

Presentation Third Quarter 2007

CEO Morten F. Angelil

CFO Pål Skistad

EVP Lars Jervan, Nera Networks

EVP Andy Marsh, Eltek Valere

25 October 2007

Disclaimer

This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Eltek ASA and Eltek ASA's (including subsidiaries and affiliates) lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for Eltek ASA's businesses, energy prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the Presentation. Although Eltek ASA believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. Eltek ASA is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither Eltek ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

This presentation was prepared for the interim results presentation for the third quarter 2007, held on October 25, 2007. Information contained within will not be updated. The following slides should be read and considered in connection with the information given orally during the presentation.

The Eltek shares have not been registered under the U.S. Securities Act of 1933, as amended (the "Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Act.

Agenda

- Third Quarter Highlights
 - Key Financial Figures for the Eltek Group
- Segment Information
 - Eltek Valere
 - Nera Networks
 - Nera Telecommunications (NeraTel)
- Key Financials
- Outlook

Third quarter highlights

- Growth in order entry and revenue despite adverse currency effects
 - 39% increase in order entry from 2Q 2007 (+24% pro forma)
 - 14% increase in revenue from 2Q 2007 (+6% pro forma)
- Improved gross margin
 - Higher margin in both Eltek Valere and Nera Networks
- Restructuring completed

Key financial figures, reported

NOKm	3Q 07	2Q 07	1Q 07	4Q 06	3Q 06	FY 2006
Order entry	1,569	1,127	1,169	984	693	2,941
Revenue	1,282	1,124	988	1,207	683	3,121
Gross Profit	310	266	225	280	176	773
<i>Gross Margin (%)</i>	24.2	23.6	22.7	23.2	25.7	24.8
EBITDA before non-recurring items	94	74	40	83	79	310
Depreciation and amortization	-47	-47	-34	-34	-15	-71
EBIT before non-recurring items	48	27	6	48	64	239
Non-recurring items	2	-	-5	-50	-	-50
EBIT	50	27	1	-2	64	189
Net financials	3	-11	-11	-13	-14	-32
Profit before tax	53	15	-10	-14	50	157
Net profit	31	-9	-20	-16	36	107
EBIT before non-recurring items and amortization of PPA	62					

Reported figures include the activities of Valere Power from 1 June, 2006, and the activities of Nera Networks and NeraTel from 1 October 2006

Non-recurring items

– Restructuring costs

- The Income Statement has been charged with restructuring costs of NOK 31 million (USD 5.5m), related to the integration of Valere Power
- This is lower than the previously communicated USD 7 million

+ Completion of Nera SatCom divestiture

- The Income Statement includes a gain of NOK 33 million related to pension liabilities in Nera SatCom (divested in 2006)
- The agreement for the divestment of Nera SatCom included clauses with regards to pension liabilities which have been resolved at a lower value than provided for in the Balance Sheet

Purchase Price Allocation (PPA)

- PPA has not yet been finalized for the acquisition of Valere Power
- Preliminary evaluation indicates significantly lower amortization than previously estimated
 - Lower amount allocated to amortizable intangible assets
 - Extension of economic lifetime of amortizable intangible assets
- Quarterly amortization of excess value is currently estimated at NOK 10 million, compared with previous estimate of NOK 34
 - Valere Power was consolidated from 1 June, 2007, and amortization of PPA amounted to NOK 11 million for June
 - Restating of previous quarter figures will be considered when PPA has been finalized

Eltek Valere

Eltek Valere - Key financials

Reported figures

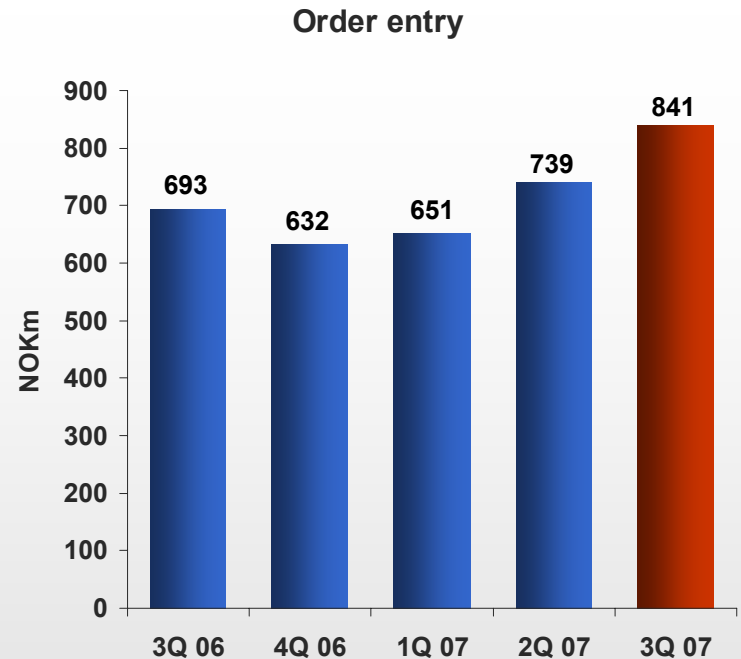
NOKm	3Q 07	2Q 07	1Q 07	4Q 06	3Q 06	FY 2006
Order entry	841	739	651	632	693	2,589
Revenue	840	727	597	672	683	2,585
Gross Profit	216	181	146	168	176	661
<i>Gross Margin (%)</i>	25.8%	25.0%	24.4%	25.0%	25.7%	25.6%
EBITDA before non-recurring items	86	70	51	76	87	326
<i>EBITDA margin bef. non-recurring</i>	10.1%	9.6%	8.5%	11.3%	12.7%	12.6%
Depreciation & Amortization	-29	-28	-16	-16	-15	-52
EBIT before non-recurring items	57	42	35	60	72	274
Non-recurring items	-31	-	-5	-	-	-
EBIT	26	42	30	60	72	274
EBIT before non-recurring items and amortization of PPA related to the Valere Power acquisition	67					

Includes consolidation of Valere Power with effect from 1 June, 2007

EBIT includes amortization of PPA with NOK 11m in 2Q 2007 and NOK 10m in 3Q 2007

Eltek Valere – Order entry

- +21% Y/Y and +14% Q/Q
 - Despite negative currency effect of NOK 23 million from the previous quarter
- Modest decline from *pro forma* order entry in 2Q 2007
 - Decline from high levels in India, Mexico and Brazil in the first half 2007

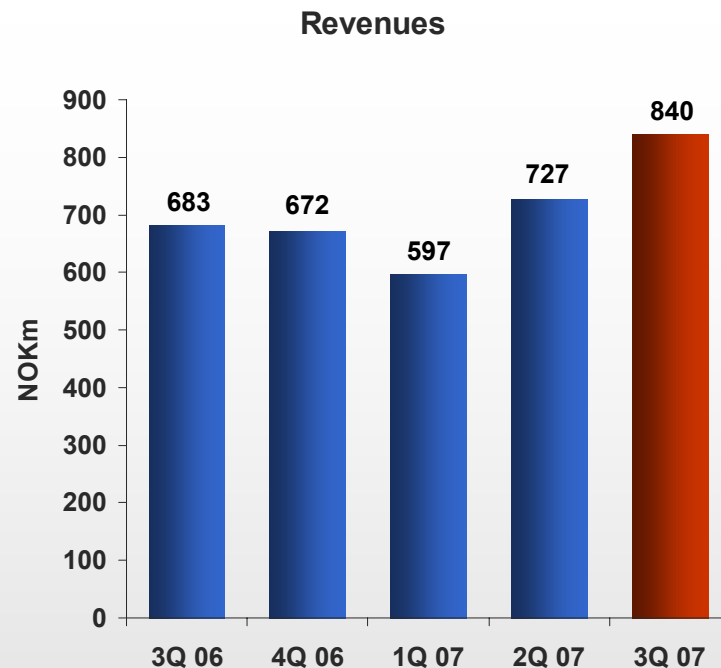


Eltek Valere – Revenue

- Growth of 23%Y/Y and +16% Q/Q
 - Adverse currency effect of NOK 24 million

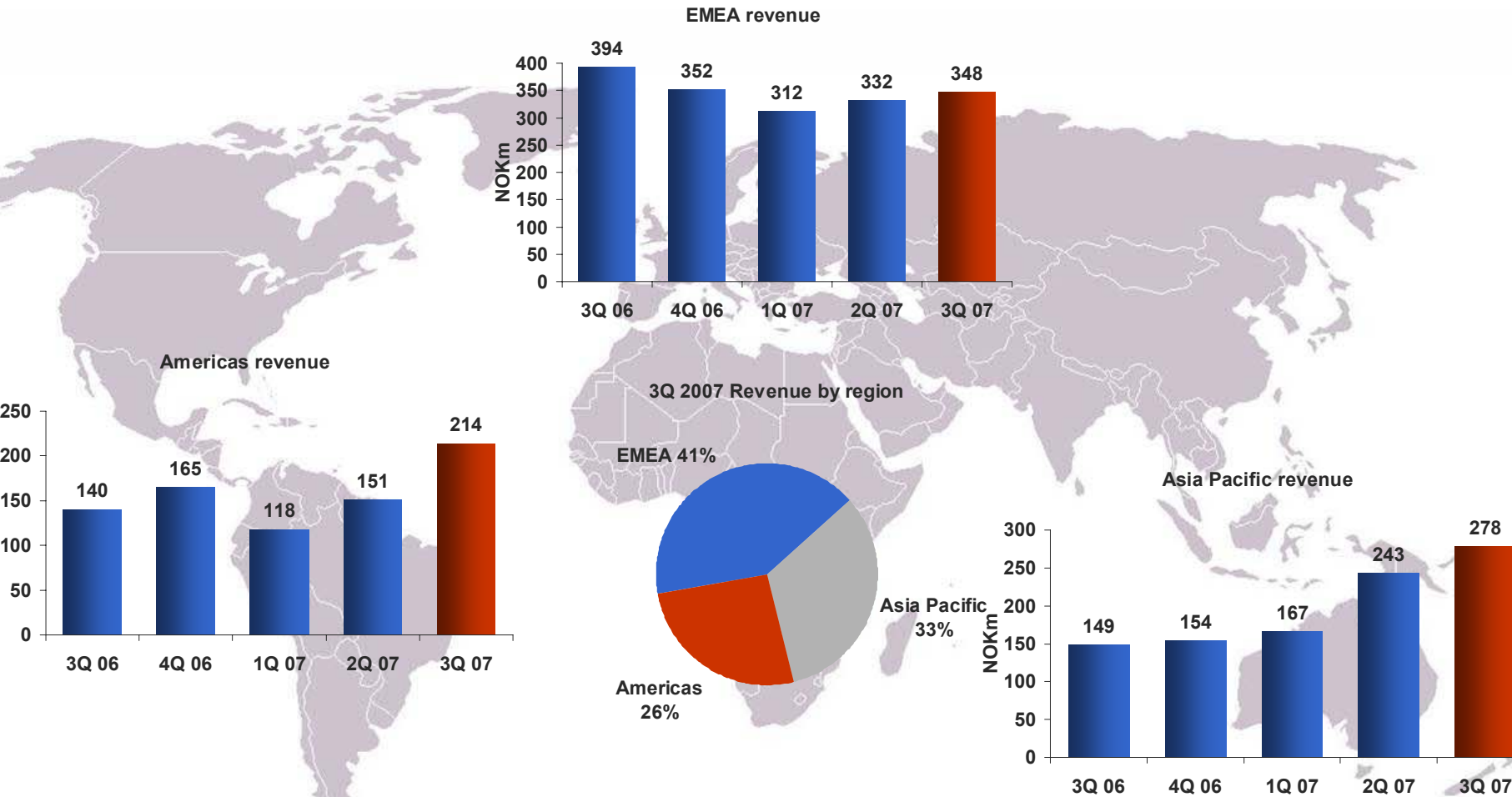
Growth	Y/Y	Q/Q
Asia Pac	87%	15%
Americas	52%	41%
EMEA	-11%	5%

- Increase of 4% from *pro forma* revenue in 2Q 2007



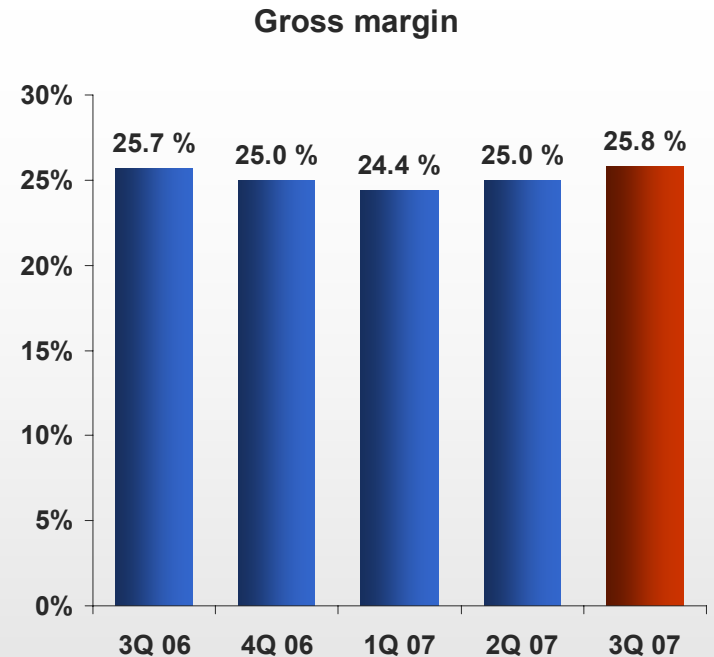
Eltek Valere - Regional development

Reported figures



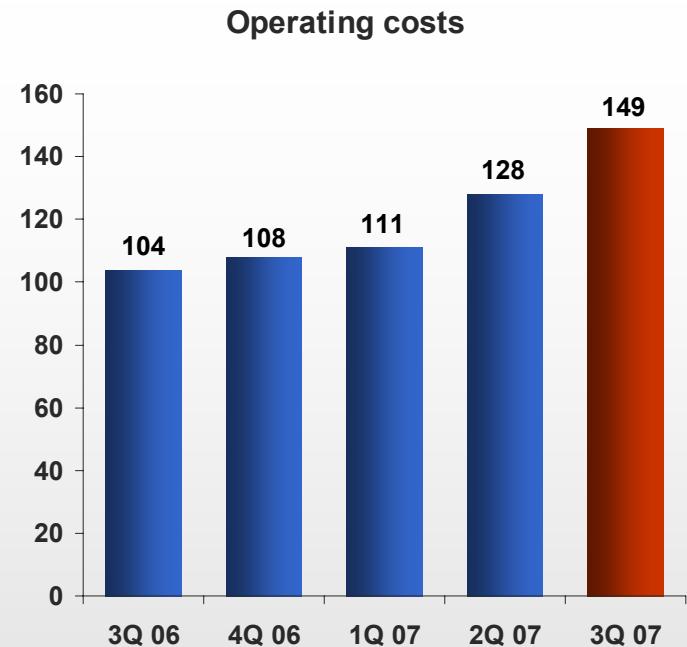
Eltek Valere – Gross margin

- Improvements due to;
 - Higher efficiency in the supply chain
 - Geographical revenue mix



Eltek Valere – Operating costs

- Increase explained by consolidation of Valere Power
- Positive effect of currency developments



Notes: Excluding NOK 5 million restructuring charge in 1Q 2007 and NOK 31 million in 3Q 2007

Excluding preliminary amortization of PPA of NOK 11 million in 2Q 2007 and NOK 10 million in 3Q 2007

Restructuring update

- Charged Income Statement with NOK 31 million in restructuring costs
 - Provisions for termination of employee contracts and office rent in Chicago
 - Relocation, and preparations at the Dallas facility
 - Lower than previously communicated; USD 5.5m versus estimate of USD 7m
- Organizational restructuring according to plan
 - Chicago operations relocated to Dallas
 - All the American operations are now co-located in new premises
 - Merger of Valere Power's international organization into Eltek Energy in process
- Integration set to create annual synergy potential of USD 15 million

Nera Networks

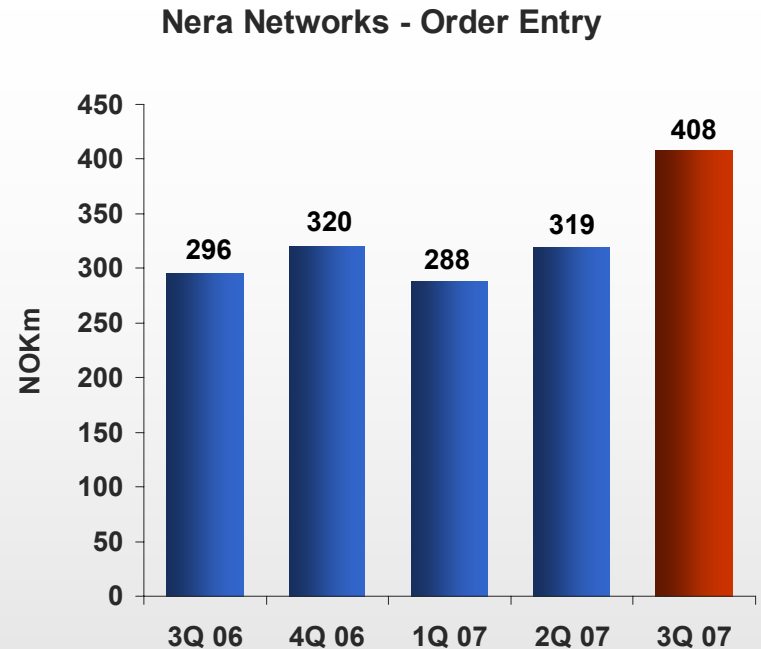
Nera Networks - Key financials

NOKm	3Q 07	2Q 07	1Q 07	4Q 06	3Q 06	FY 2006
Order entry	408	319	288	320	296	1,529
Revenue	310	310	312	399	291	1,378
Gross Profit	57	45	43	73	40	233
<i>Gross Margin (%)</i>	18.3	14.3	13.8	18.2	13.6	16.9
EBITDA bef. non-recurring items	3	-4	-17	1	-27	-43
Depreciation & Amortization	-12	-12	-12	-12	-12	-48
EBIT before non-recurring items	-9	-16	-28	-11	-39	-91
Restructuring cost	-	-	-	-50		
EBIT	-9	-16	-28	-61		

Figures prior to 4Q 2006 are *pro forma* figures excluding non-recurring items

Nera Networks – Order entry

- Higher order entry as a result of improved production and delivery capacity
- Geographical mix;
 - Americas (40%)
 - Africa (30%)
 - Europe (20%)
 - Asia Pacific (10%)
- Adverse currency effect of NOK 8 million

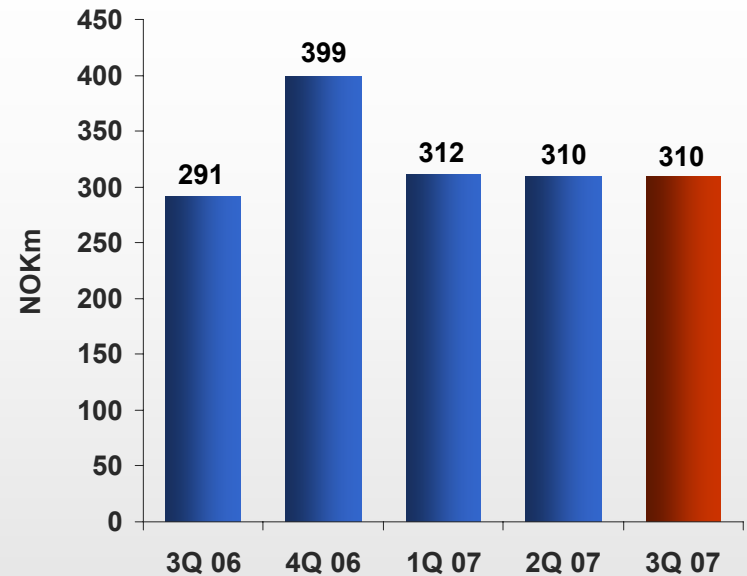


Note: Gross order entry, including deliveries to NeraTel (*Pro forma* figures 2Q-3Q 2006)

Nera Networks – Revenue

- EMEA picking-up speed
- Stable development in the Americas
- Decline in Asia Pacific from the previous quarter
 - Lower deliveries to NeraTel
- Adverse currency effect of NOK 6 million
- Changes in product mix;
 - Higher Evolution revenue, lower Interlink

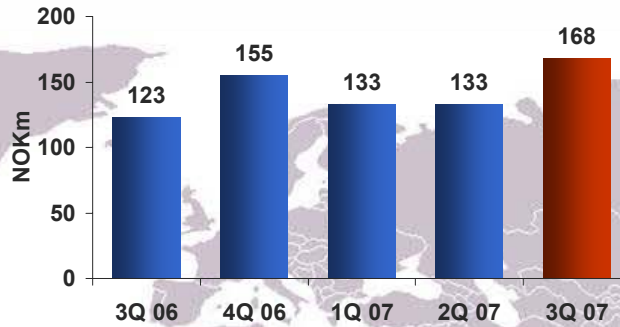
Nera Networks - Revenue



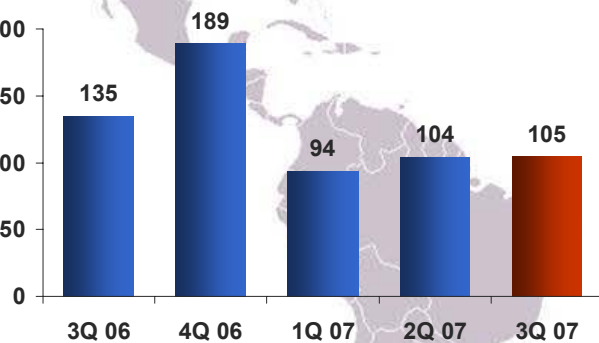
Note: Gross revenues, including deliveries to NeraTel (*Pro forma* figures 3Q 2006)

Nera Networks - Regional development

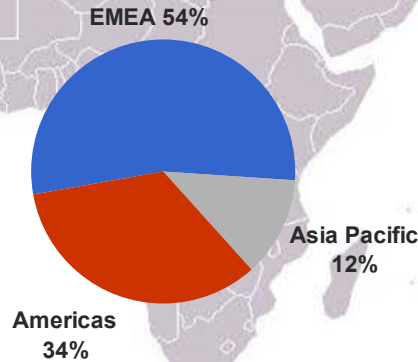
EMEA revenue, quarterly



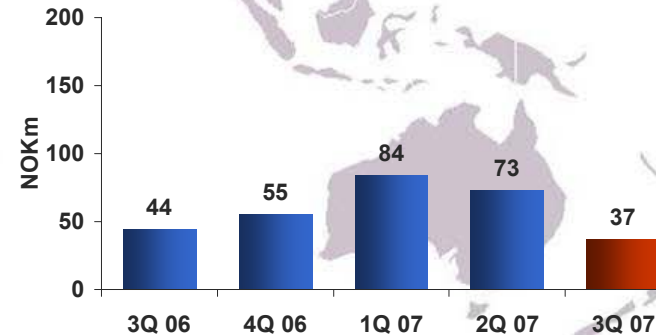
Americas revenue, quarterly



3Q 2007 Revenue by region

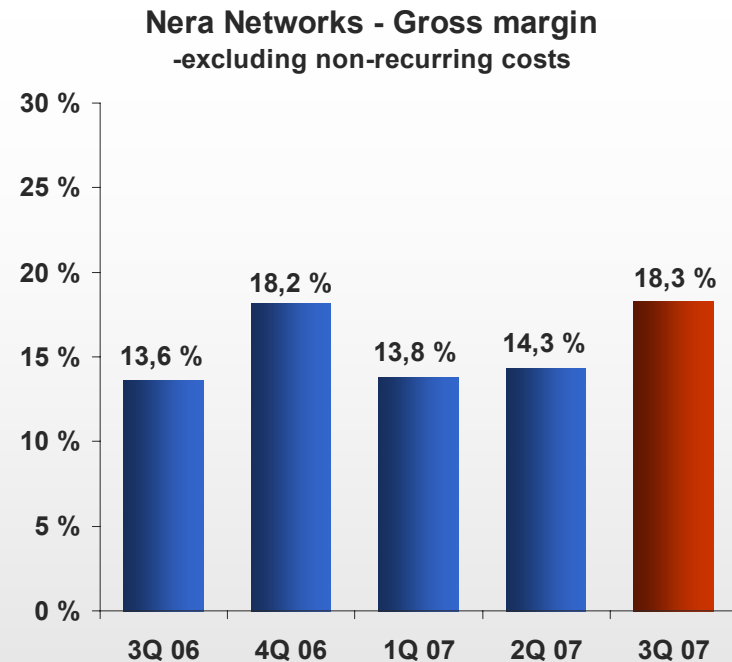


Asia Pacific revenue, quarterly



Nera Networks – Gross margin

- Improvement from 2Q
 - Transfer of production completed in the previous quarter
- Record output in Slovakia and higher service revenue
 - Still high manufacturing costs in relative terms
 - ‘Investing’ to secure customer relations and future business



Note: *Pro forma* figures for 3Q 2006

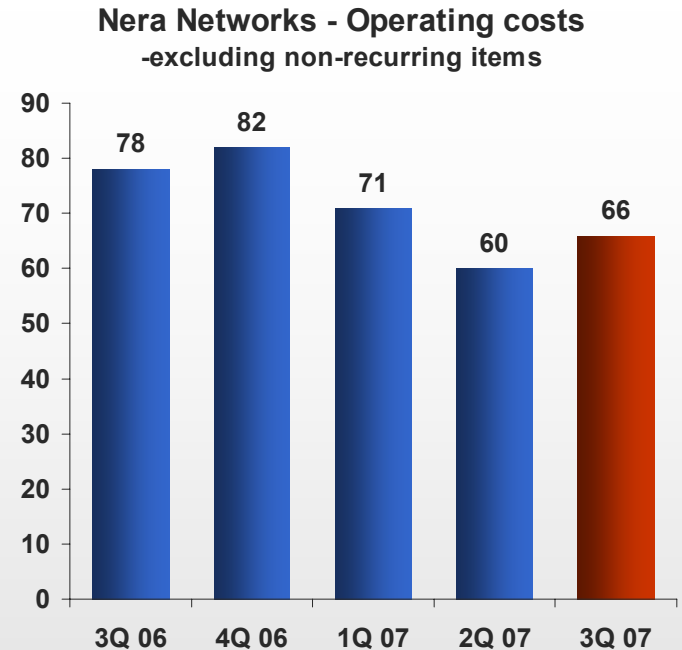
Evolution

- Transfer to Slovakia completed
- Approximately 170% growth in the Evolution production from last quarter
- Increased focus on high volume accounts as production has stabilized
- Key improvement initiatives going forward;
 - Continued increase in production output
 - Added features and variants
 - Product cost reduction program



Nera Networks – Operating costs

- Cost level as expected
- Current R&D and administrative costs at normalized level
- Selling expense increases slightly with revenue increase
- SG&A to be continuously improved as % of revenue



Note: *Pro forma* figures (1Q-3Q 2006)

NeraTel

NeraTel - Key financials

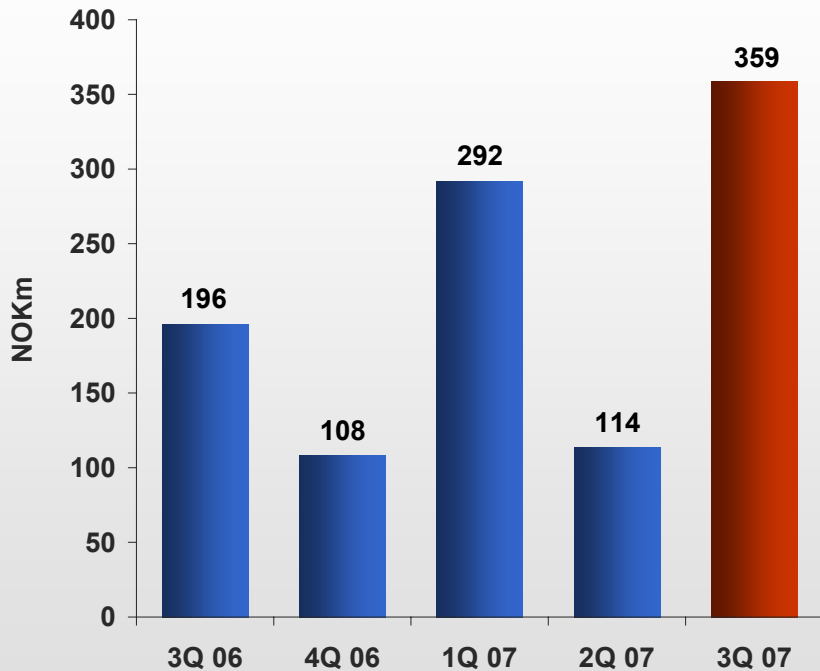
NOKm	3Q 07	2Q 07	1Q 07	4Q 06	3Q 06	FY 2006
Order entry	359	114	292	108	196	667
Revenue	175	163	157	179	119	629
Gross Profit	37	40	36	40	34	135
Gross Margin (%)	21.0	24.4	22.9	22.2	28.8	21.5
EBITDA	15	17	14	13	15	52
Depr. & Amortization	-6	-6	-6	-7	-7	-27
EBIT	9	11	7	7	8	25

Figures prior to 4Q 2006 are *pro forma* figures
 EBIT includes quarterly amortization of PPA of NOK 5 million

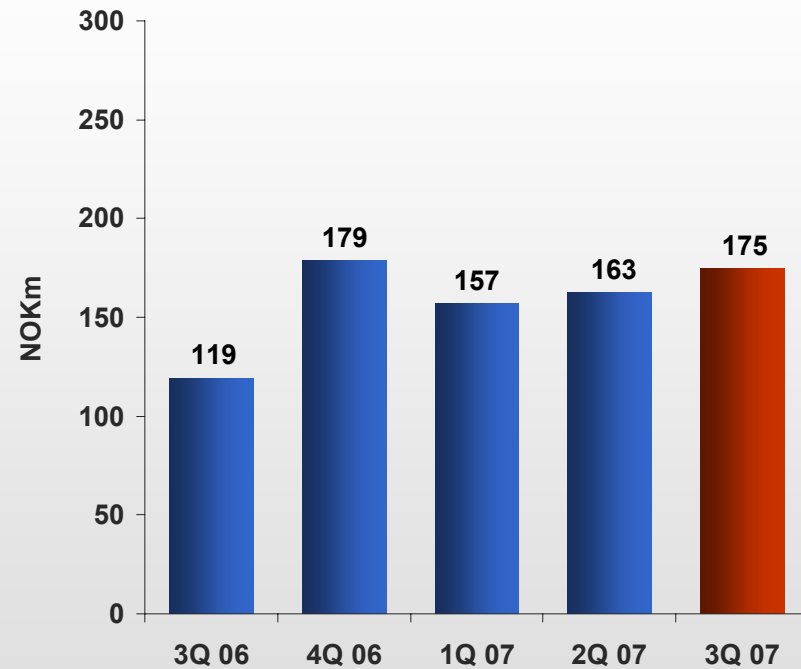
- Order backlog of NOK 503 million, up from NOK 345 million in 2Q
- NeraTel reported 3Q '07 figures on 18 October 2007
 - Please also see www.neratel.com.sg

NeraTel – Order entry and Revenue

NeraTel - Order entry



NeraTel - Revenue



Note: Prior to 4Q 2006 figures are *pro forma*

Orders and Revenue per product group

Order entry (NOKm)	3Q 07	2Q 07	1Q 07	4Q 06	3Q 06
Energy Solutions	835	736	649	632	693
Transmission Networks	627	334	403	311	337
Other	107	57	117	41	121
Total	1,569	1,127	1,169	984	1,151

Revenue (NOKm)	3Q 07	2Q 07	1Q 07	4Q 06	3Q 06
Energy Solutions	834	725	594	672	683
Transmission Networks	374	314	315	451	310
Other	74	85	79	85	74
Total	1,282	1,124	988	1,207	1,067

Detailed Financials

Income Statement

Balance Sheet

Cash Flow

Income Statement - unaudited

Amounts in NOK million	3Q 07	3Q 06	YTD 2007	YTD 2006
Revenue	1 282	683	3 393	1 914
Cost of sales	-972	-507	-2 593	-1 421
Gross profit	310	176	800	493
Selling and marketing costs	-113	-45	-327	-131
Administrative expenses	-77	-39	-215	-118
R&D and engineering costs	-61	-28	-157	-77
Other operating items	-9	1	-24	24
Operating profit	50	64	77	191
Share of result in associated companies	0	0	0	0
Net financial items	3	-14	-19	-19
Profit before income tax	53	50	58	171
Income tax expense	-22	-14	-56	-49
Net profit	31	36	2	123
Attributable to:				
Equity holders	21	31	-32	109
Minority interests	10	5	34	14

Balance Sheet - unaudited

ASSETS

Amounts in NOK million	30 09 2007	30 06 2007	31 12 2006
Property, plant & equipment	316	286	223
Fair value in excess of book value, unallocated	664	735	
Intangible assets	811	797	757
Deferred income tax asset	470	473	478
Other non-current assets	14	15	16
Total non-current assets	2 276	2 306	1 475
Inventories	814	888	766
Trade and other receivables	2 112	2 010	1 794
Cash and cash equivalents	345	397	750
Total current assets	3 271	3 295	3 311
Total assets	5 547	5 601	4 786

Balance Sheet - unaudited

EQUITY AND LIABILITIES

Amounts in NOK million	30 09 2007	30 06 2007	31 12 2006
Capital/reserves attributable to equity holders	2 047	2 130	2 191
Minority interest	412	424	214
Total equity	2 459	2 554	2 405
Borrowings	897	945	465
Deferred income tax liabilities			11
Retirement benefit obligations	310	310	311
Provisions for other liabilities and charges	38	43	43
Total non-current liabilities	1 245	1 298	829
Borrowings	143	65	104
Trade creditors and other payables	1 518	1 504	1 265
Current income tax payable	36	37	39
Provisions for other liabilities and charges	146	143	144
Total current liabilities	1 843	1 749	1 552
Total liabilities	3 088	3 047	2 381
Total equity and liabilities	5 547	5 601	4 786
Equity ratio	44.3 %	45.6 %	50.2 %

Cash flow Statement - unaudited

Amounts in NOK million	3Q 07	3Q 06	YTD 2007	YTD 2006	2006
Net cash flow from operations	-27	-60	-84	-197	-250
Net cash flow from investments	-104	685	-780	357	779
Net cash flow from financing	79	110	458	437	-245
Net change in cash and cash equivalents	-52	736	-405	597	284
Cash and cash equivalents, beginning of period	397	327	750	467	467
Cash and cash equivalents, end of period	345	1 063	345	1 063	750

Summary and Outlook

- Revenue and margin improvements in Eltek Valere
- Increased breadth and scale add new growth opportunities
- Restructuring set to lower cost base going forward

- Margin improvement and improved order entry in Nera Networks
- Transfer to Slovakia completed - lowered cost base
- Improved production capabilities - platform for growth

Appendix

Pro forma figures

Eltek Group

Key financial figures, *pro forma*

NOKm	3Q 07	2Q 07	1Q 07	4Q 06	3Q 06	FY 2006
Order entry	1,569	1,263	1,340	1,123	1,323	5,146
Revenue	1,282	1,206	1,151	1,363	1,218	5,048
Gross Profit	310	286	269	324	290	1,174
<i>Gross Margin (%)</i>	24.2	23.7	23.3	23.8	23.8	23.3
EBITDA before non-recurring items	94	72	46	93	75	309
Depreciation and amortization	-47	-47	-46	-47	-47	-178
EBIT before non-recurring items	48	25	0	46	28	131

Pro forma figures assume consolidation of the activities of Valere Power, Nera Networks and NeraTel from 1 Jan, 2006. Amortization of PPA related to Valere Power has preliminary been estimated to NOK 10 million for 3Q and for previous periods on a pro forma basis.

Eltek Valere

Key financial figures, *pro forma*

NOKm	3Q 07	2Q 07	1Q 07	4Q 06	3Q 06	FY 2006
Order entry	841	875	821	771	865	3,154
Revenue	840	809	760	827	835	3,149
Gross Profit	216	201	189	212	216	806
<i>Gross Margin (%)</i>	25.8%	24.9%	24.9%	25.6%	25.9%	25.6%
EBITDA before non-recurring items	85	68	62	87	95	331
<i>EBITDA margin bef. non-recurring</i>	10.1%	8.4%	8.2%	10.5%	11.4%	10.5%
Depreciation & Amortization	-29	-29	-28	-28	-28	-102
EBIT before non-recurring items	57	40	33	58	67	229
Non-recurring items	-31	-81	-5	-	-	-
EBIT	26	-41	28	58	67	229
EBIT before non-recurring items and amortization of PPA	67	50	44	68	77	269

Pro forma figures assume consolidation of the activities of Valere Power from 1 January, 2006

Amortization of PPA related to Valere Power has preliminary been estimated to NOK 10 million for 3Q and for previous periods on a pro forma basis