



Press release 14 September 2015, 11:00 CET

Eltel and Caruna sign a EUR 50 million frame agreement for cabling projects in Finland

Eltel and Caruna have signed a frame agreement to improve the power distribution network in the southwestern regions of Finland. Improvements in medium-voltage networks will be carried out over the next three years. The total value of the agreement is EUR 50 million and it will extend until September 2018. The new agreement will continue earlier projects between the two companies. The tendering process was in form of a public offering.

The agreement is based on a turnkey model. It consists of several separate projects, in which overhead power lines will be replaced by underground cables. Eltel's responsibilities in this turnkey project will span everything from design to the finished product.

Juha Luusua, President of Power Distribution, Eltel, comments:

"Executing large underground cabling projects is Eltel's core competence. The turnkey project model enables a highly cost-effective and rapid execution. We are delighted to support Caruna's massive investment programme in Finland. Caruna as the largest distribution operator in Finland is an important and long-time customer of Eltel. Our cabling expertise, which has been developed in Finland, is also an excellent export product to the other northern European electricity markets."

Ari Koponen, CEO of Caruna, comments:

"Through investments, we rapidly improve the reliability of electricity distribution. We can also provide a weatherproof network for an additional 45,000 customers in the southwest regions of Finland. We see the investment in the electricity network, based on this frame agreement, as an important driver for complying with regulatory requirements within the given timeframe. The framework agreement is an essential part

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of our operations, while we maintain annual investments in our network of EUR 150 million in all areas to guarantee more reliable electricity supply for our customers."

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About Caruna

Caruna is the largest company in Finland dedicated to the distribution of electricity. It provides power to 650,000 private and corporate customers in South, Southwest and West Finland, as well as in the city of Joensuu, the sub-region of Koillismaa, Lapland and the Satakunta region. Caruna employs approximately 310 employees and contracts directly 1,800 additional workers all over Finland. Caruna is investing heavily in the construction of a weatherproof network and, in addition, invests about MEUR 150 annually in the development of its electrical network. Caruna is owned by the Finnish employment pension companies Keva (12.5%) and Elo (7.5%) and by international investors in infrastructure, First State Investments (40%) and Borealis Infrastructure (40%). For more information: go to www.caruna.fi.

About Eltel

Eltel is a leading European provider of technical services for critical infrastructure networks – Infranets – in the segments of *Power*, *Communication* and *Transport & Security*, with operations throughout the Nordic and Baltic regions, Poland, Germany, the United Kingdom and Africa. 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. The number of employees is approximately 9,300 and in 2014, Eltel net sales amounted to EUR 1,242 million. Eltel's share is listed on Nasdaq Stockholm since February 2015.

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