4th quarter and full year 2009

Acting CEO Jørgen Larsen
CFO Pål Skistad

February 18, 2009

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 fourth quarter 2009, held on February 18, 2009. 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.

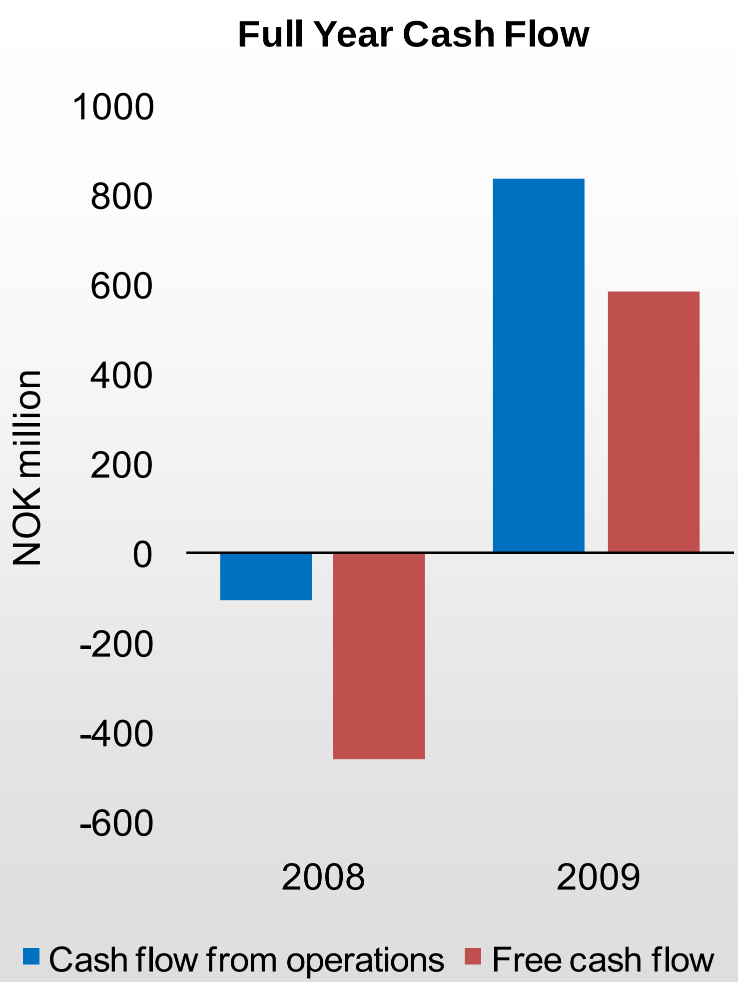
Agenda

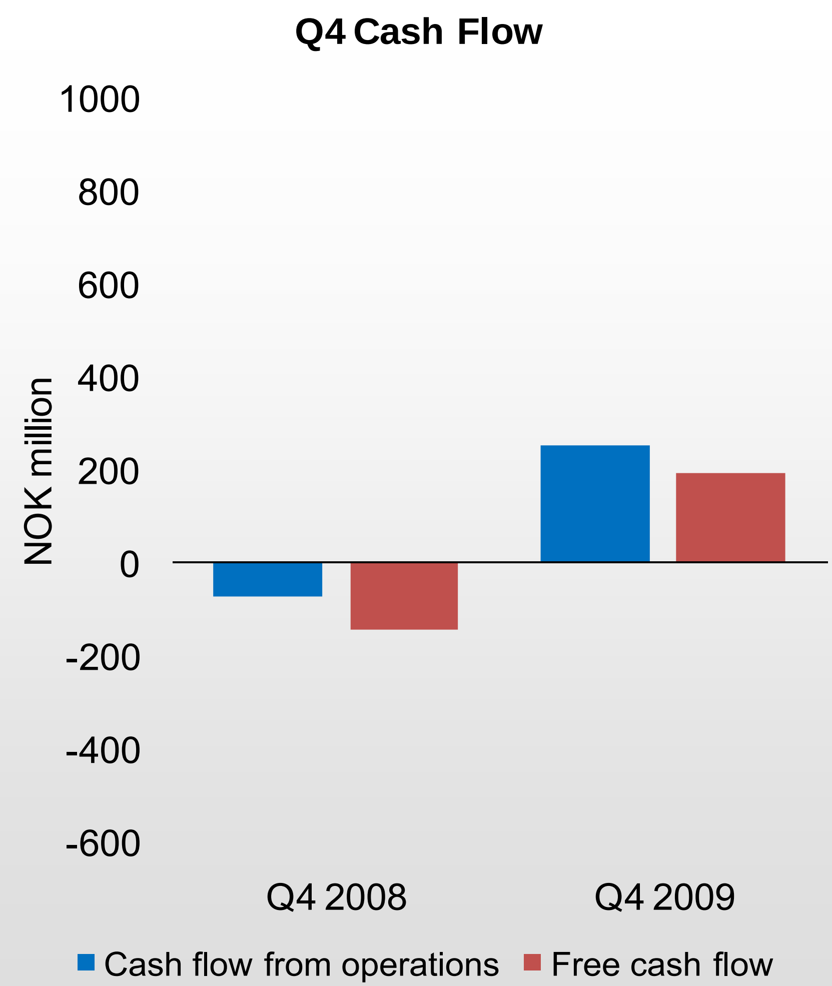
- Fourth Quarter and Full Year Highlights
- Operational Review
- Financial Review
- Summary and Outlook

2009 Highlights

- Continued challenging market environment
  - Revenue -3% versus 2008 and -8% adjusted for currency developments
- Free cash flow of NOK 585 million
  - Positive contribution from all business segments
  - Working capital reduced by NOK 698 million to NOK 886 million
- Increased shareholding in Eltek Valere to 100%
  - Settled all disputes with former minority shareholders in January 2010
- Net IB debt down NOK 429 million to NOK 596 million
  - Incl. new debt of NOK 235 million related to Eltek Valere share purchase
- Considering bond issue to refinance debt

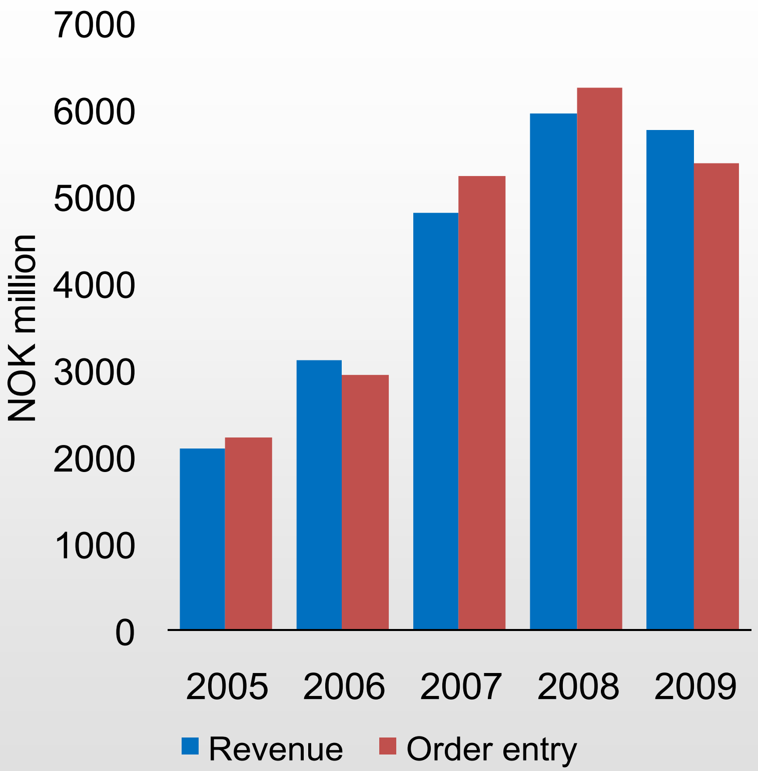
Cash Flow has been the key priority





Challenging market development

Revenue and Order Entry



Revenue growth per segment

Q4'09 versus Q4'08:

	Reported	Currency adjusted
Eltek Valere	-24%	-15%
Nera Networks	-15%	-13%
NeraTel	-19%	-6%
Total	-20%	-13%

2009 versus 2008:

	Reported	Currency adjusted
Eltek Valere	-12%	-16%
Nera Networks	4%	-2%
NeraTel	20%	12%
Total	-3%	-8%

4Q Highlights

- Free cash flow of NOK 194 million
  - Positive contribution from all segments
- Continued challenging market environment
  - Revenue -20% from Q4'08 and -13% currency adjusted
  - Positive gross margin development in Eltek Valere
  - New business in solar power inverters and electric vehicle chargers
- Improvements still needed in Nera Networks
  - Impairment charge of NOK 190 million

ELTEK

Key financials – Eltek Group

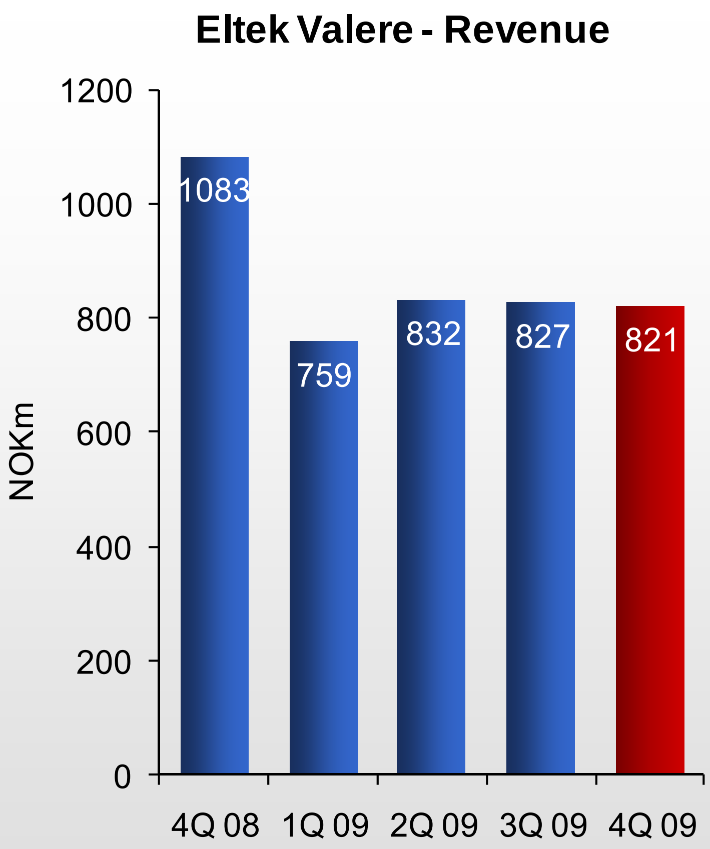
NOKm	4Q'09	4Q'08	Δ	2009	2008	Δ
Order entry	1 239	1 770	-30%	5 397	6 252	-14%
Revenue	1 497	1 873	-20%	5 778	5 958	-3%
Revenue growth, currency adj.			-13%			-8%
Gross Profit	349	366	-5%	1 338	1 364	-2%
Gross Margin (%)	23.3%	19.5%		23.2%	22.9%	
EBITDA	118	3		436	323	
EBIT	-143	-796		-11	-616	
Net financial items	-30	-76		-81	-142	
Profit before tax	-173	-868		-92	-758	
Non-recurring operational items	-199	-893		-220	-911	
EBITDA bef. non-recurring items	127	168		465	507	
EBIT bef. non-recurring items	56	101		209	295	

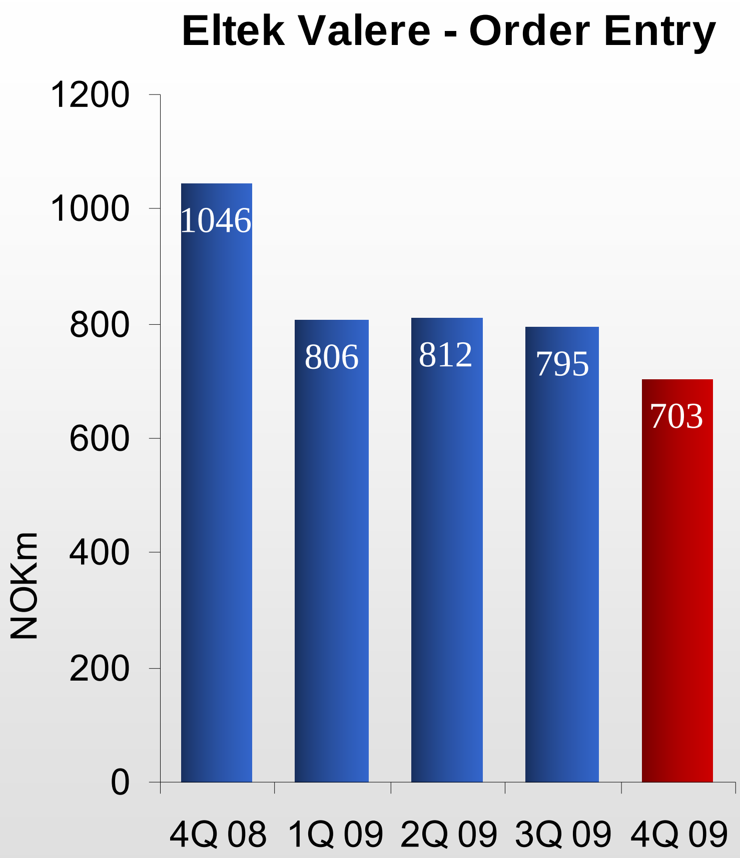
Eltek Valere

Eltek Valere – key financials

NOKm	**4Q'09**	4Q'08	Δ	**2009**	2008	Δ
Order entry	**703**	1 046	-33%	**3 116**	3 703	-16%
Revenue	**821**	1 083	-24%	**3 239**	3 664	-12%
Revenue growth, currency adj.			-15%			-16%
Gross Profit	**219**	233	-6%	**836**	866	-4%
Gross Margin (%)	***26.6%***	*21.5%*		***25.8%***	*23.6%*	
EBITDA	**110**	45		**350**	285	
EBIT	**69**	-726		**203**	-571	
Non-recurring items	**-**	-791		**-10**	-794	
EBITDA bef. non-recurring items	**110**	108		**360**	352	
EBIT bef. non-recurring items	**69**	65		**213**	224	

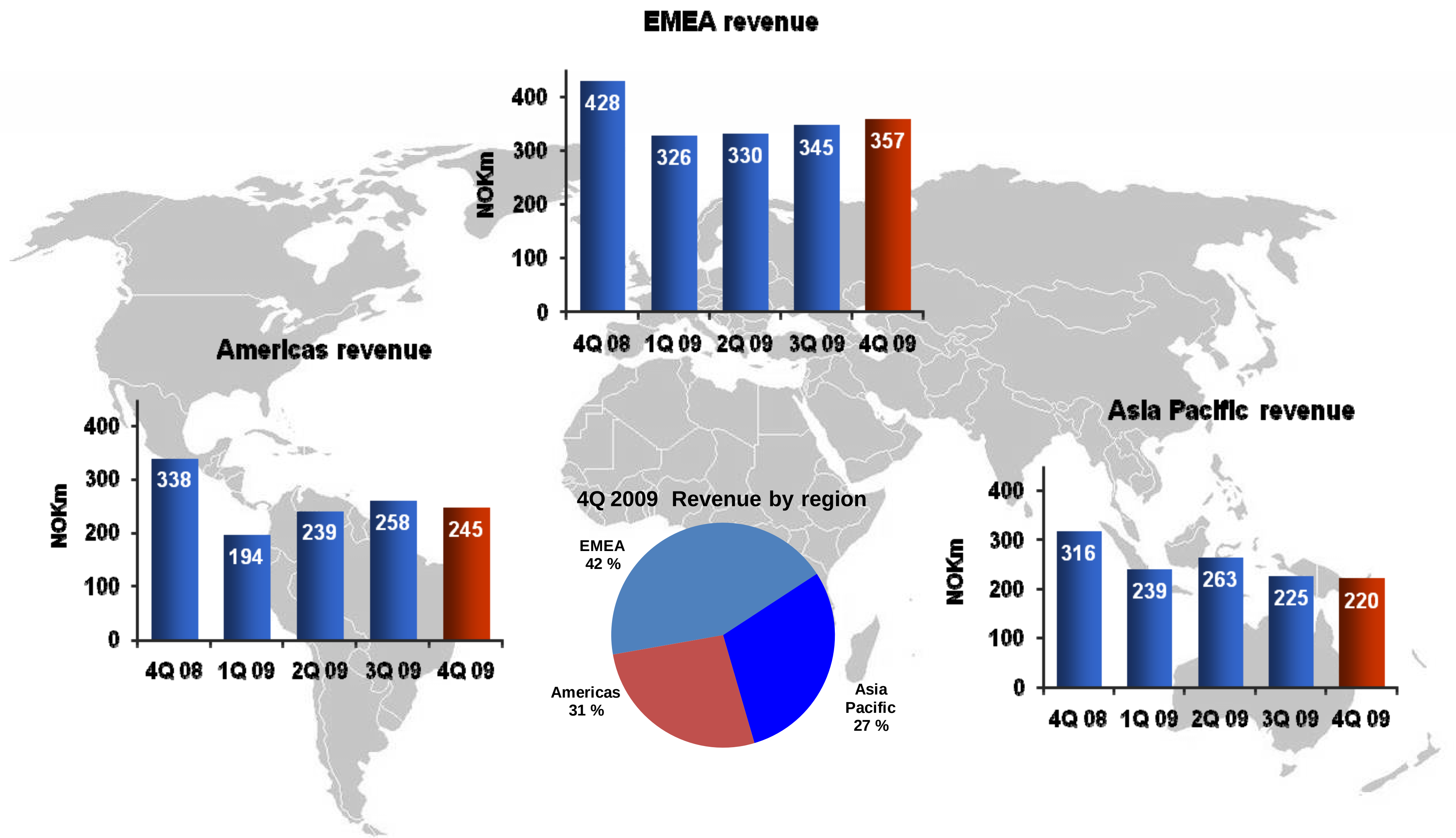
Eltek Valere - Revenue and order entry





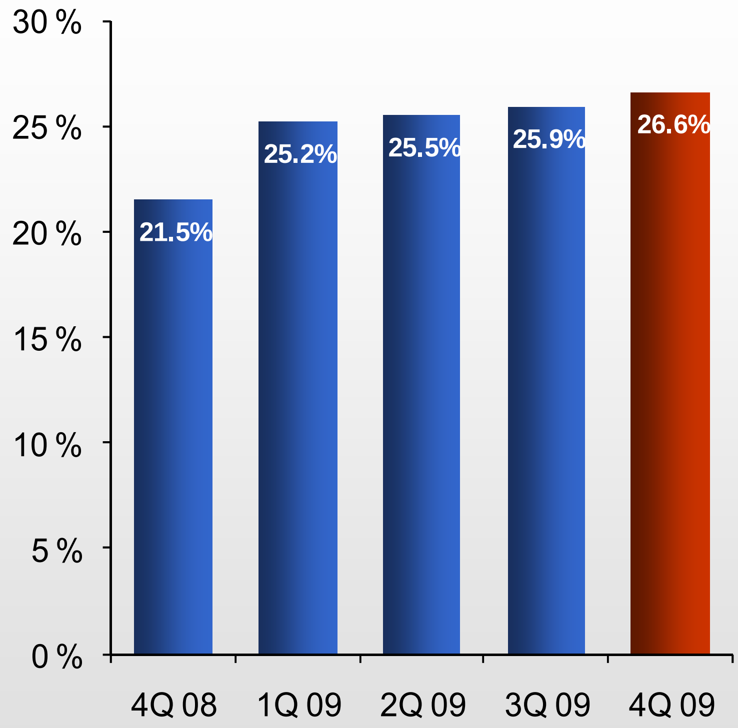
Order backlog: NOK 430 million

Eltek Valere - Regional development

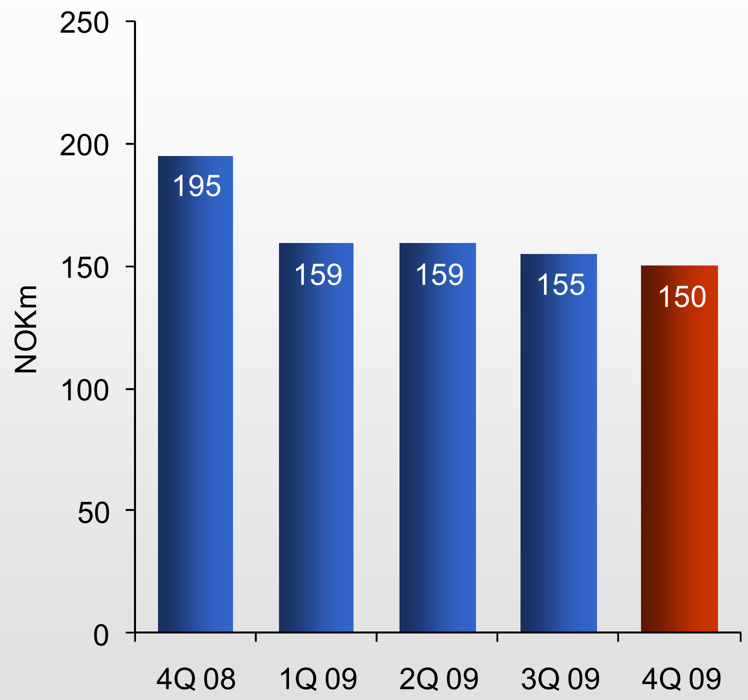


Eltek Valere - Gross margin and OPEX

Gross margin, quarterly



Operating costs, quarterly
-excluding non-recurring items



Note: Gross margin in 4Q '08 was negatively affected by NOK 27 million (2.5%-points) in inventory write-downs

Note: Excluding non-recurring items of NOK -763 million in 4Q'08 and NOK -10 million in 2Q'09

ELTEK

Growth initiatives
Based on power efficient product offering

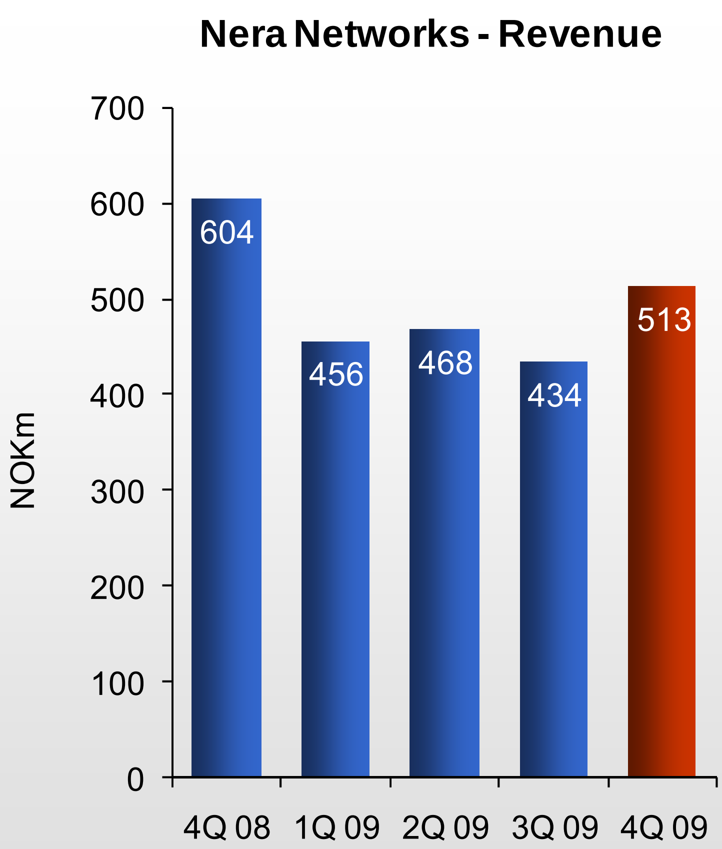
- Telecom power market expected to stabilize – the power efficient HE rectifiers are well suited for the replacement market
- Hybrid power solutions offer cost and CO_2 savings for off-grid sites
- Developing state-of-the-art DC/AC Solar power inverters
- Signed first contract for battery chargers for electric vehicles – deliveries to Think City commencing already from February 2010

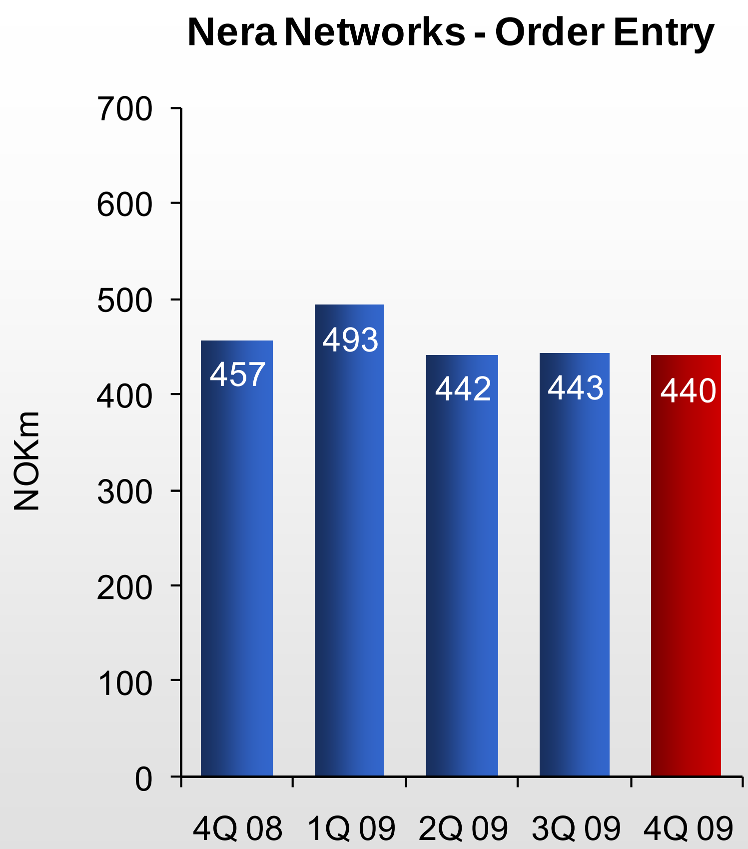
Nera Networks

Nera Networks – key financials

NOKm	**4Q'09**	4Q'08	Δ	**2009**	2008	Δ
Order entry	**440**	457	-4%	**1 818**	1 882	-3%
Revenue	**513**	604	-15%	**1 872**	1 797	4%
Revenue growth, currency adj.			-13%			-2%
Gross Profit	**85**	90	-6%	**336**	347	-3%
Gross Margin (%)	***16.6%***	*15.0%*		***18.0%***	*19.3%*	
EBITDA	**17**	-50		**89**	34	
EBIT	**-199**	-69		**-189**	-28	
Non-recurring items	**-190**	-103		**-200**	-102	
EBITDA bef. non-recurring items	**17**	52		**100**	136	
EBIT before non-recurring items	**-9**	33		**11**	74	

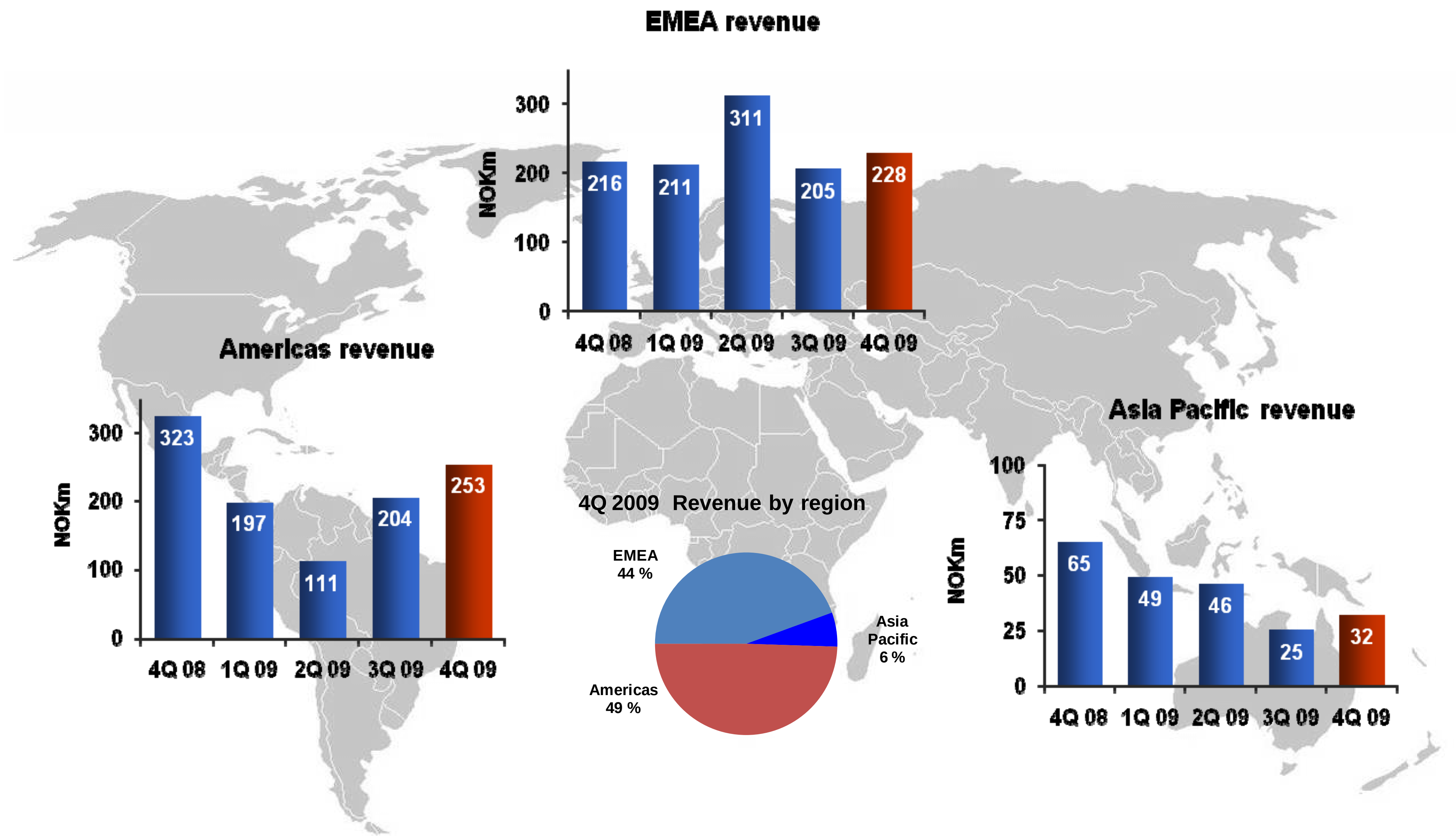
Nera Networks- Revenue and order entry



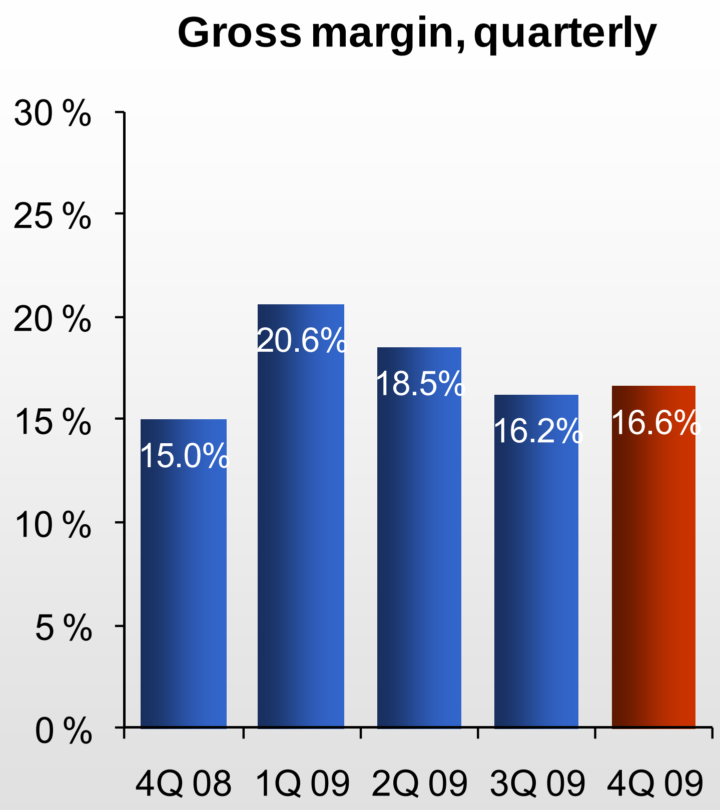


Order backlog: NOK 651 million

Nera Networks- Regional development



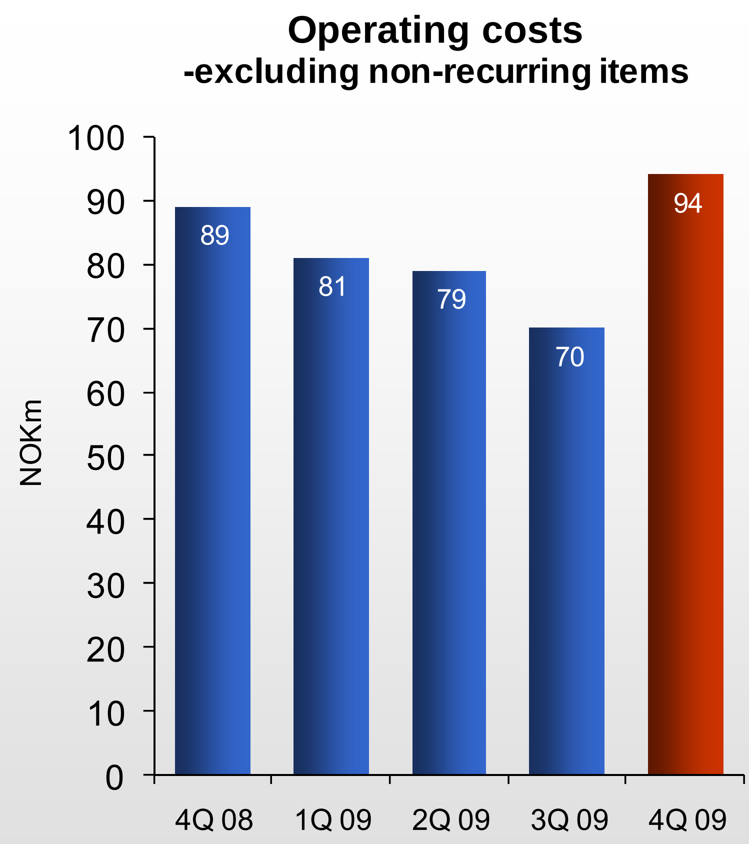
Nera Networks – Gross margin



- Intense competition and price erosion
- Low capacity utilization
- Inventory write-downs of NOK 15 million (~3%-points)

Nera Networks – OPEX

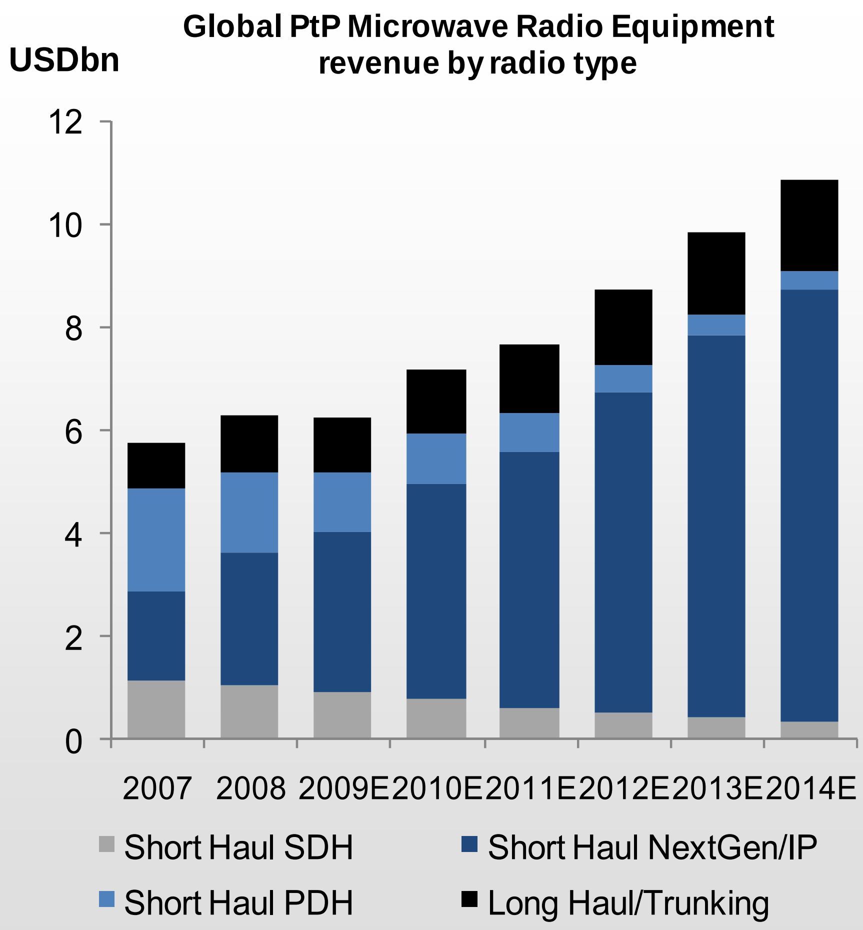
- Increase from 3Q'09 to 4Q'09 partly explained by;
  - NOK 11 million increased provisions for pension liabilities and bad debt
  - NOK 5 million increase in R&D and engineering costs
- Impairment of NOK 190 million



Note: Excludes non-recurring provisions of NOK -61 million in 4Q'08, NOK -10 million in 2Q'09, and NOK 190 million in 4Q'09

Growing market for Evolution

- Broadened portfolio with Evolution EDGE in 2009
  - Low-cost, low-capacity
- Production volume increase needed to generate required scale advantages
- Industry analysts expect market decline in 2009 to turn into high growth from 2010 onwards



Source: Skylight Research, 2009

ELTEK

NeraTel

NeraTel – key financials

NOKm	**4Q'09**	4Q'08	Δ	**2009**	2008	Δ
Order entry	**105**	317	-67%	**571**	834	-32%
Revenue	**194**	239	-19%	**798**	666	20%
Revenue growth, currency adj.			-6%			12%
Gross Profit	**45**	47	-5%	**166**	155	7%
Gross Margin (%)	***23.1%***	*25.4%*		***20.9%***	*23.3%*	
EBITDA	**20**	21	-4%	**67**	63	7%
EBIT	**16**	15	9%	**47**	43	9%

- Volatile transmission revenue continue to affect both revenue and margin development
  - 2009: Transmission revenue increase, Infocomm flat, decline in Satcom
- Order backlog of NOK 395 million

4Q 2009

Financial review

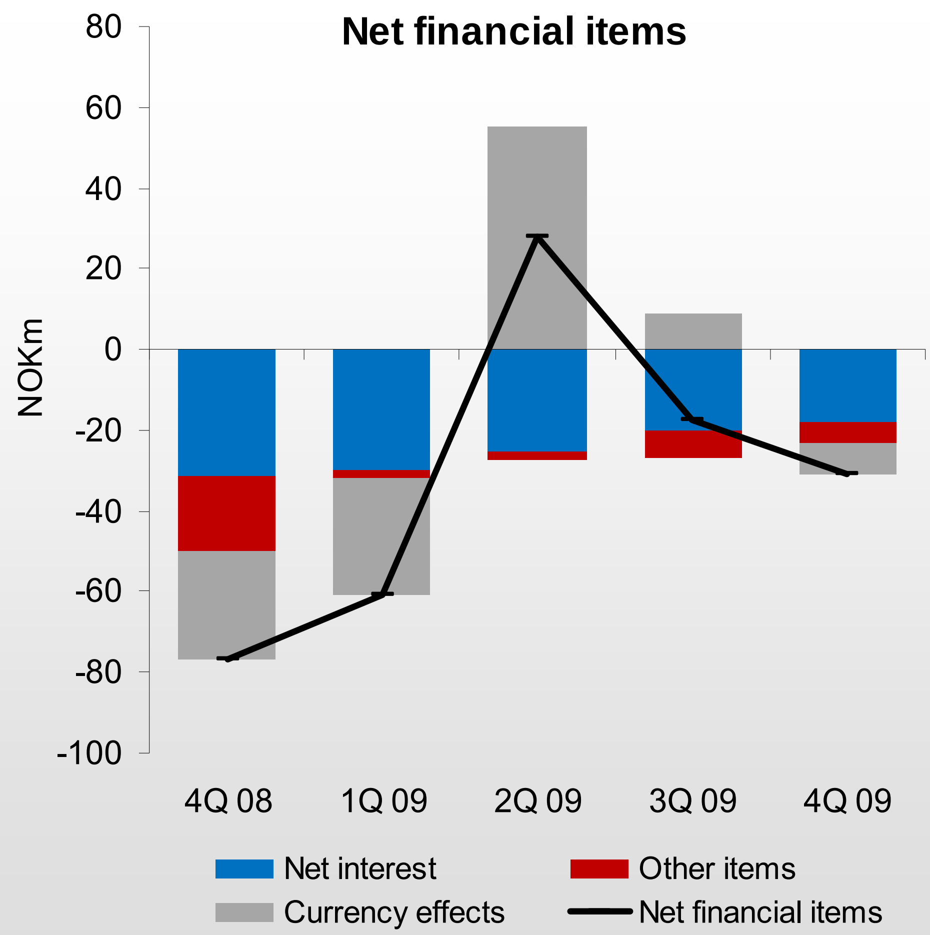
ELTEK

Income Statement - unaudited

Amounts in NOK million	4Q 09	4Q 08	2009	2008
Revenue	1,497	1,873	5,778	5,958
Cost of sales	-1,149	-1,507	-4,439	-4,595
Gross profit	**349**	**366**	**1,338**	**1,364**
Selling and marketing costs	-130	-146	-509	-518
Administrative expenses	-130	-106	-380	-346
R&D and engineering costs	-223	-83	-431	-274
Other operating items	-8	-823	-29	-843
Operating profit	**-143**	**-792**	**-11**	**-616**
Share of result in associated companies	1	1	1	1
Net financial items	-31	-77	-83	-143
Profit before income tax	**-173**	**-868**	**-92**	**-758**
Income tax expense	-56	-12	-104	-66
Net profit	**-229**	**-881**	**-196**	**-824**
Attributable to:				
Equity holders	-241	-829	-226	-798
Minority interests	12	-51	30	-26

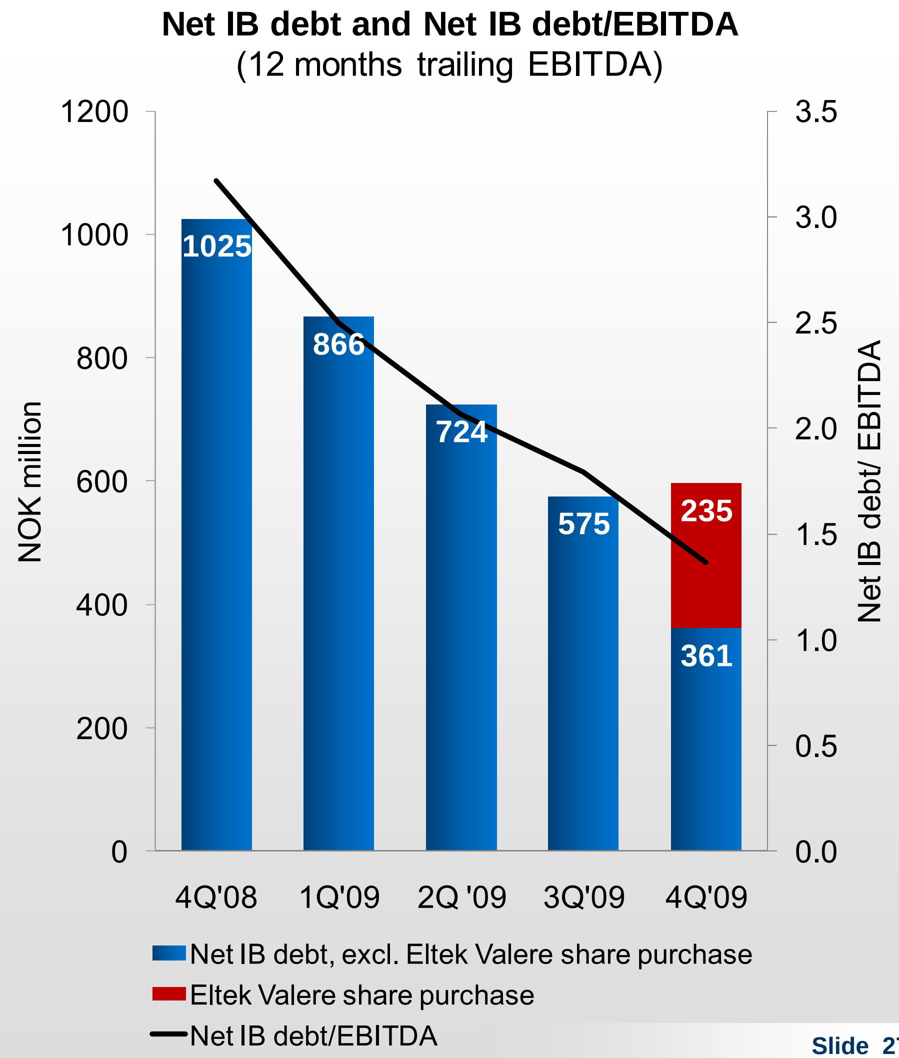
Net financial items

- Net interest of NOK -18 million
- Net negative currency effects of NOK 8 million
  - Incl. accounting for hyperinflation in Venezuela



Liquidity and debt

- Gross borrowings of NOK 1,412 million
- Gross cash position of NOK 815 million
- Net interest bearing debt of NOK 596 million
  - Includes new net debt of NOK 235 million related to the purchase of Eltek Valere shares

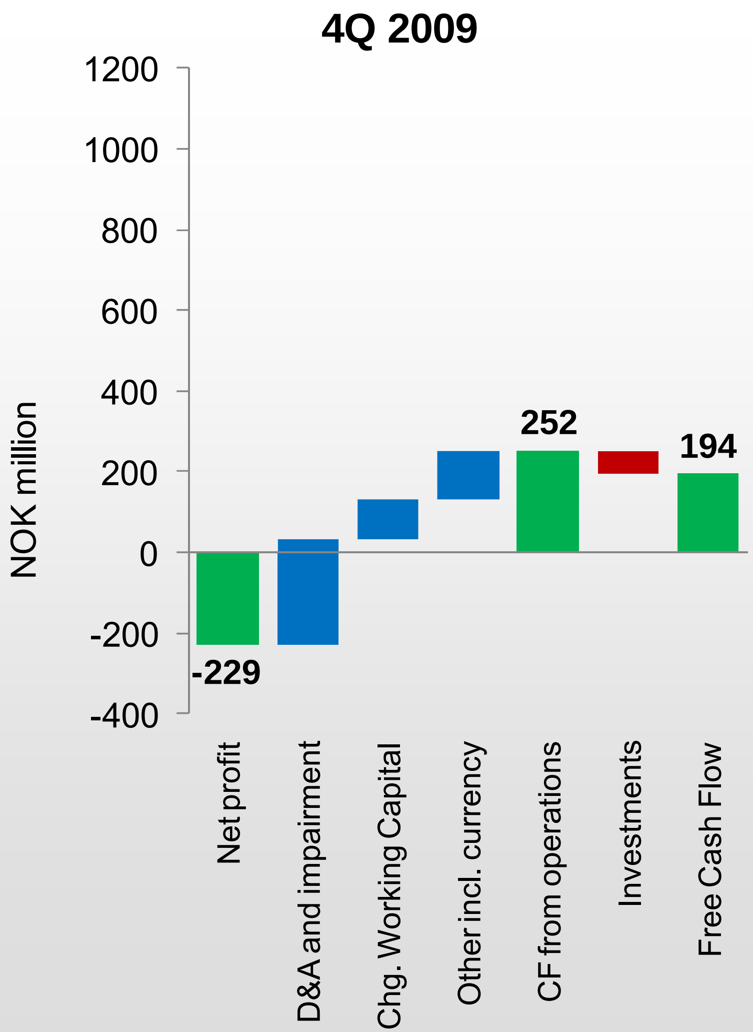


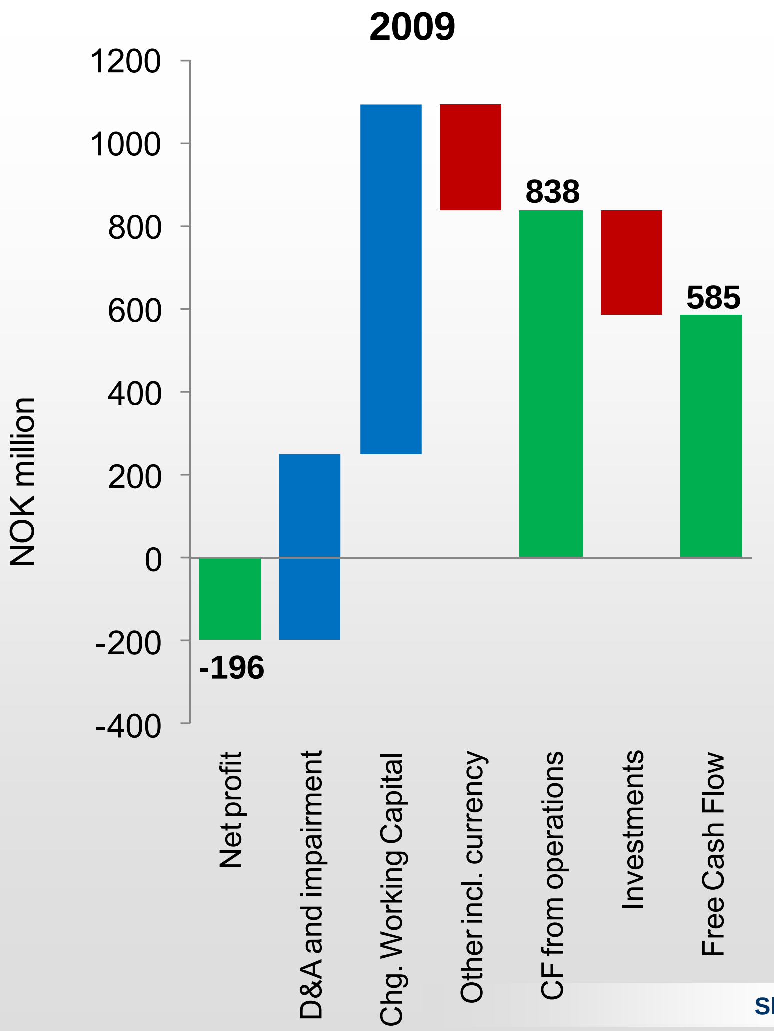
Cash flow Statement - unaudited

Amounts in NOK million	4Q'09	4Q'08	2009	2008
Net cash flow from operations	252	-74	838	-109
Net cash flow from investments	-58	-73	-253	-353
Net cash flow from financing*	-279	141	-339	388
Net change in cash and cash equivalents	**-64**	**98**	**193**	**30**
Cash and cash equivalents, beginning of period	880	525	622	592
Cash and cash equivalents, end of period	815	622	815	622

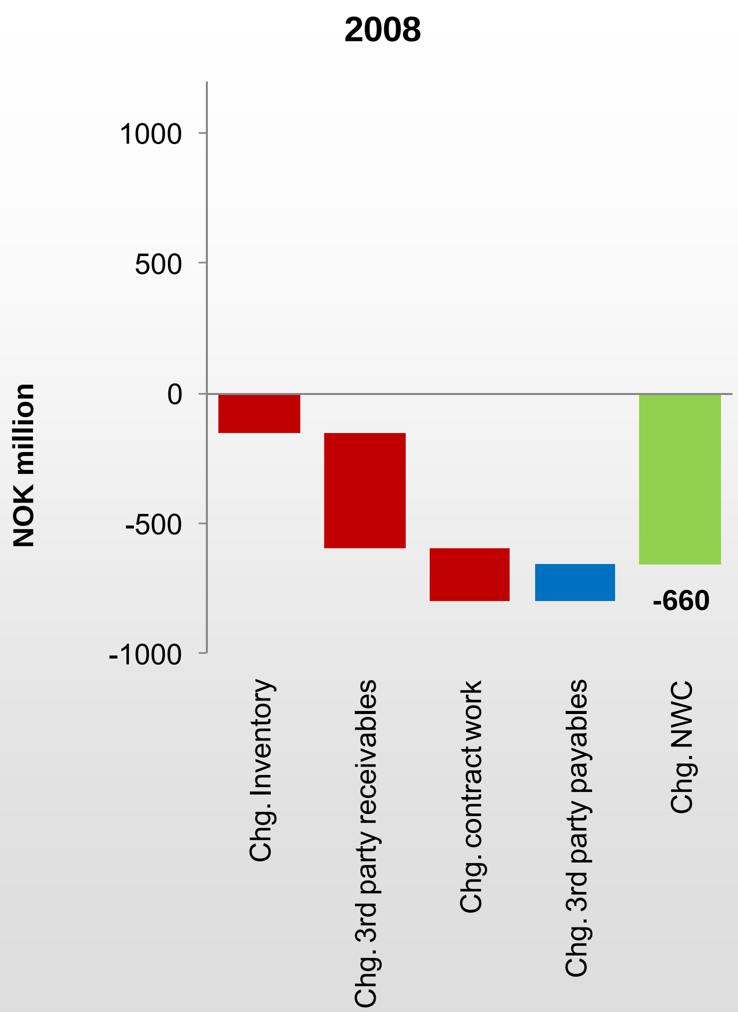
*Including currency translation effect on cash and cash equivalents

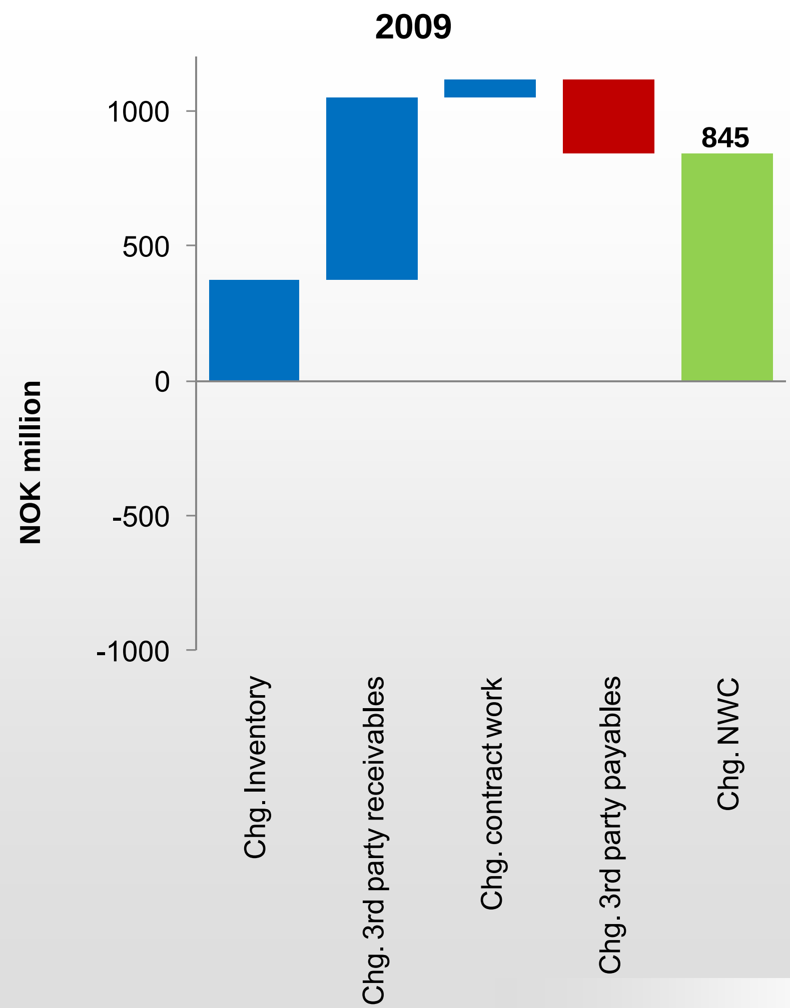
Group cash flow – 4Q and FY 2009



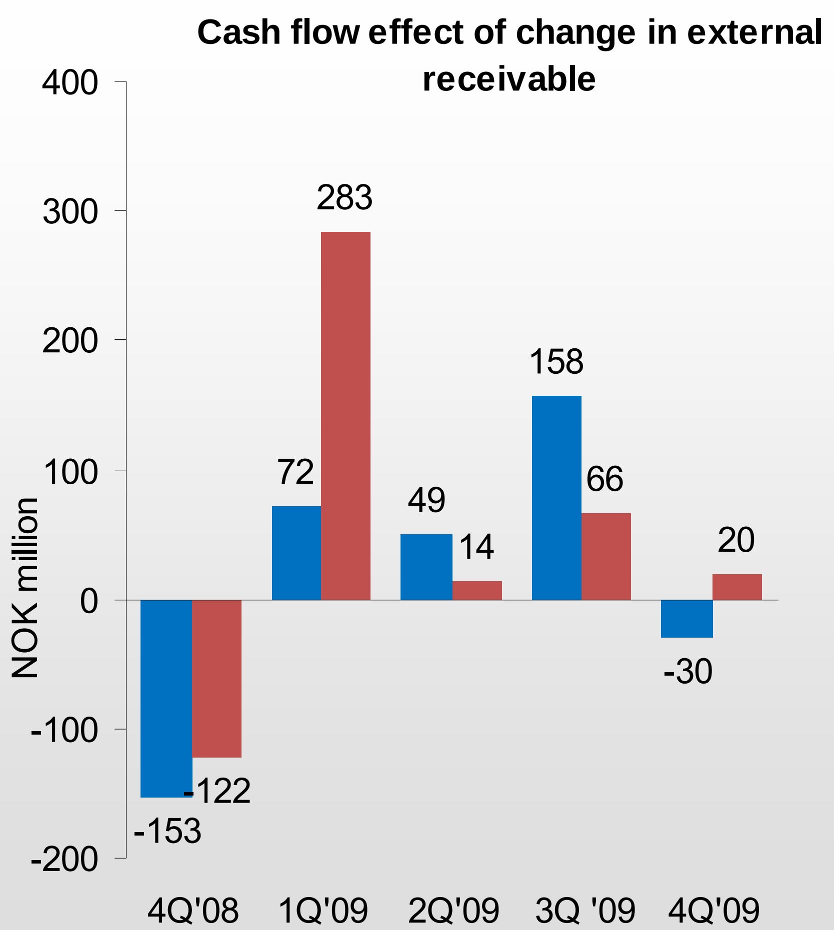


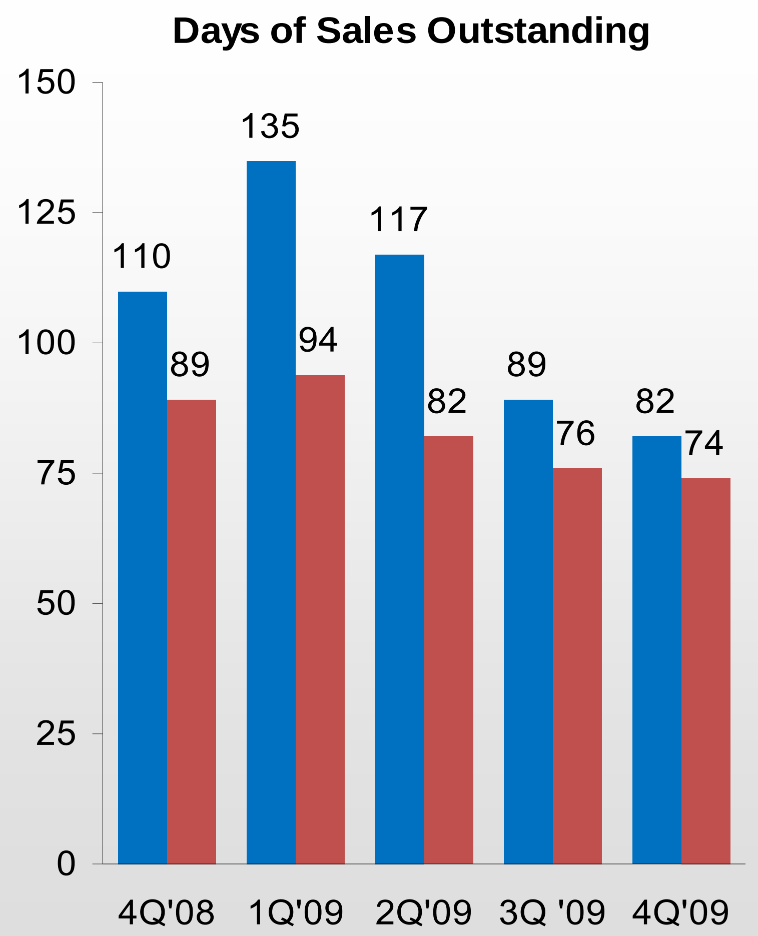
Working capital development
Main working capital elements - 2008 and 2009





Receivable and DSO



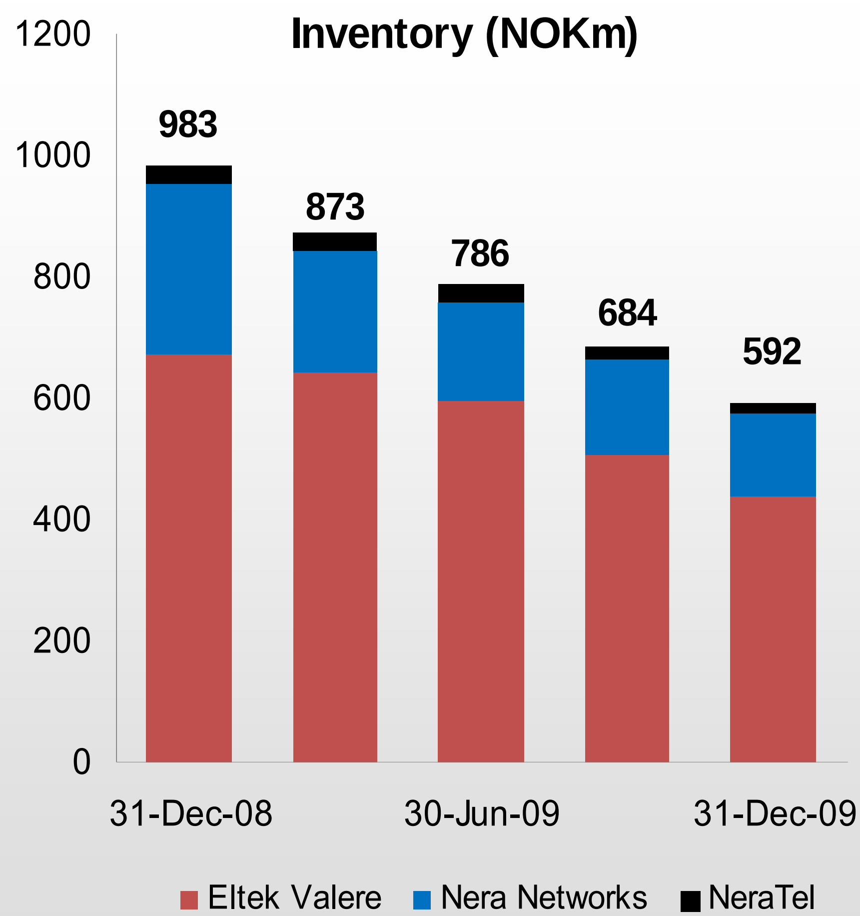


Positive figures represent decrease in receivable

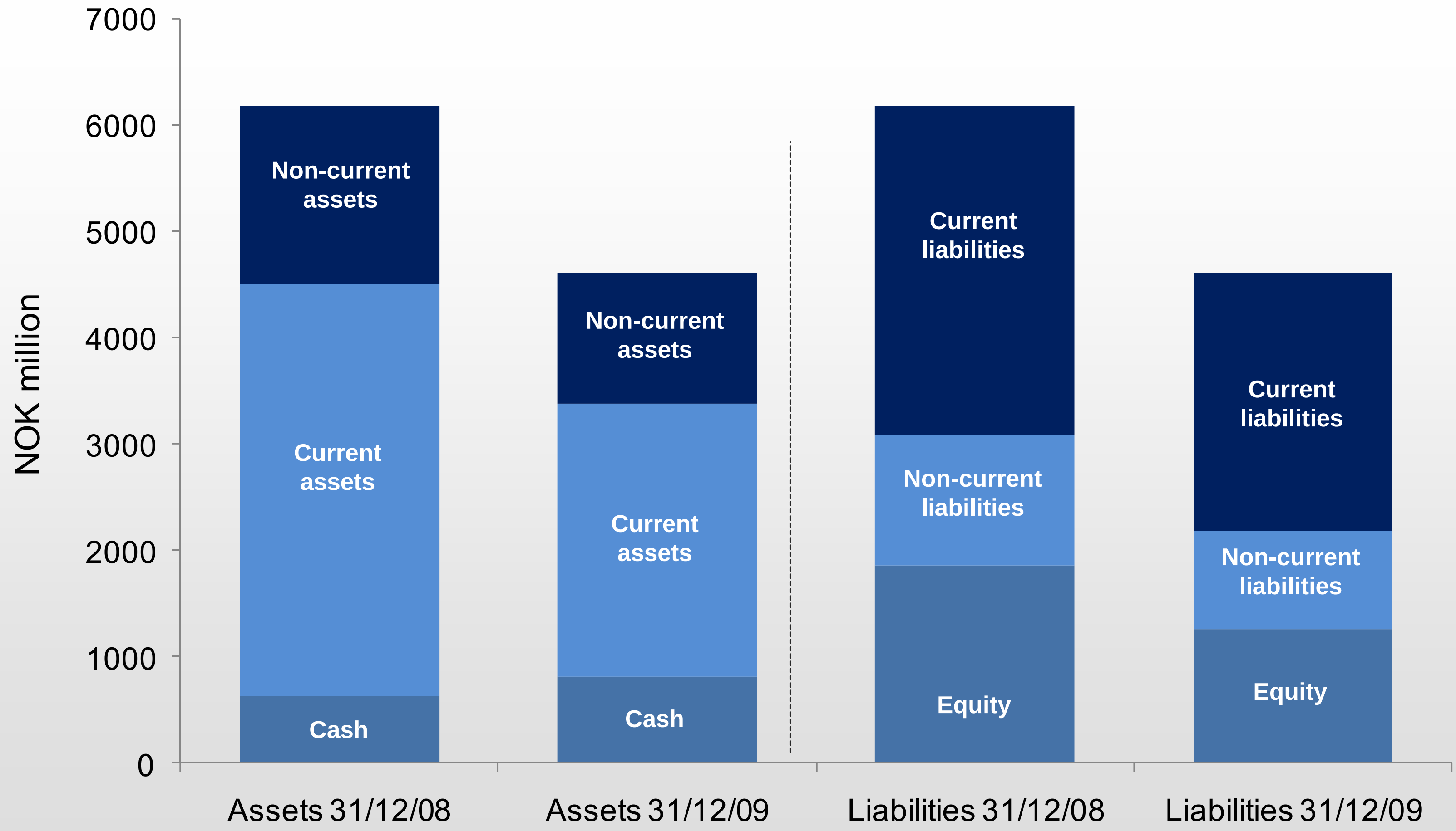
Inventory development

- Inventory decrease of NOK 91 million in 4Q'09
  - Nera Networks NOK -23 m
  - Eltek Valere NOK -67 m
  - NeraTel NOK - 2 m

- Inventory decrease of NOK 391 million in 2009
  - Nera Networks NOK -147 m
  - Eltek Valere NOK -233 m
  - NeraTel NOK - 10 m



Balance Sheet overview



Balance Sheet (unaudited), Assets

Amounts in NOK million	31/12/2009	30/09/2009	31/12/2008
Property, plant & equipment	390	438	521
Intangible assets	485	636	719
Deferred income tax asset	394	420	421
Other non-current assets	12	14	16
Total non-current assets	**1,281**	**1,507**	**1,678**
Inventories	592	684	983
Trade receivables	1,264	1,276	1,923
Projects in process	443	473	635
Other receivables	265	301	330
Cash and cash equivalents	815	880	622
Total current assets	**3,379**	**3,613**	**4,493**
Total assets	**4,660**	**5,120**	**6,171**

Balance Sheet (unaudited), Equity and Liabilities

Amounts in NOK million	31/12/2009	30/09/2009	31/12/2008
Capital/reserves attrib. to equity holders	1,152	1,498	1,675
Minority interest	177	166	176
Total equity	**1,330**	**1,664**	**1,851**
Borrowings	657	781	849
Deferred income tax liabilities	3	7	8
Retirement benefit obligations	167	167	170
Provisions, other liabilities and charges	85	186	209
Total non-current liabilities	**911**	**1,141**	**1,236**
Borrowings	755	674	798
Trade creditors	724	786	996
Projects in process	159	124	285
Other payables	534	484	728
Current income tax payable	21	20	43
Provisions, other liabilities and charges	227	226	235
Total current liabilities	**2,419**	**2,315**	**3,085**
Total liabilities	**3,330**	**3,456**	**4,320**
Total equity and liabilities	**4,660**	**5,120**	**6,171**
Equity ratio	**28.5 %**	**32.5 %**	**30.0 %**
Equity ratio, goodwill adjusted	**27.5 %**	**31.6 %**	**29.1 %**

Acquired all shares in Eltek Valere

Settled all disputes with former minority shareholders

- All outstanding shares in Eltek Valere were purchased in December 2009
- The balance sheet includes net debt of NOK 235 million (**USD 40.4 million**) in promissory notes issued as payment
  - The notes were effectively issued January 7, with 24 month maturity and coupon of 8% increasing 1%-point quarterly to a maximum 15 percent
- The parties in January reached a settlement pursuant to which all disputes between the parties are fully and finally settled
- The settlement agreement includes an option for Eltek to buy back the promissory notes for **USD 30 million** within April 12, 2009
- Eltek intends to exercise the option and is currently exploring the possible issuance of a bond loan

Summary and Outlook

Outlook

- Order entry declined in fourth quarter and normal seasonal variations indicate a revenue decline from the fourth to the first quarter
- Telecom power market expected to stabilize and transmission market expected to grow in 2010
- Good foundation to strengthen the position with broadening product scope
- Working capital management remains a key priority, with an aim to generate positive free cash flow in all segments also in 2010