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Eltel to divest its business operations in Estonia

Today, Eltel has signed an agreement to sell its business operations in Estonia to Estonian TecnoLines OÜ, a company which operates in the Estonian networks design, construction and maintenance sector. Eltel's Estonian business comprise power, telecommunication and gas infranet services.

In 2016, these operations generated net sales of EUR 26.3 million with low profitability and currently employs approximately 300 people. The closing of this transaction is subject to approval by the Estonian Competition Authorities and is expected to occur at the latest in the fourth quarter of 2017. The transaction price, subject to changes in net working capital until closing, is estimated to amount to roughly EUR 3 million with expected cash flow impact of EUR 2.5 million in the fourth quarter of 2017. The transaction is estimated to have a negative impact of approximately EUR 1 million on Group EBITA and Eltel will record goodwill impairment of approximately EUR 3.8 million related to this divestment in the third quarter of 2017.

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.

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 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 8,700. Since February 2015, Eltel AB is listed on Nasdaq Stockholm.