

For Immediate Release

HONDUTEL Expands Telephony Coverage using Telrad Solutions

DULCE NOMBRE DE CULMI, HONDURAS, August 22, 2006: Expanded digital telephony coverage is being offered in Honduras through Telrad's robust switching equipment. The project was managed under the auspices of the United Nations Development Projects (UNDP) authority, and Telrad won over competitors including major international telecom suppliers.

HONDUTEL, the national telecommunications provider for Honduras has expanded its coverage to two additional sites: Patuca and Dulce Nombre de Culmi. The \$400,000 expansion was in addition to the initial project of \$3.8 million. The major challenge was bringing full-featured telephony to remote locations, some of which could not be reached by road.

Telrad's telephony solutions a modular systems for gradual growth with the customer's needs. Telrad has launched successful triple-play and next generation network projects worldwide, with flagship projects in Georgia, Ethiopia, Papua New Guinea, and Myanmar.

"Unlike other system integrators, Telrad is committed to meeting the needs of emerging markets and economies," said Yossi Ben-Harosh, CEO of Telrad Networks. "We aren't trying to take a solution from a Tier 1 operator in the US and just sell a smaller version of it to an operator in Latin America. We put all of our focus on solutions that fit emerging markets. We understand the crucial nature of communications in developing economies, and we are dedicated to providing top-notch infrastructure solutions that serve our customers."

ABOUT TELRAD NETWORKS LTD.: Telrad is an established telecom equipment and services organization that has been providing communications products and services used by millions of end-users worldwide. The company combines a high level of dedication to customer service with expertise in developing products in the areas of IP NGN, gateways, optical, metro, enterprise, wireless, and switching.

Telrad is focused on providing dedicated, trustworthy and robust solutions and service to emerging markets and small and mid-sized operators and service providers. Telrad is a privately-owned company founded in 1951.

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