

Press release on 5 April 2017 at 8.00 CET

Eltel plans to merge parts of its aviation and security business with the Communication business and divest remaining entities

In January 2017, Eltel announced the merger of its fixed and mobile communication businesses into one business unit, Communication. During the ongoing integration process, it has become evident that there are synergies also with the aviation and security operations in Denmark and parts of the aviation and security operations in Sweden. Eltel therefore plans to merge these businesses in the Communication business. In 2016, net sales of these entities totalled approximately EUR 21 million and the number of employees was 100.

The remaining parts of the aviation and security business, with operations in Sweden, is planned to be divested. In 2016 these operations had net sales of approximately EUR 32 million and 175 employees.

The planned changes are in line with Eltel's strategy communicated in February 2017. At the time, Eltel announced that its strategic focus would be on its core businesses in Power and Communication. Geographically the markets in the Nordics, Poland and Germany will be prioritised. Operations excluding Eltel's core businesses are planned to be divested. Those businesses include power transmission in Africa, the rail business and the power distribution business in the Baltics, and as communicated today, also part of the aviation and security business.

Eltel's aviation and security business was previously reported in the Transport & Security segment and is performing well.

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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 5 April 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.

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