



FOR IMMEDIATE RELEASE

**HATTERAS NETWORKS EXPANDS GLOBAL
MARKET SHARE LEADERSHIP POSITION**

Leading Industry Analyst firm Heavy Reading reinforces Hatteras Networks' number one position in the global Mid-Band Ethernet market for the 9th Quarter in a Row

RESEARCH TRIANGLE PARK, NC, FEBRUARY 3, 2009 – Hatteras Networks, the global leader in flexible Ethernet solutions for enterprise access services and next-generation mobile backhaul, announced today it has once again been recognized by Heavy Reading as the leading provider of Mid-Band Ethernet solutions to carriers worldwide. Heavy Reading's *Carrier Ethernet Access Platform Quarterly Market Tracker* report, released February 2, reinforces Hatteras' leadership position in the expanding Mid-Band Ethernet market with its prominent, award-winning EtherFLEX solutions.

According to the Heavy Reading report, Hatteras firmly leads all competitors supplying Mid-Band Ethernet (Ethernet over bonded copper) platforms with an estimated 36% worldwide market share. Hatteras Networks' EtherFLEX solutions, deployed by hundreds of carriers across five continents, are meeting growing customer demand by delivering highly innovative, flexible, scalable, easy-to-manage solutions that enable service providers to quickly expand top-line growth.

“Carriers continue to see the growth potential that Ethernet-over copper represents as they strive to meet the Ethernet access needs of businesses worldwide not currently served by fiber,” said Stan Hubbard, senior analyst with Heavy Reading and author of the report. “We estimate the global market for Ethernet-over-bonded copper pair platforms grew 80% year-over-year to \$129 million for the four-quarter period ending in 3Q08, compared to 94% annual growth in 2007. We expect the global Ethernet-over-bonded copper pair market to grow 7% sequentially to \$40.4 million in 4Q08, fueled primarily by double-digit growth from Hatteras.”

The business services enabled by Hatteras Networks' EtherFLEX solutions deliver ten times more bandwidth at one-tenth the cost of legacy T1/E1 services, representing a significant opportunity for small and large carriers.

“Hatteras is witnessing strong global growth in Mid-Band Ethernet deployments,” said Kevin Sheehan, CEO of Hatteras Networks. “We are pleased to continue to hold the top position in our market, as reported by Heavy Reading, as well as delivering the best-in-

class product platforms service providers need for the roll-out of Ethernet services worldwide.”

About Hatteras Networks

Hatteras Networks is redefining the way carriers think about Ethernet services. Hatteras Networks’ Ether*FLEX* service delivery solutions are leading Service Providers worldwide to a significant expansion of the Metro Ethernet market, which had previously been limited to the fiber footprint. Historically, T1s and E1s have been the fundamental building blocks for voice and data business services. Now, Service Providers can cost-effectively offer up to 45 Mbps Mid-Band Ethernet services over existing copper facilities, enabling businesses to migrate from legacy Frame Relay, ATM and T1/E1 connections to transparent Ethernet services for voice and data business connectivity, infrastructure backhaul and mobile wireless backhaul solutions.

Already deployed on five continents, Hatteras Networks solutions are enabling a market expansion for carriers that is as significant for business services as “triple play” is for residential. For more information, visit www.hatterasnetworks.com.

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