



INDUSTRI KAPITAL

Pressrelease

12 June 2007

Industri Kapital divests Eltel Networks

Telefos AB, majority owned by Industri Kapital has signed an agreement with 3i to sell Eltel Networks. TeliaSonera who is a minority shareholder will also sell its shares. Eltel Networks is the Northern European market leader for the installation and maintenance of infrastructure for electricity and telecommunications.

Headquartered in Espoo, Finland, Eltel Networks employs 8,200 professionals across Europe primarily in the Nordics, the Baltics and Poland. In 2006, telecommunications business represented 60% of Eltel Networks' net sales and the electricity business and other infra businesses accounted for approximately 40%. Clients include Vattenfall, Fortum, TeliaSonera and Telenor. For the year ending December 2006, the company achieved an EBITA of EUR 34 million on sales of EUR 756 million.

Eltel Networks was acquired by the Industri Kapital 2000 Fund as part of its acquisition of Telefos AB in December 2004. In January 2005, Eltel Networks was combined with Swedia Networks, which Industri Kapital had acquired in 2001 as part of a group of eight companies within the Telia Enterprises division. The merger of Swedia Networks focusing on servicing telecommunication networks in Sweden, with Eltel Networks focusing on servicing electricity networks in Finland, created a leading service provider of services of both telecommunication and electricity networks in Northern Europe. The other companies within the Telia Enterprises division have previously been successfully divested.

Under IK's ownership, IK together with management has witnessed strong growth in the company both organically and via acquisitions including JL-Teknik (Denmark), Comliet (Lithuania), Energoprojekt-Kraków and K-Tel (Poland). Overall sales have increased by 21 % and EBITA has doubled since the merger in the beginning of 2005. IK and management has placed strong emphasis on developing technical base and workforce, standardising products and procedures and improving internal efficiencies whilst developing better customer relationships. This together with the combination of services to both telecommunication networks and electricity networks have helped achieve cost savings and synergies. At the same time, new geographic markets have been entered and non-core businesses divested. The market position has improved and a number of significant new clients have been won and retained.

Michael Rosenlew, Partner at Industri Kapital, commented: "Eltel Networks illustrates IK's strategy of working closely with our portfolio companies to successfully grow their businesses whilst improving operational and technical performance. Today, Eltel Networks is a larger and more profitable company benefiting from better processes and customer

relationships. We wish the management team the best as they take the company to its next stage of development together with 3i.”

Tuomo Rönkkö, President and CEO at Eltel Group, commented: “This change in ownership is a positive confirmation of the strategy we have implemented during Industri Kapital’s ownership. It is also reassuring to know that 3i is committed to growing the business by continued implementation of the growth plans we are pursuing.”

The transaction is subject to regulatory approvals.

Contacts:

Industri Kapital:

Michael Rosenlew, Partner

Phone: + 46 70 378 9525

Charlotte Laveson, Communication Manager

Phone: +46 8 678 95 51

Eltel Networks:

Eltel Networks is the InfraNet Company™ in Europe, specialising in the construction, maintenance, and upgrading of electricity and telecommunications networks. Eltel engineers, builds and maintains power transmission and distribution, fixed and mobile telecommunications and municipal authorities' networks.

Eltel Networks employs 8,200 professionals across Europe, primarily in the Nordics, the Baltics and Poland. The net sales for 2006 amounted to EUR 756 million.

Industri Kapital

Industri Kapital is a European private equity firm with Nordic roots, managing close to EUR 4 billion in fund commitments. Since 1989, Industri Kapital has acquired 64 European companies. The current portfolio encompasses 23 companies with a total turnover close to EUR 9.3 billion. Industri Kapital invests mainly in mid-sized companies with strong cash flow and profit improvement potential, operating in mature industries with fundamental underlying growth.

Current investments in Finland include Moventas, Tradeka, Dynea, and CPS Color. Previous Industri Kapital’s investments in Finland include Enermet Group and Consolis, Paroc, Noviant and KCI Konecranes.

For further information on Industri Kapital: www.industrikapital.com