

**MTS-Ukraine selects Alcatel-Lucent IP/MPLS mobile backhaul solution
to pave way for next-generation mobile services**

Mobile World Congress, Barcelona, February 16, 2010 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced that MTS-Ukraine, one of the leading mobile operators in Ukraine, has selected Alcatel-Lucent's IP/MPLS-based mobile backhaul solution to support next-generation mobile broadband services and offer premium IP services to its mobile customers.

MTS-Ukraine will now make a transition to a more cost-effective mobile transport network infrastructure which supports current services and delivers new multimedia services and applications. By integrating end-to-end management across multiple technology domains, the mobile operator will dramatically simplify operations and reduce operating expenditures (OPEX), as well as offer its end-users the highest quality and most advanced IP services. MTS-Ukraine will benefit from using more functional and scalable equipment, which serves as a basis for LTE as well as existing CDMA EVDO 3rd generation technology.

"Moving toward IP will provide us with huge capacity reserve which enables not only to cope for several years with ever-increasing core traffic and support high quality of service provisioning, but to further introduce new services. Thanks to this new solution, we can start to prepare our network infrastructure for launching next generation communication services and data transmission right now," said Jeff Howley, CTO of MTS-Ukraine.

The solution provided is part of Alcatel-Lucent's Mobile Evolution Transport Architecture (META), one of the industry's most comprehensive solutions for evolving mobile backhaul networks to all-IP.

Alcatel-Lucent is providing professional services which include integration and testing leveraging its broad experience with IP transformation projects and will continue to support MTS-Ukraine to simplify the network and provide higher capacity services and reliability while reducing costs.

"Our industry leading mobile backhaul solution, which has helped service providers worldwide to transform their networks to all-IP, enables MTS-Ukraine to economically and efficiently upgrade its RAN to a flatter IP/Ethernet network while increasing its bandwidth to support new and emerging broadband wireless services. By selecting Alcatel-Lucent for this project, MTS Ukraine demonstrated its confidence in our solutions and our ability to help the company optimize its infrastructure and to prepare for future mobile IP services," said Alexander Tikhonov, Alcatel-Lucent's vice president for the CIS.

Alcatel-Lucent will deploy its 7750 Service Router (SR) and 7705 Service Aggregation Router (SAR) along with the Alcatel-Lucent 5620 Service Aware Manager (SAM). The Alcatel-Lucent IP portfolio allows MTS Ukraine to deliver scalable, evolvable, cost-efficient and fully-managed IP-based transport allowing mobile operators to reduce operating expenditures and quickly deploy advanced, revenue-generating services.

About MTS-Ukraine

The MTS-Ukraine network involves 97% of Ukrainian territory on which lives 99% of population. Company supplies more than 17,56 million of subscribers. Owns licenses to give mobile (standard of GSM-900/1800, CDMA-450), stationary and international/intercity connection. MTS-Ukraine provides services of international roaming on five continents. 2008 annual income was \$1,662 milliards. http://company.mts.com.ua/eng/briefly_about_MTS.php

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted transformation partner of service providers, enterprises, strategic industries such as defense, energy, healthcare, transportation, and governments worldwide, providing solutions to deliver voice, data and video communication services to end-users. A leader in fixed, mobile and converged broadband networking, IP technologies, applications and services, Alcatel-Lucent leverages the unrivalled technical and scientific expertise of Bell Labs, one of the largest innovation powerhouses in the communications industry. With operations in more than 130 countries and the most experienced global services organization in the industry, Alcatel-Lucent is a local partner with a global reach. Alcatel-Lucent achieved revenues of Euro 15.2 billion in 2009 and is incorporated in France, with executive offices located in Paris. For more information, visit Alcatel-Lucent on the Internet: <http://www.alcatel-lucent.com>

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