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Eltel's communication business wins new frame agreements for fibre deployment in Germany

Eltel has won several important contracts to deploy fibre networks for a leading German tele operator. The agreements cover a period from 2017 to 2018 and will strengthen Eltel's market position in the German communication market. The value of the contracts is estimated to amount to approximately EUR 25 million.

The new agreements cover southern, western and southwestern operator regions of Germany. The scope of Eltel's delivery is to build fibre networks with a variety of access points within these regions in the urban as well in the rural areas. The new agreements will support Eltel's Communication business in Germany and are expected to provide new opportunities for further expansion in this market.

Access to broadband for all citizens

Fibre penetration in Germany is relatively low compared with most other European countries. The current technology is based on deploying fibre to the curb, i.e. to the street cabinet or pole, and utilizing high bandwidth copper technologies up to buildings and homes. The national digital agenda in Germany has ambitious targets for operators to invest in fibre. All citizens should get access to a minimum of 50Mbit/s data transfer speed. A recent study shows that approximately 80% of urban households have access to 50Mbit/s, while this applies to less than 20% of rural households. In addition to German operators' own investment plans, a programme, called "Rural Initiatives" which is subsidized by the German government, has been initiated to boost this development.

New ways of deploying larger broadband rollouts

Measured by penetration of fibre, Sweden and Norway are the leading countries in Europe. Eltel is well positioned in the Nordic telecommunication sector and has achieved a leading position also in deploying larger fibre rollouts. Eltel has developed a rollout concept based on a unified process from planning and design, to fibre rollout and related services assurance and aims to offer this expertise also in the German market. Eltel's concept is called Fibre Force. Eltel's international footprint and experience in cross-border workforce management supports project resourcing with skilled and sufficient amount of technicians in the German market.

Peter Uddfors – President Eltel Communication comments:

"We are proud of this recognition of our competence and capacity to deploy fibre in Germany. With the vast experience, our industrialised concept and best practices developed during the fiberisation in the Nordics, we are now able to grow in Germany and aiming at a market leadership position also in this market".

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This information is information that Eltel AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication through the agency of the contact persons set out above, at 8.00 CET on 27 March 2017.

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. 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.