

Press release on 27 June 2017 at 16.00 CET

Eltel divests part of its Communication business in Poland

In February 2017, Eltel decided on a new strategy to focus its business on the company's stable and profitable core businesses in Power and Communication in the Nordic region and Poland and selectively continue to grow in Germany. Within this defined scope, Eltel has reviewed its operations and decided to divest a low-profitability maintenance business within the Group's Communication business in Poland.

Today Eltel has signed and closed an agreement with Polish BKJ sp. z o.o. to sell its telecom maintenance service operations in Poland. These operations comprise maintenance of copper networks to the Polish telecommunication operator Orange. In 2016, net sales of these operations amounted to approximately EUR 24 million and employed approximately 950 people. The operations had only marginal impact on Group profitability in 2016. Following the transaction, Eltel will record a capital loss of approximately EUR 1.0 million affecting the EBITA result in the second quarter.

This transaction aims to provide better opportunities for Communication to focus on the well performing upgrade operations that show good growth opportunities, especially within the fibre and mobile businesses. Following this transaction, Eltel's core business in Poland will comprise fibre roll outs and mobile operations within Communication as well as design and build of overhead lines and substations within Power. These operations employ a total of approximately 1,000 people.

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About Eltel

Eltel is a leading Northern European provider of technical services for critical infrastructure networks – Infranets – in the segments of Power, Communication and Other, with operations throughout the Nordics, Poland and Germany. Eltel provides a broad and integrated range of services, spanning from maintenance and upgrade services to project deliveries. Eltel has a diverse contract portfolio and a loyal and growing customer base of large network owners. In 2016, Eltel net sales amounted to EUR 1.4 billion. The current number of employees is approximately 9,500. Since February 2015, Eltel AB is listed on Nasdaq Stockholm.