

Eltek ASA
Press Release
3 March 1999

In 1998 Eltek recorded sales of MNOK 822.6. This is an increase of 34% from the previous year. Operating profit increased by MNOK 14.6 to MNOK 57.2, while net profit for the year rose by MNOK 18.5 to MNOK 45.7.

This result has been achieved through a combination of organic growth and acquisitions. With its new acquisitions in the first two months of 1999, Eltek is well on its way to achieving an annual turnover of more than one billion kroner.

The Board of Eltek ASA has proposed to the general meeting a dividend payment of NOK 1 per share.

Eltek Fire & Safety achieved the greatest growth in revenue within the Group in 1998 – by MNOK 190 to just below MNOK 400. Eltek Fire & Safety's profit performance improved by over MNOK 20 to MNOK 34.4.

Eltek Energy managed, in spite of difficult market conditions in Asia to increase sales by MNOK 78 to MNOK 443.8. Operating profit decreased from MNOK 25.1 to MNOK 22.8 due to technical problems experienced during the third quarter when a newly-developed rectifier was recalled for modification.

The backlog of orders within the Group was strengthened during the year and amounted to MNOK 202 at 31 December 1998.

1998 was an eventful year for Eltek. The company was floated on the Oslo Stock Exchange last summer and several new companies became incorporated, either as a result of mergers or acquisitions. Norfass AS has strengthened offshore operations, Magnus Fergin Belysning AB and Intelligent Emergency Lighting Systems have contributed to growth in emergency lighting sales. Unitech AS, which had been an associated company of Eltek since 1997, became a subsidiary of the Eltek Group following the acquisition of additional shares in 1998.

The divestment of the subsidiary Universal Communication AS (UCOM) and the sale of the associated company Wireless Systems AS in June 1998 contributed MNOK 6.3 to the annual profit.

During the first two months of 1999, Eltek Energy acquired a 51% shareholding in the French company Société Fabrications Electriques et Electroniques S.A. (S.F.E.E.). Eltek Fire & Safety signed a letter of intent to purchase 51% of the Finnish emergency lighting company Finntek OY and established Heien-Larssen Ltd in the United Arab Emirates.

For further information, contact Group CEO Alain F. Angelil, Group Director Finance Jørgen Larsen or Group Director Odd Magne Olsen on tel. no. +47 32 20 32 00. See also www.eltek.no

ELTEK

1998

All figures in mill NOK

KEY FIGURES

| ELTEK | | | 4. quarter | | |
|----------------------------------|----------|---------------------|------------------|-------|------------------|
| | 1998 | 1997 | Proforma 1997 | 1998 | Proforma 1997 |
| Revenue | 822,6 | 613,5 | 719,9 | 219,0 | 216,3 |
| Operating profit | 57,2 | 42,6 | 48,7 | 16,1 | 17,5 |
| Profit before tax | 62,0 | 38,7 | 43,8 | 14,6 | 16,2 |
| Net profit | 45,7 | 27,2 | 32,2 | 12,4 | 11,8 |
| Profit per share (NOK) | 3,60 | 2,70 | | | |
| Dividend (proposal 1998) (NOK) | 1,00 | 1,49 | | | |
| Operating margin | 7,0 % | 6,9 % | 6,8 % | 7,4 % | 8,1 % |
| Profit margin (pre tax) | 7,5 % | 6,3 % | 6,1 % | 6,7 % | 7,5 % |
| | 31.12.98 | 31.12.97 (proforma) | | | |
| Equity margin (incl. minorities) | 47,0 % | 25,5 % | | | |
| Order reserve | 202 | 178 | | | |
| Number of employees | 637 | 577 | | | |

BUSINESS AREAS

ELTEK ENERGY

| | 1998 | 1997 | Proforma 1997 | 4. quarter 1998 | Proforma 1997 |
|------------------|-------|-------|------------------|--------------------|------------------|
| Revenue | 443,8 | 365,4 | 383,7 | 113,4 | 110,2 |
| Operating profit | 22,8 | 25,1 | 26,4 | 5,8 | 8,6 |
| Operating margin | 5,1 % | 6,9 % | 6,9 % | 5,1 % | 7,8 % |

ELTEK FIRE & SAFETY

| | | | | | |
|------------------|-------|-------|-------|-------|-------|
| Revenue | 398,0 | 207,4 | 357,1 | 110,6 | 114,0 |
| Operating profit | 34,4 | 13,6 | 22,3 | 10,2 | 9,0 |
| Operating margin | 8,6 % | 6,6 % | 6,3 % | 9,2 % | 7,8 |

Drammen, 99-03-02

The Board of Directors of Eltek ASA

ELTEK GROUP

Profit and Loss Account

Amounts in NOK 1000

| | Year | | Proforma | 4th Quarter | |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 1998 | 1997 | 1998 | 1998 | Prof. 1997 |
| Revenue | 822 574 | 613 537 | 719 851 | 218 957 | 185 936 |
| Cost of goods sold | 428 138 | 320 963 | 394 014 | 104 580 | 106 014 |
| Other operating costs | 326 285 | 243 549 | 267 094 | 95 157 | 65 220 |
| Ordinary depreciations | 10 949 | 6 433 | 9 995 | 3 168 | 2 739 |
| Total operating costs | 765 372 | 570 945 | 671 103 | 202 905 | 173 973 |
| Operating profit | 57 202 | 42 592 | 48 748 | 16 052 | 11 963 |
| Share of result in ass. comp. | 9 577 | -60 | 815 | 416 | 47 |
| Financial income and cost | -4 758 | -3 785 | -5 786 | -1 845 | -1 815 |
| Net financial items | 4 819 | -3 845 | -4 971 | -1 429 | -1 768 |
| Profit before tax | 62 021 | 38 747 | 43 777 | 14 623 | 10 195 |
| Taxes | 13 797 | 9 595 | 10 636 | 1 530 | 1 854 |
| Minority interests | 2 531 | 1 986 | 909 | 671 | 244 |
| Net profit | 45 693 | 27 166 | 32 232 | 12 422 | 8 097 |

Balance Sheet

| | 31.12.98 | 31.12.97 | Proforma |
|------------------------------------|----------------|----------------|----------------|
| | | | 31.12.97 |
| Cash in hand, bank deposits | 48 358 | 12 503 | 14 424 |
| Trade debtors | 182 465 | 130 156 | 182 833 |
| Other short term receivables | 12 852 | 22 139 | 27 725 |
| Stock | 132 286 | 100 258 | 106 966 |
| Total current assets | 375 961 | 265 056 | 331 948 |
| Share of ass. companies | 1 985 | 5 889 | 7 338 |
| Goodwill | 43 631 | 10 714 | 45 386 |
| Other fixed assets | 53 909 | 37 403 | 41 398 |
| Total fixed assets | 99 525 | 54 006 | 94 122 |
| Total assets | 475 486 | 319 063 | 426 070 |
| Bank overdraft | 8 141 | 11 127 | 22 896 |
| Trade creditors | 97 017 | 81 832 | 104 348 |
| Other short term liabilities | 112 003 | 82 775 | 114 215 |
| Total current liabilities | 217 161 | 175 734 | 241 459 |
| Pension liabilities | 9 344 | 7 535 | 8 567 |
| Other long term liabilities | 25 592 | 25 993 | 67 347 |
| Total long term liabilities | 34 936 | 33 528 | 75 914 |

| | | | |
|-------------------------------------|----------------|----------------|----------------|
| Minority interests | 8 565 | 8 447 | 5 287 |
| Share capital | 13 825 | 10 428 | 11 594 |
| Other equity | 200 999 | 90 925 | 91 816 |
| Total equity | 214 824 | 101 353 | 103 410 |
| Total liabilities and equity | 475 486 | 319 063 | 426 070 |

BUSINESS AREAS

| | Year | | Proforma | 4th Quarter | |
|---------------------------------------|---------|---------|----------|-------------|------------|
| | 1998 | 1997 | 1997 | 1998 | Prof. 1997 |
| <i>Eltek Energy</i> | | | | | |
| Operating income | 443 765 | 365 423 | 383 695 | 113 394 | 110 229 |
| Operating profit | 22 769 | 25 093 | 26 406 | 5 824 | 8 572 |
| % | 5,1 % | 6,9 % | 6,9 % | 5,1 % | 7,8 % |
| <i>Eltek Fire & Safety</i> | | | | | |
| Operating income | 397 994 | 207 378 | 357 097 | 110 550 | 114 042 |
| Operating profit | 34 419 | 13 613 | 22 342 | 10 214 | 8 952 |
| % | 8,6 % | 6,6 % | 6,3 % | 9,2 % | 7,8 % |