REPORT 1st QUARTER 2009

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Highlights

- Reported revenue growth of 10 percent- currency adjusted decline of 3 percent
- Improved gross margin
- Continued weak net finance due to high net debt and adverse currency effects
- Improvement in operating cash flow to NOK 168 million - Positive free cash flow NOK 121 million

(NOK million, unaudited)	1Q '09	1Q '08	2008	4Q '08
Order entry	**1 418**	1 476	6 252	1 770
Revenue	**1 386**	1 266	5 958	1 873
Gross Profit	**333**	302	1 364	366
EBITDA	**106**	82	323	3
Depreciation, amortization and impairment	**-59**	-43	-940	-796
EBIT	**47**	39	-616	-792
Pre-tax profit	**-14**	66	-758	-868
Gross margin (%)	***24.0 %***	*23.9 %*	*22.9 %*	*19.5 %*
Non-recurring operational items	***0***	*-4*	*-911*	*-893*
EBITDA before non-recurring items	***106***	*86*	*507*	*168*
EBIT before non-recurring items	***47***	*43*	*295*	*101*

Note: EBIT includes amortization of purchase price allocation (PPA) NOK 11 million in 1Q'09 (9) and NOK 37 million in 2008.

Key Financials

The figures below describe developments in the first quarter 2009 (first quarter 2008 in brackets).

Eltek reported revenue of NOK 1,386 million in the first quarter 2009, which was an increase of 10 percent from the first quarter 2008 but a decline of 3 percent on a currency adjusted basis.

The seasonal pattern for Eltek's activities typically implies a sequential decline in revenue in the first quarter of the year. This year the trend has been accentuated by a weakening of the global economic climate, and revenue declined by 26 percent compared to the record level in the previous quarter.

Order entry was NOK 1,418 million in the first quarter 2009, a decline of 4 percent compared to the first quarter 2008 and 20 percent below the previous quarter.

Gross margin was 24.0 percent, a slight improvement over the first quarter 2008. Gross profit thus increases in line with revenue.

EBITDA amounted to NOK 106 million, up 29 percent from the first quarter last year, whereas EBIT increased by 19 percent to NOK 47 million.

Net financial costs were NOK 61 million in the first quarter 2009. This includes negative currency effects of NOK 29 million primarily related to balance sheet items, and NOK 2 million in non-cash calculation of interest related to minority shareholders' put options.

In the first quarter 2008, net financials were a positive NOK 27 million, including positive currency effects of NOK 24 million and a financial gain of NOK 18 million related to early redemption of a bond loan.

The higher net interest cost in the first quarter 2009 reflects higher net debt and increased interest rates.

Reported loss before tax of NOK 14 million in the first quarter 2009 compares to a profit before tax of NOK 66 million in the first quarter 2008.

Cash Flow

Net cash flow from operating activities was NOK 168 million in the first quarter 2009, and showed improvement from the previous quarter in all the business areas.

Net working capital was reduced by NOK 201 million, as both net receivable and inventories declined.

Cash flow from operating activities remained negative in Nera Networks, which was in line with the company's forecast.

Although cash flow from operating activities improved, working capital management remains a key priority going forward, in order to improve financial flexibility and lower net debt.

Net cash flow from investing activities was negative NOK 47 million in the first quarter 2009, including capitalized R&D of NOK 36 million.

Net free cash flow before financing was thus NOK 121 million in the first quarter 2009, compared to NOK 6 million in the first quarter 2008.

Net cash flow from financing activities was NOK 119 million, including NOK 28 million in net proceeds from a share issue towards existing shareholders in February. The remainder primarily reflects increased utilisation of bank overdraft facilities.

Including currency translation effect, total net change in cash and cash equivalents was a positive NOK 204 million in the first quarter.

Balance Sheet

Inventories amounted to NOK 873 million at 31 March, 2009, a reduction of NOK 110 million from the end of 2008. Trade receivables amounted to NOK 1,557 million, which was a reduction of NOK 367 million during the quarter.

Trade payables were reduced by NOK 76 million in the first quarter, to NOK 920 million.

The changes in inventories and trade receivables and payables are partly explained by currency developments, which lowered the values measured in NOK.

Cash and cash equivalents amounted to NOK 826 million at 31 March 2009, up from NOK 622 million at 31 December 2008.

It should be noted that the cash holdings in Eltek Valere and NeraTel are not readily available to the holding company.

Total assets were NOK 5,711 million at 31 March, 2009, which was a decline from NOK 6,171 million at 31 December 2008.

Equity amounted to NOK 1,726 million at the end of the first quarter, a decrease of NOK 125 million from the end of 2008. This reflects net loss in the period and currency translation effects, which were partly counterbalanced by an increase in equity as a result of a share issue in February.

The equity ratio was 30.2 percent, compared to 30.0 percent at the end of 2008. Adjusted for goodwill, the equity ratio was 29.4 percent, compared to 29.1 percent at 31 December 2008.

Gross borrowings amounted to NOK 1,692 million at 31 March 2009, compared to NOK 1,647 million at year end 2008. USD-denominated debt decreased by NOK 37 million due to a weakening of the USD/NOK exchange rate in the first quarter 2009.

An instalment of USD 16.7 million is due from Eltek Valere in May.

Net interest bearing debt amounted to NOK 866 million, which was a decline of NOK 159 million from NOK 1,025 million at 31 December 2008.

Non-interest bearing liabilities at 31 March 2009, include NOK 159 million in provisions to cover minority shareholders' put options.

Minority shareholders in Eltek Valere hold put options on Eltek ASA, and minority shareholders in subsidiaries of Eltek Valere hold put options on Eltek Valere.

The put options on Eltek ASA are exercisable between 1 February 2009 and 31 July 2009. Prior to this, the minority shareholders have a call option to convert their shareholdings in Eltek Energy Holding Inc into shares in the parent company Eltek Valere AS. This call option has been exercised but is not yet effectuated.

If Eltek ASA's ownership in Eltek Valere AS is less than 90 percent at the end of the year, it should be noted that Eltek Valere would no longer be part of the same tax group as Eltek ASA and Nera Networks.

Arbitration proceedings are ongoing to resolve some outstanding disputes between Eltek and the minority shareholders in Eltek Valere AS/Eltek Energy Holding Inc.

Please note that Eltek in its final approved Annual Accounts for 2008 made provisions of NOK 61 million to cover two tax/VAT claims received in Brazil, although Eltek disputes both claims.

Segment information

Eltek 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.

All the business areas primarily operate outside of Norway. Measured in NOK, revenue, order entry/ backlog, and operational costs are thus significantly influenced by currency developments. The below table outlines reported and currency adjusted revenue growth.

Revenue growth – 1Q 2009 vs. 1Q 2008

	Reported	Currency adjusted
Eltek Valere	0%	-11%
Nera Networks	23%	14%
NeraTel	37%	14%
Total	10%	-3%

Eltek Valere

NOKm	1Q 2009	1Q 2008	2008	4Q 2008
Order entry	**806**	924	3,703	1,046
Revenue	**759**	758	3,664	1,083
Gross profit	**191**	191	866	233
EBITDA	**66**	61	285	45
Depr & amortization and impairment	**-34**	-26	-856	-771
EBIT	**32**	35	-571	-726
Gross margin (%)	***25.2 %***	*25.3 %*	*23.6 %*	*21.5 %*
Non-recurring items	***-***	*-4*	*-794*	*-791*
EBITDA before non-recurring items	***66***	*64*	*352*	*108*
EBIT before non-recurring items	***32***	*39*	*224*	*65*

Note: EBIT includes amortization of PPA with NOK 8 million in 1Q 2009 (6) and NOK 27 million for 2008 .

Revenue

Eltek Valere achieved revenue of NOK 759 million in the first quarter 2009, which was consistent with the first quarter last year, and 30 percent below the record high level in the previous quarter.

On a currency adjusted basis revenue declined by 11 percent from the first quarter 2008.

Revenue by geographical segment

	1Q'09	Chg. vs. 1Q'08	Chg. vs. 4Q'08
Americas	194	-1 %	-43 %
EMEA	326	9 %	-24 %
Asia Pacific	239	-9 %	-24 %
Total	759	0 %	-30 %

EMEA remains the largest region in terms of revenue. The revenue increase from the first quarter 2008 primarily came within Europe but revenue declined from the previous quarter in both Europe and the Middle East.

In the Americas, revenue was flat compared to the first quarter last year. High deliveries to Argentina and Brazil in the fourth quarter 2008 were not replicated in the first quarter 2009, thus causing the sequential decline.

In Asia Pacific, the business volume held up well in India, although revenue declined from the very high levels seen in the first half of last year. China shows a positive revenue development both sequentially and year-over-year. The revenue decline from the fourth quarter primarily relates to decreased volumes in Vietnam, Pakistan, Thailand and Malaysia.

Gross margin

Eltek Valere reported a gross profit of NOK 191 million and a gross margin of 25.2 percent in the first quarter 2009. Both figures were consistent with the first quarter 2008.

Compared to the previous quarter, gross profit declined 18 percent, although the gross margin improved. As described in the previous interim report, gross profit in the fourth quarter 2008 was negatively affected by inventory write-downs of NOK 27 million.

Operating costs

Operating costs amounted to NOK 159 million in the first quarter. This compares to NOK 153 million in the first quarter last year, excluding non-recurring items.

In the fourth quarter 2008, operating costs amounted to NOK 195 million, due to high volumes, currency effects, third party commissions and R&D.

Depreciation and amortization accounted for NOK 34 million of the operating costs in the first quarter, including NOK 8 million in amortization of PPA. This compares to NOK 26 million in the first quarter 2008, including NOK 6 million in amortization of PPA.

Operating profit

EBITDA was NOK 66 million, up from NOK 61 million in the first quarter last year.

EBIT was NOK 32 million in the first quarter 2009, down from NOK 35 million in the first quarter last year.

In the first quarter 2008, non-recurring items affected the Income Statement negatively by NOK 4 million.

In the fourth quarter 2008 the Income Statement was negatively affected by significant non-recurring items. In addition to the inventory adjustments mentioned under gross margin, the charges comprised a goodwill write-down of NOK 728 million and other non-recurring charges of NOK 35 million.

Excluding the non-recurring items, EBITDA amounted to NOK 108 million and EBIT to NOK 65 million in the fourth quarter 2008.

Order entry

Eltek Valere achieved order entry of NOK 806 million, a decline of 13 percent from the first quarter 2008 and 23 percent below the record level reported in the fourth quarter 2008.

Order backlog was NOK 612 million at the end of the first quarter 2009, up 8 percent from the end of 2008. NOK 471 million was for delivery within 90 days.

Nera Networks

NOKm	1Q 2009	1Q 2008	2008	4Q 2008
Order entry	**493**	448	1,882	457
Revenue	**456**	371	1,797	604
Gross profit	**94**	73	347	90
EBITDA	**32**	17	34	-50
Depreciation and amortization	**-20**	-13	-62	-19
EBIT	**13**	4	-28	-69
Gross margin (%)	***20.6 %***	*19.7 %*	*19.3 %*	*15.0 %*
Non-recurring items	***0***	*0*	*-102*	*-102*
EBITDA before non-recurring items	***32***	*17*	*136*	*52*
EBIT before non-recurring items	***13***	*4*	*74*	*33*

Revenue

Nera Networks achieved revenue of NOK 456 million in the first quarter 2009, which was an increase of 23 percent from the first quarter 2008 but a decline of 24 percent from the record levels in the previous quarter.

On a currency adjusted basis revenue increased by 14 percent from the first quarter 2008.

Revenue by geographical segment

	1Q'09	Chg. vs. 1Q'08	Chg. vs. 4Q'08
Americas	197	75%	-39%
EMEA	211	0%	-2%
Asia Pacific	49	1%	-25%
Total	456	23%	-24%

The volatile revenue in Americas relates to project deliveries in Argentina and Brazil, which were particularly strong in the fourth quarter last year.

Revenue in EMEA is relatively stable, with growth in the Middle East and Africa making up for a slower European market both seasonally and compared to the first quarter 2008.

Revenue in Asia Pacific primarily reflects deliveries of transmission products to NeraTel.

The Evolution Series portfolio will be completed with Evolution Series Edge for low capacity IP/voice in the second quarter 2009, enabling Nera Networks to address the entire Point-to-Point (PtP) transmission market.

Gross margin

Nera Networks reported gross profit of NOK 94 million in the first quarter, which was an increase of 28 percent from the first quarter 2008 and 4 percent higher than in the previous quarter.

Gross margin improved to 20.6 percent from 19.7 percent in the first quarter 2008. The gross margin remained lower than expected, mainly due to changes in the product mix with relatively less radio sales compared to lower-margin project deliveries.

In the fourth quarter 2008 gross profit was NOK 90 million, including negative non-recurring inventory adjustments of NOK 32 million. Gross margin was 15.0 percent in the fourth quarter, and 20.3 percent excluding the inventory adjustments.

Operating costs

Nera Networks had operating costs of NOK 81 million in the first quarter 2009, which compares to NOK 69 million in the first quarter 2008.

Depreciation and amortization accounted for NOK 20 million of the operating costs in the first quarter, compared to NOK 13 million in the first quarter 2008. The increase is mainly related to increased amortization of R&D.

In the fourth quarter 2008 operating costs were NOK 89 million, excluding NOK 70 million in provisions for VAT/tax claims and for potential losses on receivable.

The decline in underlying costs from the fourth quarter is explained by lower volumes, currency developments, and lower legal fees.

The provisions for the two tax/VAT claims relate to the operations in Brazil. The provision was made in the final approved Annual Accounts for 2008, although Nera disputes both claims. In one of the cases, Nera Networks has paid VAT in one federal state in Brazil but received a VAT claim for the same deliveries from another federal state. The other case relates to income tax in affiliates of Nera's Brazilian subsidiary.

Operating profit

EBITDA was NOK 32 million, up from NOK 17 million in the first quarter 2008. EBIT was NOK 13 million, up from NOK 4 million.

Excluding non-recurring items, EBITDA amounted to NOK 52 million and EBIT to NOK 33 million in the fourth quarter last year, and the decline from the fourth quarter is explained by lower volumes.

Order entry

New orders amounted to NOK 493 million in the first quarter 2009, which was 10 percent higher than in the first quarter 2008 and 8 percent above the previous quarter.

Order backlog was NOK 736 million at the end of the first quarter, up from NOK 700 million at the end of 2008. NOK 371 million was for delivery within 90 days.

NeraTel

NOKm	1Q 2009	1Q 2008	2008	4Q 2008
Order entry	**174**	125	834	317
Revenue	**221**	161	666	239
Gross profit	**48**	38	155	47
EBITDA	**23**	15	63	21
Depreciation and amortization	**-6**	-5	-20	-6
EBIT	**17**	11	43	15
Gross margin (%)	***21.8 %***	*23.5 %*	*23.3 %*	*19.7 %*

Note: EBIT includes amortization of PPA with NOK 3 million for 1Q'09 (3) and NOK 10 million for 2008.

NeraTel reported revenue of NOK 221 million in the first quarter 2009, up 37 percent from the first quarter 2008 and down 8 percent from the previous quarter.

On a currency adjusted basis revenue increased by 14 percent from the first quarter 2008.

Quarterly order entry and revenue is relatively volatile in NeraTel, due to the nature of project wins and deliveries in the transmission segment of the business.

Gross profit was NOK 48 million, up NOK 10 million from the first quarter 2008 and up NOK 1 million from the fourth quarter 2008.

Gross margin was 21.8 percent, down from 23.5 percent in the first quarter 2008 and up from 19.7 percent in the previous quarter.

The changes are explained by changes in the revenue mix, as transmission revenue generally carry lower margin than Infocomm revenue.

EBITDA was NOK 23 million in the first quarter, up from NOK 15 million in the first quarter 2008 and NOK 21 million in the fourth quarter 2008.

EBIT was NOK 17 million, which compares to NOK 11 million in the corresponding quarter last year and NOK 15 million in the previous quarter.

Order entry slowed down compared to the strong figures recorded in the second half of 2008. However, order entry increased 39 percent from the first quarter last year.

Overall, the order backlog was NOK 571 million, which was a decline from NOK 618 million at the end of 2008.

NeraTel is a separately listed company on the Singapore Exchange. The company presented its interim results for the first quarter 2009 on 20 April 2009. For further information, please see www.neratel.com.sg.

Corporate

Corporate costs and eliminations amounted to NOK 15 million in the first quarter 2009 (10), which compares to NOK 12 million in the fourth quarter 2008. The increase mainly relates to external consulting and legal fees.

Outlook

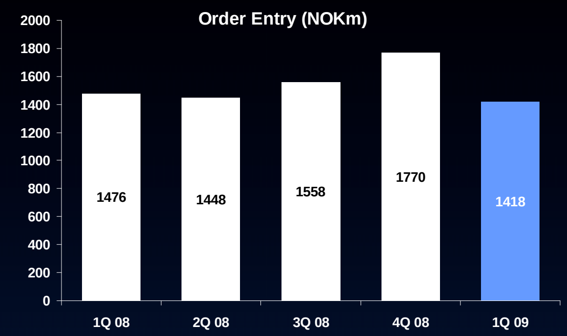
As described in the interim report for the fourth quarter 2008, the financial turmoil and economic slowdown clouds the demand outlook, which accentuated seasonal slowdown in the first quarter of the year. Demand has held up reasonably well in several of the major developing economies, although there remains significant uncertainty with regard to the timing and scope of planned new telecom projects also in these regions. Eltek has prepared for a flat or shrinking market environment.

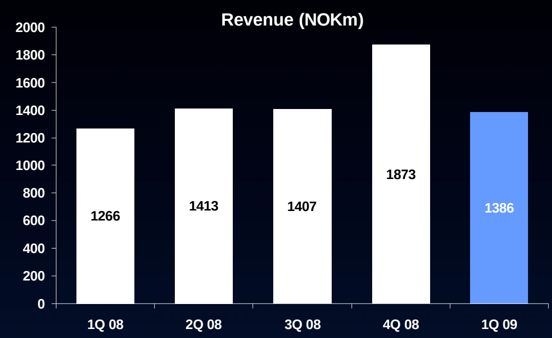
Net working capital was reduced in the first quarter 2009, and operating cash flow improved significantly compared to the previous quarters.

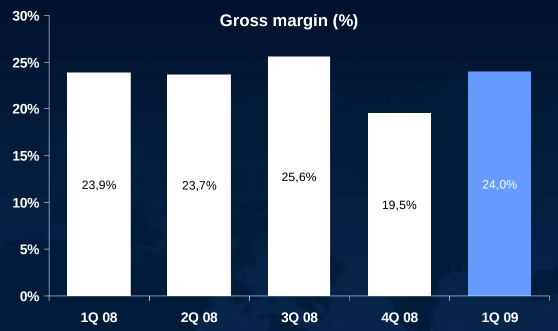
Working capital management remains a key priority in order to strengthen the financial flexibility and position. A focused program is in place, designed at improving key performance indicators such as days of sales outstanding and inventory turnover, and at improving project management.

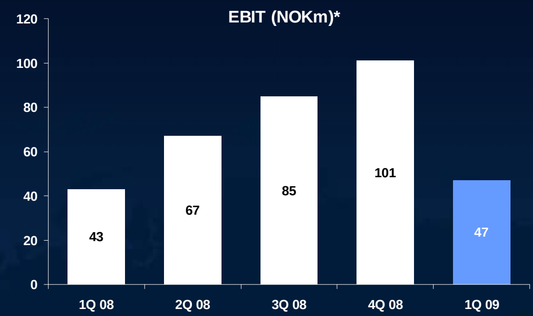
Drammen, 23 April, 2009
Board of Directors

QUARTERLY DEVELOPMENT ELTEK GROUP



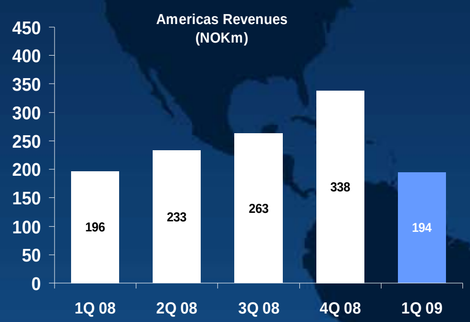


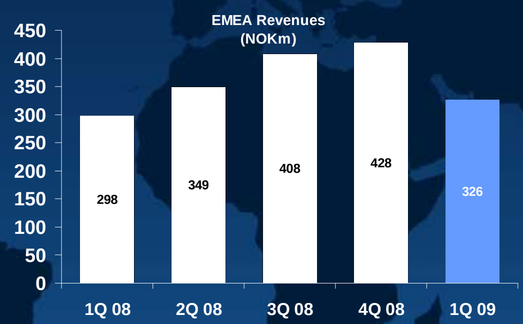


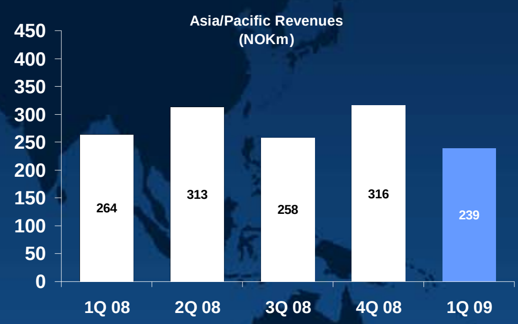


*EBIT before non-recurring items

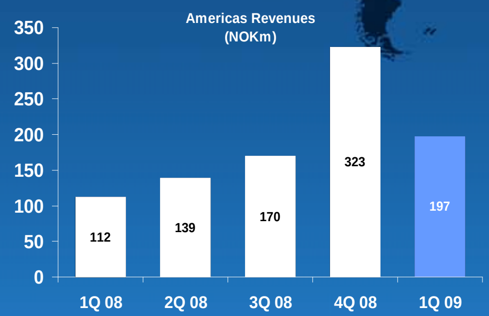
QUARTERLY DEVELOPMENT BY REGION - ELTEK VALERE

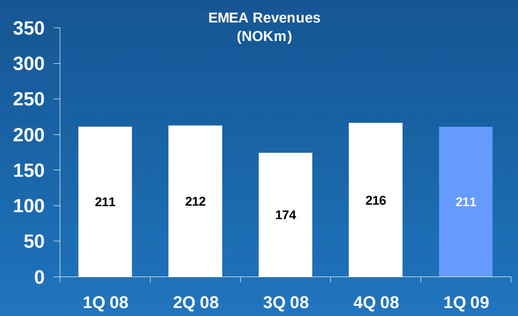


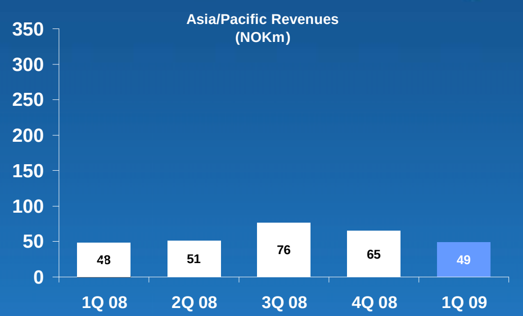




QUARTERLY DEVELOPMENT BY REGION - NERA NETWORKS







Consolidated income statement (unaudited)

Amounts in NOK Million	1Q 2009	1Q 2008	2008
Revenue	1 386,0	1 265,7	5 958,4
Cost of sales	-1 052,8	-963,3	-4 594,6
Gross profit	**333,2**	**302,4**	**1 363,8**
Selling and marketing costs	-125,2	-119,5	-518,0
Administrative costs	-89,5	-85,1	-345,6
R&D and engineering costs	-71,7	-58,8	-273,6
Other operating items	0,2	0,3	-842,9
Operating profit	**47,0**	**39,4**	**-616,4**
Share of result in associated companies	0,0	0,0	1,1
Net financial items	-61,4	26,9	-142,9
Profit before income tax	**-14,4**	**66,3**	**-758,3**
Income tax expense	-12,4	-22,3	-65,8
Net profit	**-26,8**	**44,0**	**-824,1**
Attributable to:			
Equity holders	-30,5	29,5	-797,7
Minority interests	3,7	14,5	-26,4
Basic EPS (NOK)	-0,10	0,60	-15,77
Diluted EPS (NOK)	-0,10	0,60	-15,77

Consolidated balance sheet (unaudited)

Amounts in NOK Million	31.03.2009	31.03.2008	31.12.2008
Property, plant & equipment	468,4	416,5	521,5
Intangible assets	690,8	1 243,0	719,4
Deferred income tax asset	420,8	404,4	421,2
Other non-current assets	15,1	15,8	15,7
Total non-current assets	**1 595,0**	**2 079,7**	**1 677,8**
Inventories	873,4	872,7	983,0
Trade and other receivables	2 416,7	2 106,4	2 888,3
Cash and cash equivalents	825,7	586,6	622,1
Total current assets	**4 115,9**	**3 565,8**	**4 493,4**
Total assets	**5 710,9**	**5 645,5**	**6 171,2**
Share capital	329,2	49,2	299,2
Other reserves	1 204,5	1 881,7	1 375,4
Capital and reserves attributable to equity holders	1 533,7	1 930,9	1 674,6
Minority interest	192,8	416,9	176,2
Total equity	**1 726,5**	**2 347,9**	**1 850,8**
Borrowings	820,8	446,5	849,3
Deferred income tax liabilities	9,0	2,5	7,7
Retirement benefit obligations	168,3	153,4	170,2
Provisions for other liabilities and charges	208,6	32,8	208,8
Total non-current liabilities	**1 206,7**	**635,2**	**1 235,9**
Borrowings	870,9	738,5	797,6
Trade creditors and other payables	1 647,5	1 734,4	2 009,3
Current income tax payable	36,7	41,4	43,1
Provisions for other liabilities and charges	222,6	148,2	234,5
Total current liabilities	**2 777,7**	**2 662,4**	**3 084,5**
Total liabilities	**3 984,4**	**3 297,6**	**4 320,4**
Total equity and liabilities	**5 710,9**	**5 645,5**	**6 171,2**
Equity ratio	**30,2 %**	**41,6 %**	**30,0 %**

Cash flow analysis (unaudited)

Amounts in NOK Million	1Q 2009	1Q 2008	2008
Net cash flow from operations	168,2	135,5	-109,1
Net cash flow from investments	-47,4	-130,0	-352,6
Net cash flow from financing	119,3	-11,0	387,5
Currency effect on cash and cash equivalents	-36,5		104,2
Net change in cash and cash equivalents	**203,6**	**-5,5**	**30,0**
Cash and cash equivalents, beginning of period	622,1	592,2	592,2
Cash and cash equivalents, end of period	825,7	586,6	622,1

Consolidated statement of recognized income and expense (unaudited)

Amounts in NOK Million	1Q 2009	1Q 2008	2008
Fair value adjustments available-for-sale assets			-1,2
Actuarial gains/losses			-9,3
Currency translation effects	-125,5	-84,5	364,5
Net income recognized directly in equity	**-125,5**	**-84,5**	**354,0**
Profit for the period	-26,8	44,0	-824,1
Total recognized income	**-152,3**	**-40,5**	**-470,1**

Notes to the interim consolidated financial statements (unaudited)

1. Accounting principles

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the Eltek Annual report. These interim consolidated financial statements are unaudited.

The accounting policies and methods of computation applied in these consolidated interim financial statements are the same as those applied in the Annual Report.

As a result of rounding differences, numbers or percentages may not add up to the total.

2. Segment information

Business segment is the primary reporting format for Eltek, as product and services represents the predominant source and nature of risk and returns. The Eltek Group operates in three business areas : Eltek Valere (energy systems), Nera Networks (transmission) and Nera Telecommunications (telecom and infocom).

Eltek Valere

Amounts in NOK Million	1Q 2009	1Q 2008	2008
INCOME STATEMENT			
Revenue	759,3	757,9	3 663,6
Gross profit	191,2	191,5	866,3
Operating profit/segment results	32,2	35,0	-570,7
ASSETS AND LIABILITIES			
Total assets	2 723,4	3 018,5	2 976,7
Total liabilities	1 863,8	1 516,0	2 044,3
OTHER SEGMENT INFORMATION INCL. ABOVE			
Depreciation & amortization	9,6	25,7	120,9
Capital expenditure	22,4	40,4	210,5
Restructuring expenses			35,3
REVENUE BY GEOGRAPHICAL REGION			
Americas	194,3	196,0	1 030,4
EMEA (Europe, Middle East and Africa)	325,9	298,0	1 483,0
Asia Pacific	239,1	264,0	1 150,2

Nera Networks

Amounts in NOK Million	1Q 2009	1Q 2008	2008
INCOME STATEMENT			
Revenue	456,4	371,4	1 797,4
Gross profit	94,0	73,2	346,9
Operating profit/segment results	12,5	3,9	-28,3
ASSETS AND LIABILITIES			
Total assets	1 687,1	1 917,7	2 012,7
Total liabilities	1 536,8	1 585,5	1 830,6
OTHER SEGMENT INFORMATION INCL. ABOVE			
Depreciation & amortization	13,2	7,8	62,4
Capital expenditure	23,9	75,3	169,6
REVENUE BY GEOGRAPHICAL REGION			
Americas	196,5	112,4	743,8
EMEA (Europe, Middle East and Africa)	211,3	210,9	812,8
Asia Pacific	48,5	48,1	240,8

Nera Telecommunications

Amounts in NOK Million	1Q 2009	1Q 2008	2008
INCOME STATEMENT			
Revenue	220,7	161,0	665,8
Gross profit	48,0	37,8	154,9
Operating profit/segment results	17,4	10,7	42,7
ASSETS AND LIABILITIES			
Total assets	708,8	532,9	699,1
Total liabilities	323,4	184,1	283,2
OTHER SEGMENT INFORMATION INCL. ABOVE			
Depreciation & amortization	3,1	4,6	20,4
Capital expenditure	1,1	1,8	15,0
REVENUE BY GEOGRAPHICAL REGION			
Americas		0,1	
EMEA (Europe, Middle East and Africa)	1,5	1,2	2,5
Asia Pacific	219,2	159,8	663,3

Corporate/unallocated/eliminations

Amounts in NOK Million	1Q 2009	1Q 2008	2008
INCOME STATEMENT			
Revenue	-50,3	-24,5	-168,4
Gross profit			-4,3
Operating profit/segment results	-15,1	-10,3	-60,1
ASSETS AND LIABILITIES			
Total assets	591,6	176,3	482,7
Total liabilities	260,4	12,1	162,3
OTHER SEGMENT INFORMATION INCL. ABOVE			
Depreciation and amortization	0,1	0,2	0,7
Capital expenditure	0,5		1,7

3. Property, plant & equipment and Intangible assets

Three months ended 31 March 2009

	Intangible assets				Tangible
	Goodwill	**R&D**	**Other**	**Total**	**assets**
Net book amount 01.01.2009	77,1	455,6	186,7	719,4	521,5
Additions		35,8	0,5	36,3	11,5
Depreciation		-30,5	-9,7	-40,2	-19,2
Other			0,0	0,0	-6,3
Foreign currency translation effects	-7,6	-4,2	-12,9	-24,7	-39,0
Net book amount at 31.03.2009	**69,5**	**456,7**	**164,6**	**690,8**	**468,4**

Three months ended 31 March 2008

	Intangible assets				Tangible
	Goodwill	**R&D**	**Other**	**Total**	**assets**
Net book amount at 01.01.2008	704,1	388,1	178,1	1 270,4	358,7
Additions		40,9	0,9	41,8	75,7
Depreciation		-20,9	-7,8	-28,7	-14,3
Other		-0,2	0,2		-1,2
Foreign currency translation effects	-30,9	-3,2	-6,4	-40,5	-2,4
Net book amount at 31.03.2008	**673,3**	**404,7**	**165,0**	**1 243,0**	**416,5**

4. Reconciliation of movements in capital and reserves

	1Q 2009	**1Q 2008**	**2008**
Equity end of previous period	1 850,8	2 394,3	2 394,3
Change in opening balance			-1,4
Equity beginning of this period	1 850,8	2 394,3	2 392,9
Total recognized income for the period	-152,3	-40,5	-470,1
New equity	28,4		239,6
Acquisition of minority interests			-280,4
Cost of stock options	0,4	1,8	6,5
Dividends	-0,7	-7,7	-37,7
Equity end of period	**1 726,5**	**2 347,9**	**1 850,8**

In February 2009 the Company issued 30 million shares in a subsequent offering towards existing shareholders which had not been invited to participate in the private placement which took place towards the end of 2008.

5. Borrowings

As part of the refinancing in Q4-08, the financing banks have agreed to adjust the loan covenants. The covenants are as follows:

1) Goodwill adjusted equity ratio above 24% at 31 December 2008, and increasing to above 27% at 31 December 2009.
2) Net interest bearing debt/EBITDA - ratio below 4,2 at 31 December 2008 and decreasing to below 3,0 at 31 December 2009.
3) The loan covenants also include negative pledge related to assets not already placed as security.

As at 31 March 2009 the Goodwill adjusted equity ration is 29,4% and the Net interest bearing debt/EBITDA ratio is 2,5.
Both ratios are pr 31 March 2009 in compliance with the loan covenants.

6. Provisions for other liabilities and charges

As described in the 4Q 2008 report, Nera Networks received two tax/VAT claims related to its subsidiary in Brazil. No provisions were included in the accounts published in the Q4-08 report. Nera disputes both claims but has made a provision of NOK 61 million in the 2008 annual accounts. The provision is calculated without taken into account effects of possible recourse action.

7. Contingent liabilities

The minority shareholders of Eltek Valere will on certain conditions have the opportunity to sell their shares (i.e. 9.1% in Eltek Valere AS and 9.9% in its subsidiary Eltek Energy Holding Inc) to Eltek at fair market value pursuant to a put option. The put option is exercisable between 1 February and 31 July 2009. Eltek believes that is has the right to issue in lieu of cash a promissory note with 8% interest, increasing with 1%-point every quarter with a cap at 15%. The note will have a 24 month maturity period. Also, prior to the put, the minority shareholders have the opportunity to convert their shareholdings in Eltek Energy Holding Inc into shares in the Norwegian parent company in the Eltek Valere Group (call option). If the ownership of Eltek ASA in Eltek Valere AS is less than 90% by end of the year, Eltek Valere will no longer be part of the same tax group as Eltek and Nera Networks. In 1Q 2009, the Valere sellers exercised their call option to convert their shareholdings in Eltek Energy Holding Inc into shares in the Norwegian parent company in the Eltek Valere Group. The call option is not yet effectuated.

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