

For Immediate Release**UTG Chooses Telrad Networks for Nationwide IP/MPLS
Network deployment***IP/MPLS over DWDM deployment will enable Triple-Play offering*

Lod, Israel – Wednesday, June 18, 2008 - Telrad Networks, a veteran developer of carrier-grade telecommunications equipment, announced today that United Telecom of Georgia (UTG), the largest network operator in Georgia, has selected Telrad to carry out deployment of a new nationwide Aggregation and 10GE Backbone network based on Cisco's IP/MPLS Metro and Core products over DWDM/ dark fiber infrastructure. The network consists of Metro Ethernet aggregation via MPLS core with termination of subscribers' sessions for internet (ISP functions). Telrad has chosen Cisco's most advanced products to be able to support new features in the future. Following the project, UTG will be able to provide voice, data, IPTV, Triple-Play and VPN business services to several hundred thousand subscribers.

UTG's decision continues an already extensive relationship with Telrad Networks, which has already been providing UTG with TDM exchange equipment and support since the 1990s. The new project is expected to commence in the third quarter of 2008, and be completed over the course of four months.

"This nationwide network deployment is a major step forward for UTG, giving us the modern infrastructure necessary to bring our subscribers a high-quality and flexible service offering," said Iva Martiashvili, Deputy Director at United Telecom of Georgia. "Having worked with Telrad Networks for over a decade, we are fully confident in our decision to entrust them with this important project."

"We are proud to see that UTG has chosen Telrad with Cisco products for such an important project, and we know that this project will enable UTG to provide new and advanced IP based services over a well designed and customized solution over UTG's optical infrastructure", added Rebecca Rachmany, Director of Marketing at Telrad Networks. "Legacy operators around the world are looking to prepare for advanced, converged service offerings, and we are happy to help a valued customer such as UTG take this important step."

ABOUT UTG:

JSC "United Telecom" is one of the leading providers of telecommunications solution service to customers in Georgia. Its principal activities include local telephone network, backbone networks and underground communication facilities throughout Georgia. Company has 52 geographically distributed affiliates, 6 regional branches, and specific affiliate – backbone networks. UTG operates in fixed telephony and DSL markets in Georgia. It has more than 70% share of fixed telephony market and 15% of DSL markets. UTG has some 3500 employees. It became a private joint stock company in 1999. Before that, for over 45 years it was a state own telecommunications entity.

ABOUT TELRAD NETWORKS LTD.: Telrad Networks has been developing carrier-grade communications equipment for more than half a century. Telrad provides development capabilities that focus on integration of core technologies into standardized, Tier-1 carrier-class products. Telrad is devoted to providing a highly flexible development team, allowing its partners and customers a high level of control in the development cycle and product roadmap. Telrad's Integrated Network Solutions Division provides professional support services and transition from traditional to next generation networks for operators in emerging markets. Telrad is a privately-owned company founded in 1951. For more information, visit www.telrad.com

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