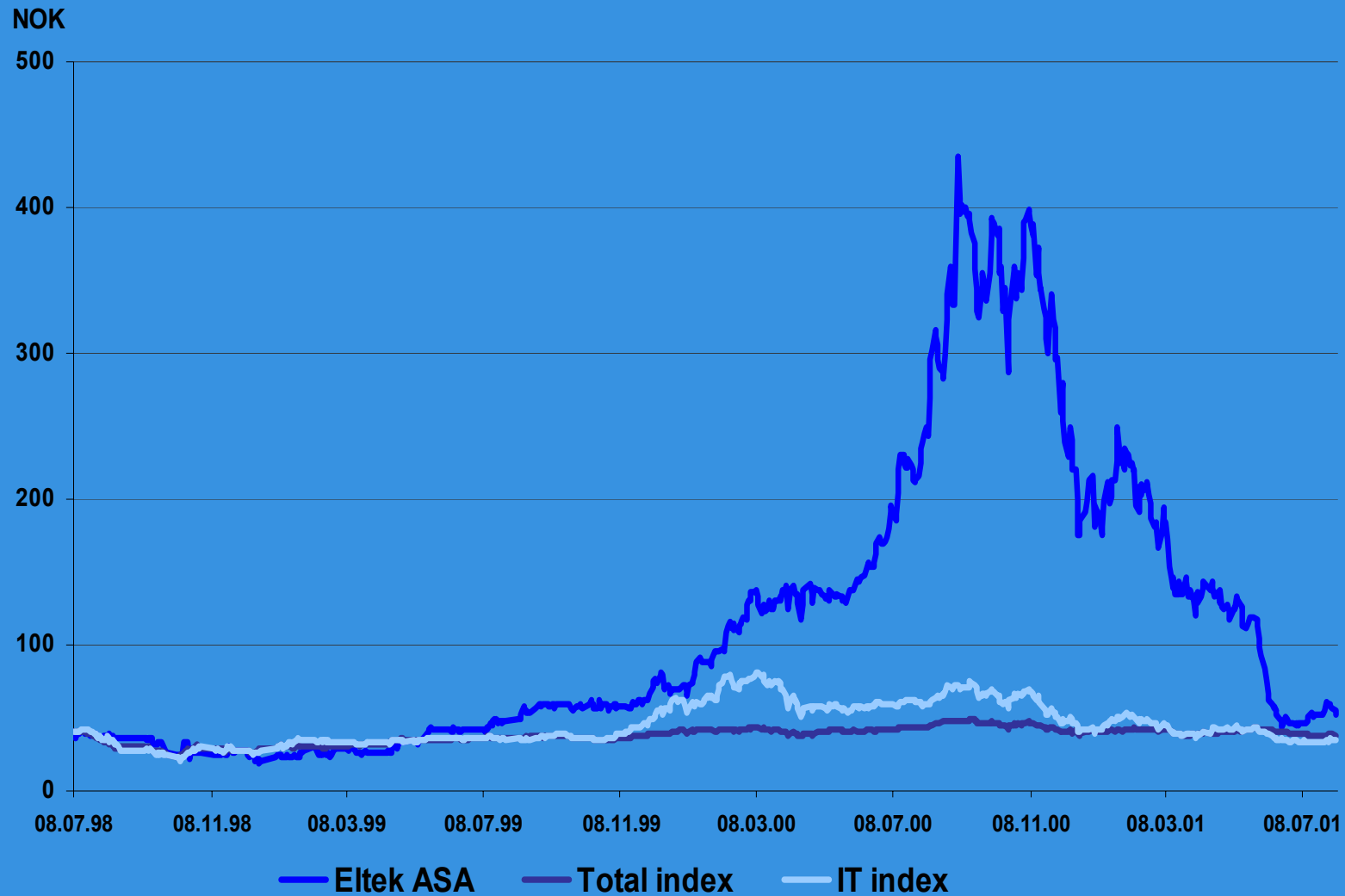
- Eltek Sales and Service office established in St. Petersburg, Russia
  - High activity
- Acquisition of Tripod, Sweden
  - Small installation company with well established market relations
- Growth opportunity: UMTS
  - Deliveries started
  - Major roll-out rescheduled
  - Eltek well positioned

- Acquired majority stake in Beijing PCP
  - Distribution Platform for the important Northern China Market
  - Increases competitiveness vs local government backed competitors
- Established Eltek Sales and Service centre in Manila, Philippines
- Increased sales to Silcar, but progressing slowly

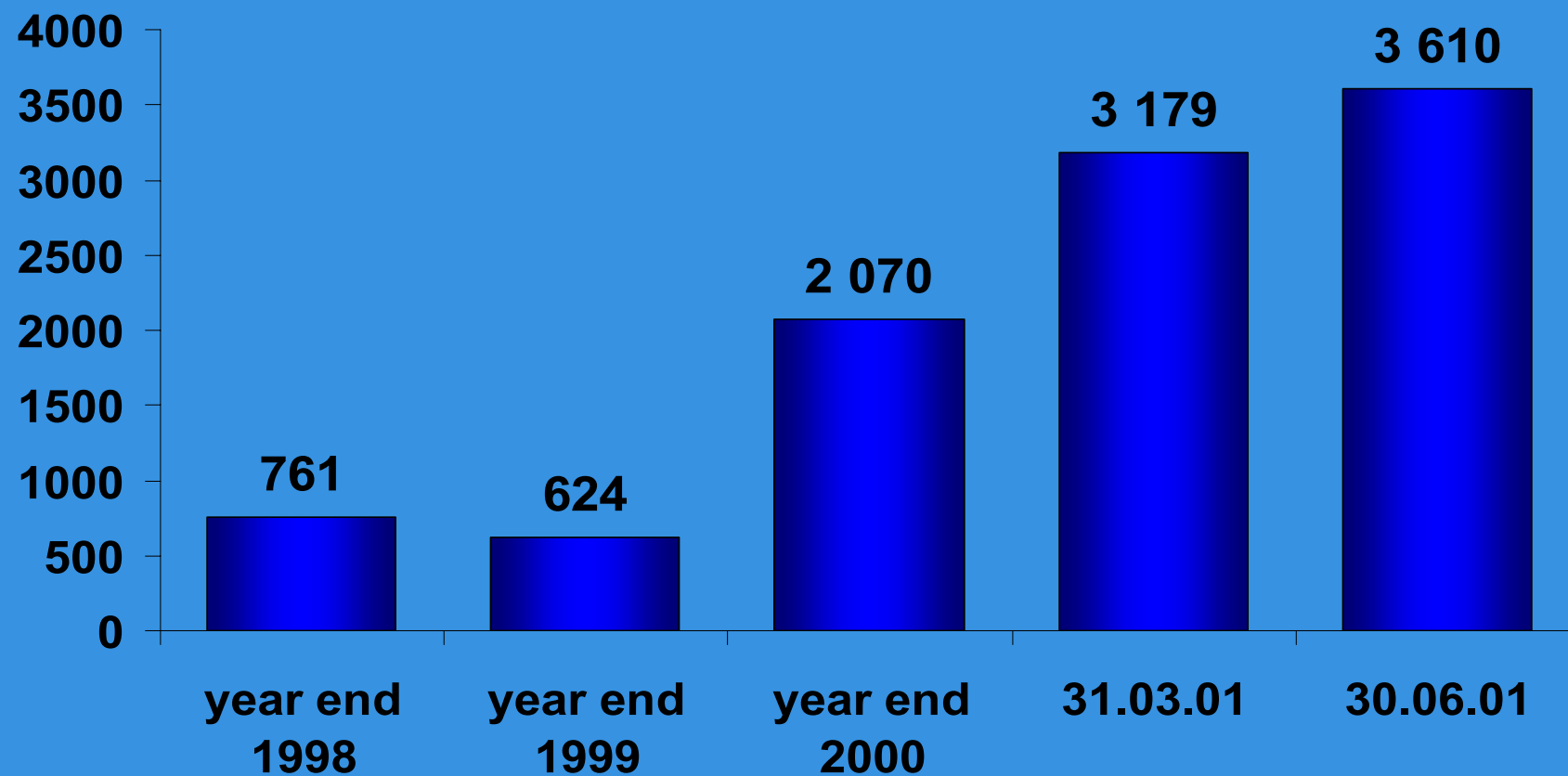
- Market still challenging
- Growth not expected until Q1 2002
- Major restructuring in progress

- Awarded major development contracts with two leading telecom manufacturers
  - High volume potential
- New product launches, expected end of the year
  - Shorter time to OEM market
- General high activity

## Eltek Share vs OSE Total Index and IT-index



# Number of shareholders



# Largest shareholders per 31 July 2001



Shareholder	Number of shares	% of total
CC Industries	7 480 828	30.6 %
Eltek Holding	4 097 700	16.8 %
Credit Agricole Indosuez	1 546 873	6.3 %
Edward Weil Jr	982 108	4.0 %
Skandinaviska Enskilda Banken	696 600	2.8 %
Vital Forsikring	559 300	2.3 %
Carnegie	450 900	1.8 %
Tine Pensjonskasse	444 000	1.8 %
Aksjefondet Gambak	400 000	1.6 %
Chris Seyer III	298 099	1.2 %
Storebrand Livsforsikring	287 700	1.2 %
Merita Bank	231 900	0.9 %
Stephen Griffitts	227 326	0.9 %
Dexia Banque Internationale a Lux	225 000	0.9 %
DnB Investor (sev. accounts)	179 680	0.7 %
RasmussenGruppen	143 000	0.6 %
Gustav Walter Invest	139 900	0.6 %
Avanse Forvaltning (sev. accounts)	127 400	0.5 %
Tony Cosentino	108 755	0.4 %
Weil Family Trust	106 229	0.4 %

Shareholders  
registered in  
VPS as at 07.08.01