



Eltel's new JV in Norway signs a five year agreement with Telenor

Eltel Sønnico AS – the new 50/50 joint venture company formed by Eltel's telecom branch in Norway and Sønnico Tele AS – has signed a five year contract with Telenor Norge AS and Canal Digital Kabel-TV.

Telenor Norge is undertaking a long-term modernisation and simplification of services and processes in all of its technology areas. The new partner agreements will secure simplified and more efficient working processes, and more long-term predictability of forecasting for Telenor's partners.

Berit Svendsen, Managing Director of Telenor Norge, comments:

Telenor's social commitment as a provider of national infrastructure makes it necessary to be able to deliver, build and operate in the entire country. A good and well-functioning collaboration with contract partners is very important to deliver best possible services to our customers.

Telecom market in Norway is undergoing a significant change. Technologies develop fast with new infrastructure and new services. Telenor invests yearly over NOK 4 billion in infrastructure and services in Norway. The new partner agreements will provide a better end customer experience, with improved quality and faster deliveries, and at the same time reduce company's costs.

The new agreements are based on a geographical model where the Eltel Sønnico will be in charge of a contracted volume of service deliveries, installations and maintenance, for given geographical areas.

For Eltel Sønnico, as a service partner, this implies increased requirements for the availability of resources, but also economies of scale and flexibility. Foreseeing the changing market trend, Eltel and Umoe, the owner of Sønnico Tele AS, decided early 2014 to merge their telecom businesses in Norway into a joint venture called Eltel Sønnico AS, with start of operations in the beginning of 2015. Even before forming the joint venture, both companies were suppliers of Infranet services to Telenor. With this new agreement these deliveries will be both enlarged and extended to 2019.

Axel Hjärne, CEO of Eltel, comments:

This agreement is a wonderful kick-off for the new joint venture. We are very happy having been able to meet the high requirements of Telenor. The length of the contract and the capacity of the new company will form a very important basis for future collaboration with Telenor.

About Eltel Sønnico

Eltel Sønnico AS is a newly established merger between Eltel's telecom businesses in Norway and Sønnico Tele AS, and a total supplier of infranet services to telecommunications in Norway. The company covers most of the services within fixed and mobile build, connect and care services including analysis, design, planning, project management, construction, installation, testing and documentation. Eltel Sønnico will be a national infrastructure services provider for telecommunications with a pro forma annual turnover of close to EUR 200 million and with ca. 1,100 employees.

About Eltel Group Corporation

Eltel is a leading Northern European provider of technical services for the Infranet industry – critical infrastructure in the segments of Power, Communication and Transport & Defence – with operations throughout the Nordic and Baltic regions, Poland, Germany and the United Kingdom. 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. Eltel has 8,500 employees and sales amounted to EUR 1,15 billion in 2013.

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