

Press release on 12 March 2018 at 9.15 CET

## Eltel signs a letter of intent to divest its rail operations in Sweden

**Eltel has today signed a letter of intent to divest its Swedish rail operations, consisting of key customer contracts, employees and operational equipment, to Strukton Rail AB, a company providing solutions in rail infrastructure, railway vehicles and mobility systems.**

The contemplated transaction, comprising build and maintenance contracts with key customers, employees and operational equipment used for delivering the relevant services, will have a negative EBITA and negative cash flow effect each estimated to be approximately EUR 6.5 million, to occur at the time of completion of the transaction.

Under the letter of intent, the parties aim to finalise and complete the transaction during H1 2018. The transaction is subject to customer approval of transfer of contracts.

Eltel will as part of the divestment enter into a subcontractor agreement with Strukton Rail AB for the completion of certain contracts relating to the rail business, expected to be completed during 2019.

In February 2017, Eltel decided that its strategic focus will be on the Group's core businesses in Power and Communication in the Nordics, Poland and Germany. In January 2018, Eltel completed the sale of its Finnish rail business operations to Winco Oy and its Danish rail business operations to Strukton Rail A/S. The divestment process of Eltel's rail operations in 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 2017, Eltel's net sales amounted to EUR 1.3 billion. The current number of employees is approximately 8,000. Since 2015, Eltel AB is listed on Nasdaq Stockholm.