



FOR IMMEDIATE RELEASE

**HATTERAS NETWORKS RAISES ADDITIONAL CAPITAL TO SUPPORT
NEXT PHASE OF COMPANY DEVELOPMENT**

*Globespan Capital Partners leads an oversubscribed round of \$21M investment in
Hatteras Networks to finance market expansion*

CHICAGO (GLOBALCOMM) – JUNE 5, 2006 – Hatteras Networks, the Mid-Band Ethernet services specialist, today announced the closing of an additional \$21M round of equity financing in an oversubscribed round. Globespan Capital Partners led the round that included all of Hatteras Networks current investment partners: Columbia Capital, ComVentures and Grotech Capital. In addition, the company also announced that Andy Goldfarb, executive managing director and co-founder of Globespan Capital Partners, will join Hatteras Networks’ board of directors.

“We are extremely pleased at the strong interest in Hatteras Networks and the validation of our progress in this exciting market from the venture community,” said Kevin Sheehan, President and CEO for Hatteras Networks. “Andy Goldfarb is an excellent addition to our top tier board of directors. We are now positioned to accelerate our global leadership in the Mid-Band Ethernet market.”

“Hatteras Networks’ value proposition is unique in the market because it offers a true Layer 2 Ethernet service edge solution capable of supporting a robust suite of Metro Ethernet services,” said Goldfarb. “Carriers are deploying Hatteras’ Mid-Band Ethernet solutions to aggressively expand their Metro Ethernet addressable market. We believe that Hatteras Networks has the team, technology and customer relationships in place to dominate this emerging market opportunity.”

According to a recent report by Infonetics Research, the Mid-Band Ethernet services market is poised to grow to over \$8 billion a year by 2009 as carriers move aggressively to deliver Transparent LAN, Internet Access and Ethernet Private Line over fiber, copper, and bonded copper. The report predicts that 2006 will be the year the real ramp begins for Ethernet services to copper-fed buildings and offices, particularly via the use of bonded copper. "This is an early market, and 2006 is the breakout year to establish the leaders for marketshare. Based on our knowledge of contract activity to date, we believe Hatteras will be one of the worldwide market share leaders in 2006 in this category," said Michael Howard, co-founder and principal analyst at Infonetics and the author of the report.

With market-leading service management capabilities, Hatteras Networks gives carriers the ability to create and offer a rich portfolio of managed services to the end user community (e.g., Ethernet private line, Transparent LAN services, Voice-over-IP, Direct Internet Access, and virtual private networks). These services are delivered seamlessly over the existing last-mile copper infrastructure, effectively bridging the existing T1 – T3 service gap with a more resilient and cost effective service-enabling architecture.

Service providers interested in learning more about Hatteras Networks can visit Booth #38048 at GLOBALCOMM.

About Hatteras Networks

Hatteras Networks, a privately held company headquartered in Research Triangle Park, N.C., offers carrier solutions to extend the Ethernet Service Edge for Mid-Band Ethernet services to businesses, mobile wireless cell sites and remote DSLAMs that are not served with fiber. For more information, visit www.hatterasnetworks.com.

Note to Editors: Hatteras Networks and Mid-Band Ethernet are trademarks of Hatteras Networks. All other trademarks are the property of their respective owners.

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