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Eltel to sell its rail business operations in Finland

Today, Eltel has signed an agreement to sell its Finnish rail business operations to Graniittirakennus Kallio Oy, a leading infrastructure constructor operating in Finland, Sweden and Estonia. Eltel's rail business operations in Finland deliver railway, metro and light rail electrification and signalling systems. The offerings comprise electrification and signalling design, material purchases, build and maintenance services as a part or turnkey deliveries.

The purchase price amounts to EUR 8.5 million deducted by the cash generated from these operations during September 2017 - January 2018. The purchase price will be paid in the first quarter of 2018. The transaction is estimated to positively impact Group EBITA by approximately 4 million EUR in the first quarter of 2018. Closing of the transaction is expected to occur at the end of January 2018.

In 2016, Eltel's Finnish rail business operations generated net sales of EUR 28 million and currently employs approximately 120 people.

In February 2017, Eltel decided that its strategic focus will be on the Group's core businesses in Power and Communication with the geographical markets being in the Nordics, Poland and Germany. Eltel's rail operations, classified as non-core operations, cover the Nordics countries. The divestment process of Eltel's rail operations in Sweden, Denmark and Norway is still ongoing.

For further information:

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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 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 8,400. Since 2015, Eltel AB is listed on Nasdaq Stockholm.