

**Russia's MegaFon taps Alcatel-Lucent  
to build Siberia's largest 2G/3G converged network**

*New network extends 3G service to Altai Krai and paves the way for 4G and LTE development*

**Paris, December 8, 2010** – Alcatel-Lucent (Euronext Paris and NYSE: ALU) and OJSC MegaFon (MegaFon), Russia's leading provider of 3G services, today announced the launch of the largest 2G/3G converged network in Siberia. The deployment of the network based on Alcatel-Lucent's converged radio access network (RAN) solution enables MegaFon to provide advanced mobile services to the more than 2.5 million people living in the Siberian Federal District's Altai Krai.

MegaFon, with 55 million active subscriber accounts, is one of the largest mobile networks in Russia, and was the first to launch 3G services using W-CDMA, giving customers the benefits of modern mobile data services and mobile Internet access.

Today, by implementing [Alcatel-Lucent's converged RAN solution](#), which integrates 2G/3G and 4G technologies and various mobile frequencies into a single scalable network, MegaFon will increase its network capacity, coverage, flexibility, speed and enhance quality of service, while reducing its operating costs and reducing its carbon footprint by more efficient power consumption. The converged radio access solution includes distributed base stations and macro base stations to support GSM/EDGE and W-CDMA/HSPA+ configurations, ensuring high coverage as well as high availability of 3G service. The solution lays the foundation for the seamless future introduction of Long Term Evolution (LTE) technology.

"Our project can be truly called a unique one for the whole telecommunications industry in Russia. In just a few months we - together with our partners - not only installed the hardware, but also immediately started operations of the new commercial HSPA+ network in a large territory. It will enable existing MegaFon subscribers as well as our future customers to use the most advanced 3.75G services, including high-speed Internet access, video calls, free inter-city communications via MultiFon Internet telephony service and use other services previously unavailable in GSM standards", commented Alexei Tyutin, director, Siberian region OJSC MegaFon.

"Alcatel-Lucent has deployed more than 350 commercial wireless networks worldwide of all generations. Our experience helped us in cooperation with MegaFon experts to integrate our solution with the existing equipment in the shortest possible time, and prepare a new infrastructure for commercial services introduction. We are proud to be part of the launch of Russia's new commercial converged network, and to partner with MegaFon, a dynamic player in the Russia's telecommunication industry," said Adolfo Hernandez, president of Alcatel-Lucent's activities in EMEA. "We are looking forward to helping MegaFon over the next phases of this ambitious project."

**About OJSC MegaFon**

OJSC MegaFon is a nationwide Russian universal service provider operating in all segments of the telecommunications market. OJSC MegaFon was set up in May 2002 to become the first and the only operator that built its own networks in all Russian regions. OJSC MegaFon and its daughter companies have all necessary licenses and operate in all Russian regions as well as in Abkhazia, South Ossetia and Tajikistan. OJSC MegaFon was the first to launch a commercial 3G network in Russia. Today the company is a leader in Mobile Internet across Russia and has the second largest active subscriber base.

In June 2010 after acquiring the Synterra Group, one of the leading Russian backbone operators, OJSC MegaFon entered the fixed communications market focusing on government and enterprise customers as well as fixed broadband access. Joint MegaFon/Synterra infrastructure is present in all Russian regions and serves as a platform for GSM 900/1800, 3G, VSAT, IP/MPLS networks as well as data centers and call centers related to all players of the telecommunications market.

In 2009 OJSC MegaFon became a General Partner of the 2014 Winter Olympics and 2014 Winter Para-Olympic Games in Sochi.

By June 30, 2010 the main shareholders of OJSC MegaFon are the AF Telecom Holding Group, TeliaSonera Group and the Altimo telecommunications holding.

Siberian Branch of OJSC MegaFon offers mobile communications services in the territory of the Novosibirsk, Kemerovo, Tomsk, Omsk, Krasnoyarsk and Altai Regions and in the Republics of Tyva, Khakassia and Altai. The licensed territory is inhabited by more than 16 million people. The company was the first to offer a non-roaming space across Siberia which enabled its subscribers to travel freely throughout Siberia and enjoy local tariffs.

#### **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 and optics 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>, read the latest posts on the Alcatel-Lucent's blog <http://www.alcatel-lucent.com/blog> and follow us on Twitter: [http://twitter.com/Alcatel\\_Lucent](http://twitter.com/Alcatel_Lucent).

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