

REPORT 1st QUARTER 2008

REPORT

1st QUARTER

The figures reported below describe the first quarter 2008 and the first quarter 2007 (in brackets), as well as the full-year 2007. Please note that comparisons with the first quarter 2007 are affected by the acquisition by Eltek Energy AS of Valere Power Inc., which was finalized and consolidated with effect from 1 June, 2007. Comparisons have therefore mainly been made to the previous quarter.

(NOK million)	1Q '08	1Q '07	2007	4Q '07
Order entry	1 476	1 169	5 238	1 373
Revenue	1 266	988	4 821	1 427
Gross Profit	303	224	1 132	332
EBITDA	83	35	215	43
Depreciation & amortization	-43	-34	-170	-50
EBIT	39	1	45	-7
Pre-tax profit	66	-10	49	15
Net profit after tax	44	-20	-70	-81
<i>Gross margin (%)</i>	<i>23.9 %</i>	<i>22.7 %</i>	<i>23.5 %</i>	<i>23.3 %</i>
<i>Non-recurring operational items</i>	<i>-4</i>	<i>-5</i>	<i>-106</i>	<i>-70</i>
<i>EBITDA before non-recurring items</i>	<i>86</i>	<i>40</i>	<i>321</i>	<i>113</i>
<i>EBIT before non-recurring items</i>	<i>43</i>	<i>6</i>	<i>151</i>	<i>63</i>

Note: EBIT includes amortization of PPA related with M&A of NOK 9 million in 1Q '08, NOK 5 million in 1Q '07, NOK 9 million in 4Q 2007 and NOK 36 million in 2007

Key Financials

The Eltek Group reported revenue of NOK 1,266 million in the first quarter 2008, which was an increase of 28 percent from NOK 988 million in the first quarter 2007. Adjusted for currency developments, revenue growth was 41 percent.

The revenue increase reflects both organic growth and the acquisition of Valere Power in Eltek Valere, and a positive development in Nera Networks.

Compared to the previous quarter, revenue declined by ten percent, which was primarily explained by a seasonal slowdown as well as continued adverse effects of a weaker USD.

Gross profit was NOK 303 million (224), down from NOK 332 million in the previous quarter. The gross margin of 23.9 percent (22.7) was up from 23.3 percent in the fourth quarter 2007, and gross margin improved in all business segments.

Before non-recurring items, EBITDA was NOK 86 million (40), and EBIT NOK 43 million. This compares to NOK 113 million and NOK 63 million, respectively, in the fourth quarter. The company incurred non-recurring costs of NOK 4 million, which refers to management severance pay and costs related to recruitment of new CEO in Eltek Valere.

Reported EBIT was NOK 39 million in the first quarter (1), compared to a loss of NOK 7 million in the previous quarter.

Net financial items of NOK 27 million in the first quarter (-11), were positively impacted by a gain of NOK 18 million related to refinancing and early redemption of a bond loan. Currency development affected net financial items positively by NOK 24 million. In the previous quarter, net financial items amounted to NOK 23 million, including positive effects of currency developments of NOK 38 million.

Reported profit before tax was thus NOK 66 million in the first quarter (-10), up from NOK 15 million in the fourth quarter 2007.

Net cash flow from operations was NOK 136 million (-78).

Segment information

The Eltek Group reports on three business areas; **Eltek Valere, Nera Networks and NeraTel**, as well as on the reporting area Corporate, which comprises the administrative functions on Group level.

Eltek Valere comprises the operational activities in former Eltek Energy and Valere Power Inc., and is consolidated on a 100 percent basis. In ownership terms, Eltek ASA owns 90.9 percent of Eltek Valere AS, which in turn owns 90.1 percent of Eltek Valere Holding Inc. The latter comprises the combined operations of Valere Power Inc. and Eltek Energy LLC. The remainder of Eltek Valere AS and Eltek Energy Holding Inc is owned by the former shareholders of Valere Power Inc.

Nera Networks is a pure transmission business, whereas Nera Telecommunications (NeraTel) comprises transmission activities as well as infocomm/network activities and a satellite communications operation. Both areas are consolidated on a 100 percent basis. However, NeraTel is 50.1 percent owned by Eltek ASA and separately listed on the Singapore Exchange.

Eltek Valere

(NOK million)	1Q 2008	1Q 2007	2007	4Q 2007
Order entry	924	651	3 096	865
Revenue	758	597	3 065	901
Gross profit	192	146	770	227
EBITDA	61	46	259	88
Depreciation and amortization	-26	-16	-99	-33
EBIT	35	30	160	55
<i>Gross margin (%)</i>	<i>25.3 %</i>	<i>24.4 %</i>	<i>25.1 %</i>	<i>25.2 %</i>
Non-recurring items	-4	-5	-40	-4
EBITDA before non-recurring items	64	51	299	92
EBIT before non-recurring items	39	35	200	59

Note: Valere Power included with effect from 1 June, 2007. EBIT includes amortization of PPA with NOK 6 million in 1Q 2008 (0), NOK 6 million in 4Q 2007 and NOK 19 million in 2007.

Revenue

Eltek Valere reported revenue of NOK 758 million in the first quarter 2008, up 27 percent from NOK 597 million in the first quarter last year and a decline of 16 percent from NOK 901 million in the previous quarter. Adjusted for currency developments, revenue growth was 38 percent from the first quarter 2007.

EMEA accounted for 39 percent of revenue in the first quarter, whereas Asia Pacific accounted for 35 percent and the Americas for 26 percent.

Revenue in EMEA of NOK 298 million was a decline of 30 percent from an all-time-high level in the previous quarter.

EMEA revenue declined by 4 percent compared to the first quarter 2007, with a slowdown in mature markets in Western Europe. The Middle East was up year-on-year, and Africa flat.

Revenue in Asia Pacific was NOK 264 million, which was an increase of 2 percent from the previous quarter. Revenue remained very strong in India but weakened in Indonesia and Vietnam. Compared to the first quarter 2007, the revenue increase in Asia Pacific was 58 percent, primarily reflecting strong organic growth in India as well as the acquisition of Valere Power.

In the Americas, revenue declined by 11 percent from the previous quarter, to NOK 196 million. Revenue declined in North America, partly explained by a weaker USD. In South America, revenue increased in Brazil but declined in Argentina.

Revenue in the Americas increased by 67 percent compared to the first quarter 2007, which is primarily explained by the acquisition of Valere Power.

Gross margin

The reported first quarter gross margin of 25.3 percent compares with 24.4 percent in the first quarter 2007 and 25.2 percent in the previous quarter.

Lower revenue affected the margin negatively compared to the previous quarter, and gross margin was also held back by changes in the geographical revenue mix in the Americas.

Transportation costs were high also in the first quarter, due to extensive use of airfreight to secure timely deliveries on orders with short lead-time.

Operating costs

Operating costs amounted to NOK 147 million in the quarter (111), excluding non-recurring items and amortization of PPA. On a comparable basis, this was a decline of NOK 15 million from NOK 162 million in the previous quarter.

The decline is partly explained by currency effects and lower activity. Costs in the previous quarter were higher due to sales commissions and bonuses related to targets achieved during 2007.

Non-recurring items

Eltek Valere recognized approximately NOK 4 million in severance pay for the former CEO of Eltek Valere and recruitment costs related to the search for a permanent replacement.

Non-recurring items amounted to a negative NOK 4 million also in the previous quarter, whereas Eltek Valere in the first quarter 2007 recognized restructuring costs of NOK 5 million related to the US activities of former Eltek Energy.

Operating profit

Eltek Valere achieved EBITDA of NOK 64 million (51) before non-recurring items, compared to NOK 92 million in the previous quarter. The decline is a reflection of lower revenue.

EBIT was NOK 39 million before non-recurring items (35), which was a decline from NOK 59 million in the fourth quarter 2007.

Amortization of excess value (PPA) was NOK 6 million in the first quarter, which was in line with the previous quarter. This relates to the acquisition of Valere Power, and there was thus no such charge in the first quarter 2007.

Reported EBIT was NOK 35 million in the first quarter (35), down from NOK 54 million in the fourth quarter 2007.

Order entry and market development

Eltek Valere recorded new orders of NOK 924 million in the first quarter 2007 (651), an increase of 7 percent from NOK 865 million in the previous quarter.

Order entry increased in Asia Pacific from the last quarter, partly explained by high order entry in India. Order entry increased also in Latin America, whereas order entry declined in the Middle East from the fourth quarter.

Going forward, Eltek Valere sees a continued strong development in emerging markets, in particular in Asia, Middle East and South America, whereas the development is weaker in North America and Western Europe.

The order backlog amounted to NOK 692 million at the end of the first quarter (476), up 32 percent from NOK 526 million at the end of 2007. NOK 566 million of the order backlog was for delivery within 90 days (390), up from NOK 372 million at the end of 2007.

Flatpack2 High Efficiency Rectifier

Eltek Valere's new Flatpack2 High Efficiency rectifier was well received at the CTDI trade show in Las Vegas in early April, and the product advantages fit well with the show's "green profile".

Flatpack2 HE has a proven energy efficiency of more than 96 percent, and more than halves energy waste compared with the current industry standard of 88-92 percent. For the customers, this means energy cost savings and significantly reduced operating costs.

Eltek Valere is currently starting volume production of the new rectifier. Some customers have already expressed an interest in converting from current products to Flatpack2 HE for future network deployments. The first customer deliveries will take place in May.

As previously communicated, Eltek Valere will extend the power savings technology deployed in Flatpack2 HE across the entire rectifier product line as well as to controllers and systems.

Nera Networks

(NOK million)	1Q 2008	1Q 2007	2007	4Q 2007
Order entry	448	288	1 432	416
Revenue	371	312	1 311	379
Gross profit	73	43	213	69
EBITDA	17	-17	-70	-54
Depreciation and amortization	-13	-12	-47	-11
EBIT	4	-28	-117	-65
<i>Gross margin (%)</i>	<i>19.7 %</i>	<i>13.8 %</i>	<i>16.3 %</i>	<i>18.1 %</i>
<i>Non-recurring items</i>			-65	-65
<i>EBITDA before non-recurring items</i>	<i>17</i>	<i>-17</i>	<i>-5</i>	<i>12</i>
<i>EBIT before non-recurring items</i>	<i>4</i>	<i>-28</i>	<i>-52</i>	<i>1</i>

Revenue

Nera Networks reported revenue of NOK 371 million in the first quarter 2008, which was a slight decline from NOK 379 million in the previous quarter and a 19 percent increase from NOK 312 million in the first quarter 2007. Adjusted for currency developments, revenue growth was 31 percent from the first quarter 2007.

The Evolution Series continued to be a growth driver, whereas Interlink production was hampered by delays in materials supply.

The overall number of radios produced continued to increase, and capacity utilization in Slovakia increases. The number of evolution radios produced increased by 23 percent from the previous quarter, whereas the number of Interlink radios decreased by 29 percent.

EMEA accounted for NOK 211 million, or 57 percent of revenue, whereas revenue in Americas was NOK 112 million, or 30 percent. Asia Pacific accounted for the remaining NOK 48 million, corresponding to 13 percent of revenue in the quarter.

Compared to the fourth quarter 2007, Nera Networks reported growth of 23 percent in EMEA and 12 percent in Asia Pacific, whereas revenue declined by 31 percent in the Americas.

Gross margin

Gross profit was NOK 73 million in the first quarter (43), and the gross margin 19.7 percent (13.8).

The gross margin also improved compared with the 18.1 percent reported in the previous quarter. The positive development is mainly a reflection of improved capacity utilization and manufacturing efficiency and increased sales of the Evolution Series.

Initial sales of license and software upgrades for early Evolution Series customers also had a positive impact.

The materials cost for long-haul radios is expected to remain relatively high until the Evolution Series long haul is being phased in.

The company expects that continued production ramp-up and further broadening of the Evolution Series product range will support the positive margin development in the longer run.

Operating costs

Nera Networks had operating costs of NOK 69 million in the first quarter (71), marginally above the NOK 68 million reported in the previous quarter.

As a percentage of revenue, costs have been significantly lowered over the past year, as administrative costs in particular have been reduced.

Nera Networks recognized no non-recurring items in the Income Statement in either the first quarter 2008 or the first quarter 2007. In the previous quarter, the Income Statement was negatively affected by non-recurring items of a net NOK 65 million.

Operating profit

Nera Networks had an EBITDA of NOK 17 million (-17) in the first quarter.

This was an increase of NOK 5 million from the previous quarter, adjusted for the above mentioned non-recurring items in the fourth quarter 2007.

Reported EBIT was NOK 4 million (-28), which was an increase from NOK 1 million before non-recurring items in the previous quarter and a confirmation of the return to operational profitability.

Order entry and market development

Nera Networks recorded new orders of NOK 448 million in the first quarter, which was an increase of 56 percent from NOK 288 million in the first quarter last year and an increase of 8 percent from NOK 416 million the previous quarter.

Order entry was particularly strong in Africa, which accounted for more than half the order entry in the quarter. As previously announced, the company secured a NOK 150 million contract in Equatorial Guinea in February.

Order entry increased slightly in Americas from the previous quarter, whereas order entry decreased slightly in Asia Pacific.

The market outlook for Nera Networks is strong in Latin America, and demand is expected to remain at healthy levels in EMEA. Order entry is also expected to improve from low levels in Asia Pacific.

The order backlog stood at NOK 692 million (454) at the end of the first quarter, up 12 percent from NOK 616 million at the end of 2007. NOK 322 million was for delivery at within 90 days (363), compared to NOK 290 million at the end of 2007.

Evolution update

The Evolution production ramp-up continues, and further broadening of the Evolution product range remains an important growth driver.

During the first quarter Nera Networks shipped the first Evolution Long Haul products, which address the market segment where the company historically has held the strongest market position. A broader launch will take place in the second quarter.

NeraTel

(NOK million)	1Q 2008	1Q 2007	2007	4Q 2007
Order entry	125	292	897	132
Revenue	161	157	679	185
Gross profit	38	36	149	37
EBITDA	15	14	62	17
Depreciation and amortization	-5	-6	-24	-5
EBIT	11	7	38	11
Gross margin (%)	23.5 %	22.9 %	22.0 %	19.8 %

Note: EBIT includes quarterly amortization of PPA with NOK 2 million for 1Q 2008 (5), NOK 3 million in 4Q 2007 and NOK 18 million in 2007.

NeraTel reported revenue of NOK 161 million in the first quarter, which was a decline of 13 percent from the previous quarter due to delayed deliveries. Revenue increased slightly from NOK 157 million in the first quarter 2007. Adjusted for currency developments, revenue growth was 14 percent from the first quarter 2007.

The gross profit was NOK 38 million (36), slightly above the previous quarter, and the gross margin increased to 23.5 percent (22.9) from 19.8 percent in the fourth quarter 2007.

EBITDA was NOK 15 million (14), which is slightly lower than in the fourth quarter, whereas the EBIT of NOK 11 million (7) was on par with the previous quarter.

Order entry varies significantly between the quarters, and amounted to NOK 125 million in the first quarter (292). This was slightly lower than in the previous quarter, and order backlog declined to NOK 414 million (429) from NOK 450 million at the end of 2007.

NOK 216 million was for delivery within 90 days, compared to NOK 174 million at the end of 2007.

NeraTel is a separately listed company on the Singapore Exchange. The company presented its interim results for the first quarter 2008 on 17 April 2008. For further information, please see www.neratel.com.sg.

Corporate

Corporate costs amounted to NOK 10 million (8), up from NOK 8 million in the previous quarter.

Balance sheet

The changes in the consolidated balance sheet from 31 March 2007 (in brackets) primarily relate to the acquisition of Valere Power, which was fully reflected in the balance sheet per 1 June 2007. The merger of former Nera into Eltek was consolidated in the balance sheet per 30 September 2006.

Total assets were NOK 5,645 million (4,663) at 31 March 2008, compared to NOK 5,629 million at the end of 2007.

Equity was NOK 2,348 million (2,376) at 31 March, corresponding to an equity ratio of 41.6 percent (50.9). At the end of 2007 equity stood at NOK 2,394 million and the equity ratio at 42.5 percent.

At the end of the first quarter Eltek had a gross cash position of NOK 587 million (603), and a net debt position of NOK 598 million (net cash of NOK 27 million). This compares to a gross cash position of NOK 592 million and net debt of NOK 634 million at the end of 2007.

At the end of the first quarter, Eltek ASA obtained approval from bondholders for early redemption of a NOK 300 million bond loan at 101 percent of par value. The bond loan is thus recognized in the balance sheet as a short-term liability of NOK 303 million, whereas it was a long-term liability of NOK 324 million in the balance sheet at the end of 2007.

The early redemption created a gain of NOK 18 million, which is recognized in the Income Statement for the first quarter 2008.

The bond loan will be replaced by a NOK 350 million term loan with an eighteen months grace period and repayments in equal annual instalments over the following six years. The interest rate margin on the new loan is 0.9 percent for the first six months and then 0.75-1.25 percent depending on the ratio of net interest bearing debt to EBITDA.

Cash flow statement

Cash flow from operations was NOK 136 million in the first quarter 2008 (-78). The cash flow from operations was positive in all three segments, and particularly strong in NeraTel.

Net cash flow from investment was NOK -130 million (-77), which includes capitalized R&D of NOK 41 million and manufacturing facilities of NOK 62 million. Investments will decline significantly from this level in the coming quarters.

Net cash flow from financing was NOK -11 million (8).

Total net change in liquid funds was NOK -6 million (-147) in the first quarter 2008.

Organizational developments

Morten F. Angelil on 22 April decided to resign from his position as CEO of Eltek ASA. The decision was reached in mutual understanding with the Board of Eltek ASA.

The Board has initiated the search for a permanent replacement. Acting CEO Jørgen Larsen will continue in this position until a permanent CEO is in place.

Angelil will be available to the Board of Eltek ASA in a transition period, and the Board will also draw on the competition clause in the employee contract. As a consequence, Angelil will receive salary for a 12 month period beyond the six months notice period.

Outlook

Revenue in the first quarter 2008 was impacted by a seasonal slowdown in the telecom equipment market, as well as a weaker USD. However, both Eltek Valere and Nera Networks reported positive book-to-bill ratios for the quarter, which points to higher revenue in the coming quarter.

Eltek Valere is positioned as one of the global industry leaders and is currently adding to an already competitive portfolio with a global launch of the energy efficient Flatpack2 HE rectifier.

Nera Networks continues to expand its commercialization of the Evolution Series, most recently with the launch of Evolution Long Haul.

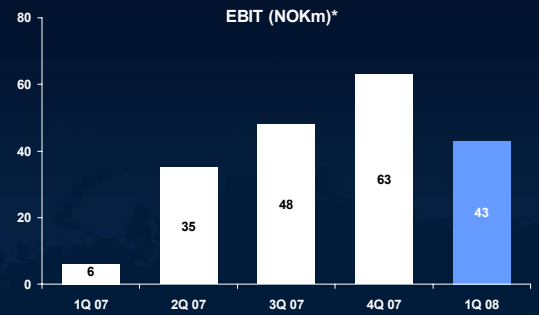
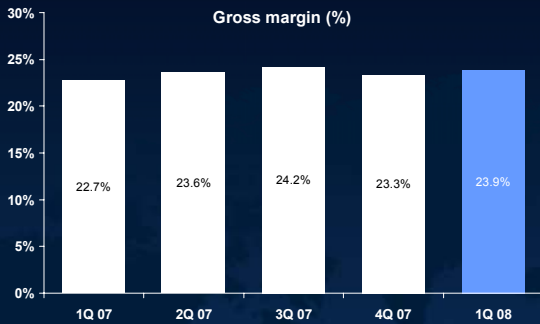
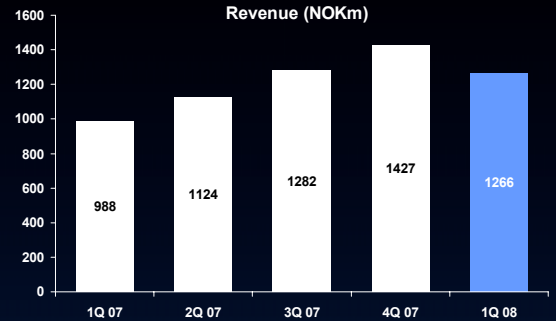
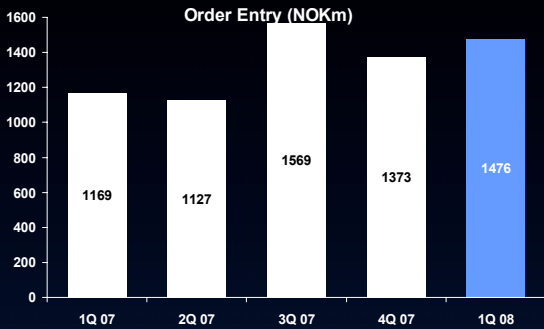
All segments also reported improving gross margins compared with both the previous quarter and the first quarter 2007.

Going forward, Eltek Valere expects to see continued cost improvements due to integration synergies and a strong cost focus. In Nera Networks, further increased manufacturing capacity and the launch of Evolution Long-Haul is expected to support the margin and earnings development.

The strong focus on cash flow will continue.

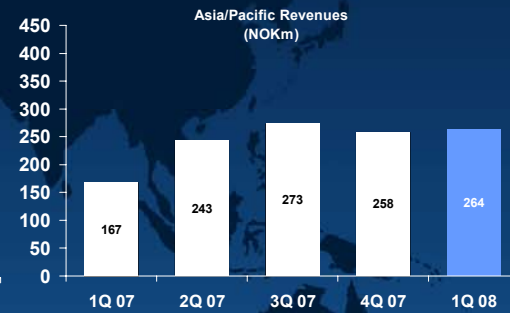
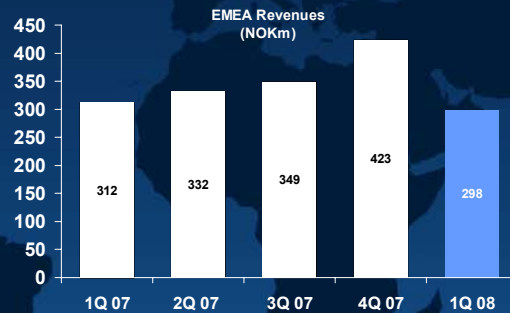
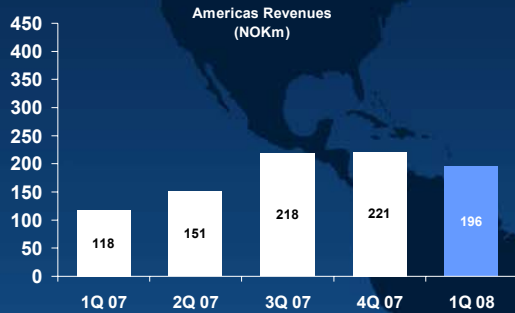
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The Board of Directors, Eltek ASA

QUARTERLY DEVELOPMENT ELTEK GROUP

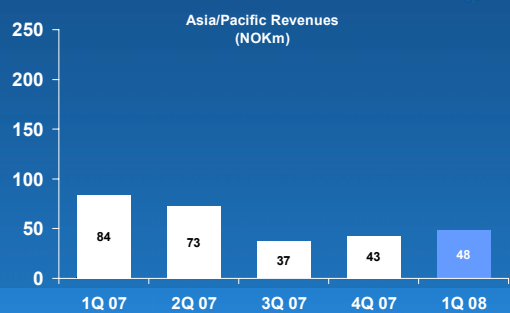
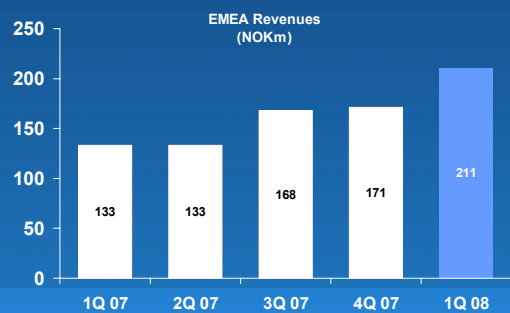
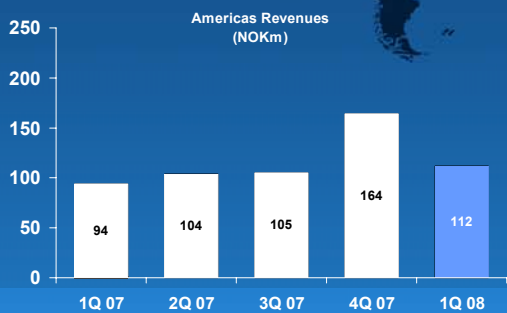


*EBIT before non-recurring items

QUARTERLY DEVELOPMENT BY REGION - ELTEK VALERE



QUARTERLY DEVELOPMENT BY REGION - NERA NETWORKS



Consolidated income statement (unaudited)

Amounts in NOK 1 000

	<u>1Q 2008</u>	<u>1Q 2007</u>	<u>2007</u>
Revenue	1 265 707	987 905	4 820 790
Cost of sales	-963 296	-763 191	-3 688 640
Gross profit	302 411	224 713	1 132 150
Selling and marketing costs	-119 458	-106 085	-467 129
Administrative expenses	-85 074	-67 553	-301 049
R&D and engineering costs	-58 798	-45 736	-231 403
Other operating items	288	-4 329	-87 418
Operating profit	39 369	1 011	45 151
Share of result in associated companies			885
Net financial items	26 921	-11 219	2 627
Profit before income tax	66 291	-10 208	48 663
Income tax expense	-22 289	-9 691	-152 122
Net profit from continuing operations	44 002	-19 899	-103 459
Profit from discontinued operations			33 000
Net profit	44 002	-19 899	-70 459
Attributable to:			
Equity holders	29 512	-31 140	-105 061
Minority interests	14 490	11 241	34 602
Basic EPS (NOK)	0.60	-0.69	-2.14
Diluted EPS (NOK)	0.60	-0.69	-2.14

Consolidated balance sheet (unaudited)

Amounts in NOK 1 000

	<u>31.03.2008</u>	<u>31.03.2007</u>	<u>31.12.2007</u>
Property, plant & equipment	416 511	240 167	358 735
Intangible assets	1 243 004	781 102	1 270 380
Deferred income tax asset	404 435	468 762	394 710
Other non-current assets	15 775	13 932	16 783
Total non-current assets	2 079 725	1 503 963	2 040 608
Inventories	872 742	778 480	830 343
Trade and other receivables	2 106 394	1 777 622	2 165 737
Cash and cash equivalents	586 623	603 386	592 152
Total current assets	3 565 759	3 159 488	3 588 232
Total assets	5 645 484	4 663 451	5 628 841
Share capital	49 206	49 206	49 206
Other reserves	1 881 731	2 103 745	1 908 404
Capital and reserves attributable to equity holders of the Company	1 930 938	2 152 951	1 957 610
Minority interest	416 924	223 041	436 708
Total equity	2 347 862	2 375 992	2 394 318
Borrowings	446 524	459 620	787 921
Deferred income tax liabilities	2 486		
Retirement benefit obligations	153 365	310 599	153 012
Provisions for other liabilities and charges	32 824	42 962	35 524
Total non-current liabilities	635 199	813 182	976 457
Borrowings	738 454	116 642	437 960
Trade creditors and other payables	1 734 432	1 186 459	1 611 400
Current income tax payable	41 377	37 567	48 805
Provisions for other liabilities and charges	148 160	133 609	159 900
Total current liabilities	2 662 423	1 474 278	2 258 065
Total liabilities	3 297 622	2 287 459	3 234 523
Total equity and liabilities	5 645 484	4 663 451	5 628 841
Equity ratio	41.6 %	50.9 %	42.5 %

Cash flow analysis (unaudited)

Amounts in NOK 1 000

	1Q 2008	1Q 2007	2007
Net cash flow from operations	135 504	-77 647	96 509
Net cash flow from investments	-130 010	-77 585	-901 717
Net cash flow from financing	-11 024	8 542	647 285
Net change in cash and cash equivalents	-5 530	-146 690	-157 923
Cash and cash equivalents, beginning of period	592 152	750 075	750 075
Cash and cash equivalents, end of period	586 622	603 386	592 152

Consolidated statement of recognized income and expense (unaudited)

Amounts in NOK 1 000

	31.03.2008	31.03.2007	2007
Actuarial gains/losses			1 525
Currency translation effects	-84 505	-17 834	-170 168
Net income recognized directly in equity	-84 505	-17 834	-168 643
Profit for the period	44 002	-19 899	-70 459
Total recognized income for the year	-40 503	-37 733	-239 102

Notes to the financial statements

1. Accounting principles

Eltek's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and these unaudited interim consolidated financial statements are prepared in accordance with IAS 34, Interim Financial Reporting.

The same accounting policies and methods of computation are followed as compared with the financial statements for the year ending 31 December 2007, ref Annual Report 2007 for further description.

2. Property, plant & equipment and Intangible assets

Tree months ended 31 March 2008

	Intangible assets				Tangible assets
	Goodwill	R&D	Other	Total	
Net book amount at 01.01.2008	704 150	388 087	178 143	1 270 380	358 735
Additions		40 895	923	41 818	75 663
Disposals					-1 218
Depreciation/write down		-20 902	-7 824	-28 726	-14 309
Foreign currency translation effects	-30 855	-3 416	-6 196	-40 467	-2 359
Net book amount at 31.03.2008	673 295	404 664	165 046	1 243 005	416 512

Three months ended 31 March 2007

	Intangible assets				Tangible assets
	Goodwill	R&D	Other	Total	
Net book amount at 01.01.2007	406 835	249 119	101 323	757 277	223 052
Additions	13 620	35 312	1 006	49 938	30 972
Disposals					-922
Depreciation		-15 806	-7 344	-23 150	-11 186
Foreign currency translation effects	-1 151	-565	-1 247	-2 963	-1 749
Net book amount at 31.03.2007	419 304	268 060	93 738	781 102	240 167

3. Reconciliation of movements in capital and reserves

	31.03.2008	31.03.2007	2007
Equity end of previous period	2 394 318	2 404 572	2 404 572
Change in opening balance		1 196	1 196
Equity beginning of this period	<u>2 394 318</u>	<u>2 405 768</u>	<u>2 405 768</u>
Total recognized income for the period	-40 503	-37 733	-239 102
New minority interest			245 780
Own shares		3 254	-2 768
Sales & acquisitions		2 918	
Cost of stock options	1 752	2 639	8 496
Dividends	-7 705	-855	-23 856
Equity end of period	<u>2 347 862</u>	<u>2 375 992</u>	<u>2 394 318</u>

4. Redemption of NOK 300 million bond loan

In a bondholders meeting 31 March 2008 Eltek ASA obtained approval from bondholders for early redemption of a NOK 300 million bond loan at 101 percent of par value. The bond loan is included in the balance sheet as short-term liability of NOK 303 million, whereas it was a long-term liability of NOK 324 million in the balance sheet at the end of 2007. The bond loan was recognized at fair value when Eltek ASA merged with Nera in 2006, and the early redemption created a gain of NOK 18 million, which is included in the income statement for the first quarter 2008.

The bond loan will be replaced by a NOK 350 million term loan with an eighteen months grace period and repayments in equal annual installments over the following six years. The interest rate margin on the new loan is 0.9 percent for the first six months and then 0.75 - 1.25 percent depending on the ratio of net interest bearing debt to EBITDA. Covenants to the new term loan are the same as for the existing bank borrowings.

