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## **Eltel buys a signalling company in Rail&Road business in Norway**

**Eltel has agreed to acquire VETE Signaltjenester AS in Norway. VETE is a recognized player in the Norwegian railway market with an important market position providing railway-signalling services.**

Eltel entered the Norwegian Rail market in 2012. Since then Eltel has successfully been able to capitalize on the growing market. To meet the growing customer demand Eltel has decided to increase its competences and resources in the signalling and safety segment. The acquisition VETE is complementary to Eltel's current offering in Norway and provides clear synergies with the existing Rail business of Eltel.

VETE is leading in its segment in Norway with a turnover of approximately NOK 60 million in 2014. The company has 37 employees with specialized signalling and safety competences. The company covers entire Norway. The product offerings are new installations, corrective and preventive maintenance, project management, engineering and advisory services within the railway signalling segment. VETE's customers are the Norwegian rail infrastructure owner "Jernbaneverket", Oslo Metro "Sporveier Oslo", signalling system suppliers and construction companies. In 2013 the company entered into a long term frame agreement with a signalling technology supplier for the Norwegian market.

Norwegian government has announced high investment needs and plans for the coming years including major needs for investments for signalling systems and growing opportunities for outsourcing of maintenance.

### **Eltel AB**

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**Fredrik Häggström, President of Eltel Rail & Road comments:**

“The acquisition of VETE is a good step for Eltel and aligned with our strategic plan in the Norwegian market. Our clients have challenging plans and the market is struggling to meet the increased needs of competences and resources. With VETE we can scale up our Norwegian business and further develop cross border co-operation between our Eltel entities. We welcome the employees of VETE to join Eltel”.

**Richard Bednar, CEO of VETE Signaltjenester and seller comments:**

“VETE has grown to a size where we consider being part of a larger group will further boost the development of business and our employees. After careful consideration, we came to the conclusion that Eltel would fulfill perfectly the expectations and we are very happy to make this announcement today. I will continue as Managing Director for VETE and be part of the Eltel’s Norwegian Rail & Road Management Team”.

The acquisition price is aligned with the targets presented by Eltel in its prospectus in conjunction with the introduction at Nasdaq Stockholm in February 2015 and the closing is expected to take place within one week.

**For more information, please contact**

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**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 current number of employees is approximately 9,300. In 2014 Eltel net sales amounted to EUR 1,242 million. Since February 2015, Eltel AB is listed on Nasdaq Stockholm.

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