

Press release on 2 March 2018 at 7.30 CET

Eltel's letter of intent to divest Power Transmission International has expired

The amendment to prolong the letter of intent to divest Eltel's Power Transmission International (PTI) business operations to Encomm Sweden AB has expired.

On 25 September 2017, Eltel and Encomm Sweden AB signed a letter of intent regarding the divestment by Eltel of its PTI business to Encomm Sweden AB. The transaction is subject to key customer approval and that the purchaser obtains financing of the transaction and a full release for Eltel under certain guarantees. On 21 December 2017, the duration of the letter of intent was prolonged until end of February 2018. The parties now confirm that the purchaser has not fulfilled the condition to obtain financing of the transaction and a full release for Eltel under certain guarantees. Eltel will therefore proceed with the discontinuation of PTI.

The closure of PTI is, in certain projects, going faster than planned and it is estimated that the total financial effect will be somewhat lower than the previously estimated ramp down expenses of EUR 40 million of which EUR 27.5 million was recorded during the period up to and including the fourth quarter 2017. The ramp down and discontinuation process is expected to be completed in 2019.

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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.