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HATTERAS NETWORKS APPOINTS EDWARD H. KENNEDY TO BOARD OF DIRECTORS

Veteran industry executive joins board as company moves into high-growth sales expansion

RESEARCH TRIANGLE PARK, NC – FEBRUARY 14, 2005 – Hatteras Networks, an innovative provider of high-bandwidth, last-mile Ethernet access and service platforms, today announced that Edward H. Kennedy has joined the company’s Board of Directors. Mr. Kennedy most recently served as President of Tellabs North American Operations and Executive Vice President of Tellabs which he joined when Ocular Networks, a company he founded and served and chief executive officer was acquired by Tellabs in 2002. During his tenure at Tellabs, Mr. Kennedy was responsible for overseeing Tellabs’ entire \$600M dollar North American business, setting its strategic plans and driving market share growth. Mr. Kennedy also led international marketing and product introductions as vice president of marketing at Alcatel Data Networks, and held similar positions at Dynatech Communications and Newbridge Networks.

“Hatteras is firmly established as a leader in the emerging Ethernet over copper service market, demonstrating both technical leadership through the IEEE, IETF and MEF standards bodies, as well as market leadership as demonstrated by their relationships with leading CLECs, PTTs, ILECs and IOCs,” said Edward Kennedy. “Carriers are actively looking at the access network and how the can create more value from their existing infrastructure and Hatteras is well positioned to capture significant market share as carriers upgrade their service offerings to copper-connected business customers complementing their FTTx initiatives.”

Throughout his career, Mr. Kennedy has developed a reputation for his visionary strategy, entrepreneurial spirit, dynamic leadership and merger & acquisition achievements. In June 2003, Mr. Kennedy was selected by *Telephony* magazine as one of the top ten leaders in the telecom industry transformation. He has also been recognized

by Ernst & Young as a 2002 Entrepreneur of the Year Finalist and received the 2001 Hot Start-up, Start-up to Watch and Product of the Month awards from *Telecommunications* magazine. Mr. Kennedy's appointment further strengthens a board that already includes Cliff Higginson of ComVentures, Phil Herget of Columbia Capital, Joe Zell of GroTech Capital Group, Ron Elwell of Bessemer Venture Partners, Fred D'Alessio and Hatteras Networks president and CEO Kevin Sheehan.

"Ed has a proven ability at both start-up companies and industry giants, in applying innovative technologies to immediately leverage market opportunities," said Kevin Sheehan, president and CEO of Hatteras Networks. "His insight and experience will be invaluable as we continue to secure market leadership via our relationships with many of the world's largest and most innovative carriers."

With Hatteras Networks' award-winning broadband delivery platforms, carriers can deliver up to 45 Mbps of symmetrical Ethernet service over existing last-mile, voice-grade copper. This bandwidth flexibility gives carriers the ability to create a rich service portfolio that includes Ethernet private line, Transparent LAN services, Voice-over-IP, Internet Access flexibility from 1-45 Mbps, and virtual private networks (VPNs). These services are delivered seamlessly over the existing last-mile copper network, effectively bridging the existing T1 – T3 service gap and economic disparity. With Hatteras Networks' platforms, carriers are able to deliver multiple services via a single access link, speeding time-to-market with additional services. As a full Ethernet switch with layer-2 functionality such as VLAN Tagging and Class of Service with Quality of Service, Hatteras Networks' platform is capable of leveraging Ethernet's service multiplexing abilities to deliver business-grade Ethernet transport and switching services, while assigning Service Level Agreements (SLAs) on a per service basis, all over a single physical Ethernet connection per customer.

About Hatteras Networks

Hatteras Networks, a privately held company headquartered in Research Triangle Park, North Carolina, offers carrier solutions to deliver high-bandwidth business services to locations that are not served with fiber. Hatteras Networks' award-winning products enable carriers to fully deliver the requisite high-bandwidth, access infrastructure to support converged voice, video and data network services to business customers. Carriers can use Hatteras Networks' standards-based solutions to extend fiber-based Ethernet services over copper, or upgrade private line customers to higher-performance services. Hatteras Networks' platform is built to operate in central offices (COs),

controlled environmental vaults (CEVs), remote terminals (RTs) and on poles, allowing carriers to deliver Ethernet to nearly all business buildings on their copper and fiber infrastructure. For more information, visit www.hatterasnetworks.com.

Note to Editors: Hatteras Networks and Metro Ethernet Copper Access are trademarks of Hatteras Networks. All other trademarks are the property of their respective owners.

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