

Toruń, 23rd December 2013

Elkomtech joins Apator Group

On 23rd December 2013 the Executive Board of Apator S.A. signed the Preliminary Condition Contract of the acquisition of 100% shares of Przedsiębiorstwo Wdrożeń Postępu Technicznego "ELKOMTECH" Spółka Akcyjna with the headquarters in Lodz. Transaction is aimed at completion of the offer of Apator Group by IT solutions and the equipment of teletechnics enabling the creation and the supply of comprehensive systems for the automation of the operation of the network designed to commercial power engineering.

Elkomtech is leading Polish supplier of IT systems of SCADA class and equipment of telemechanics cooperating with them, protections and other network equipment for disperse systems, providing the possibility of remote control and supervision of power grid for the entire voltage range i.e. from the low voltage to the highest one. The company has been acting for 25 years and it is the technological leader in developments of the automation of stations and the network and it has the significant share in commercial power engineering market. Elkomtech S.A. is planning to achieve in 2013 the revenues from sales in value of 53 m PLN and EBITDA in value of 21 m PLN after it has been decreased by not typical and single events.

Apator S.A. with subsidiaries and associated entities is leading Polish supplier of metering systems for all the utility services (electricity, gas, water and heat) and also low voltage switchgear. The Company in its offer for commercial power engineering has IT systems managing of network property and read out data from electricity meters (AMI – Advanced Metering Infrastructure). The basis of the offer of Apator S.A. are static municipal meters and low voltage switchgear. At the same time due to planned exchange of the meters in the period 2014-2022 on the European market from traditional meters to smart ones, the Company has developed smart meters in PRIME open standard. Already, next year Apator S.A. is going to extend its offer by next smart electricity meters based on other open standards and it will make to get easier the excess to home and European Union markets.

The fusion of the competence of Apator S.A. and Elkomtech S.A. will allow to render the comprehensive service of customers of power engineering in particular in the scope of integrated IT solutions such like central control and supervision system of power grid cooperating with the wide range of smart equipment with smart meters, digital protections or analyzers included.

Many years of experience of Apator S.A. in the scope of the equipment for making, breaking and protection of low voltage circuits and the achievements of Elkomtech S.A. concerning smart equipment and control systems operating in real time for medium and high voltage networks will allow in a short time to offer customers the new value that means comprehensive tool for automation of the operation of complete power grid at entire voltage range. Owing to the integration of control and supervision systems, AMI and the management of network property, the possibility of current diagnostics of the network and its flexible management will be increased.

INFORMACJA PRASOWA

- taking into consideration long term needs of our customers related to the development of smart networks combining the function of remote control and supervision with remote data read out and management of electricity meters, we have decided to update the strategy of Apator Group *resulted in the conclusion of the purchase contract of shares of Elkomtech S.A. The details concerning the new strategy for the period 2014-2019 will be presented in February 2014 – said Andrzej Szostak, the President of Executive Board of Apator S.A. The takeover of Elkomtech S.A. means deeper seated integration of the entities in the group and also in long prospective significant synergies both on sales side and cost side added - Andrzej Szostak.*

The purchase price of shares of Elkomtech S.A. is 90 m PLN and it will be appropriate decreased accordingly by the value of net debt or increased by the value of net amount according to the status on the definite working day before the signature of Preliminary Contract. In order the transaction to be effective it requires the consent for the takeover of the President of the Office of Competition and Consumer Protection.