



FOR IMMEDIATE RELEASE

Media Inquiries:

Richard M. Williams
Connect2 Communications
919-554-3532
rmwilliams@connect2comm.com

**FROST & SULLIVAN RECOGNIZES HATTERAS NETWORKS AS
2007 CARRIER ETHERNET ENTREPRENEURIAL COMPANY OF THE YEAR**

Hatteras Networks receives the prestigious Carrier Ethernet Entrepreneurial Company of the Year award for innovation that enables telecommunications service providers to win at pursuing the Mid-Band Ethernet services market opportunity

RESEARCH TRIANGLE PARK, NC, JANUARY 25, 2007 — Hatteras Networks™, the Mid-Band Ethernet™ services specialist, was presented with the prestigious 2007 North American Carrier Ethernet Entrepreneurial Company of the Year Award on January 24, 2007. This award recognizes Hatteras Networks as an industry leader and innovator of solutions that make it possible for service providers to deliver new and exciting revenue generating Mid-Band Ethernet services over their existing infrastructure.

“Hatteras has impressed us with their thought leadership, market development and innovative Mid-Band Ethernet product solutions,” said Sam Masud, senior analyst for Frost & Sullivan. “The market for Mid-Band Ethernet is potentially enormous, as businesses migrate from T1 and Frame Relay services to high bandwidth Ethernet. Less than 12% of businesses have access to fiber facilities and Hatteras paves the way for service providers to deliver fiber quality Metro Ethernet services over the existing copper facilities. In addition to delivering Mid-Band Ethernet for business customers, Hatteras also enables mobile wireless operators to transition from T1 backhaul to high bandwidth Ethernet backhaul over the same copper facilities. Frost & Sullivan believes Hatteras solutions open an untapped multi-billion dollar revenue opportunity for service providers.”

Each year, Frost & Sullivan awards a company that has demonstrated superior entrepreneurial ability in its industry. The award signifies the company's identification of a unique and revolutionary product solution with significant market potential. Additionally, the award certifies the viability of the company's products, technology and market strategy through real-world deployments. Hatteras Networks has won the loyalties of long-term carriers including BellSouth, T-Com Hungary, XO Communications and many other major carriers around the world. Their product line addresses a rapidly growing need for Mid-Band Ethernet services for subscribers who need between 2 and 20 Mbps of symmetrical Ethernet services.

“Hatteras Networks is honored to accept this prestigious award. It is a testament to our outstanding team and to our perseverance and dedication to delivering on the vision to extend Ethernet services beyond fiber,” said Kevin Sheehan, president and CEO of Hatteras Networks. “It is extremely satisfying to help service providers grow their top-line revenue and enhance their competitiveness through products from Hatteras Networks.”

About Hatteras Networks

Hatteras Networks is redefining the way carriers think about Ethernet services. Hatteras Networks' Ethernet service edge solutions are leading Service Providers worldwide to a \$15 billion expansion of the Metro Ethernet market, which had previously been limited to the fiber footprint. Historically, T1s and E1s have been the fundamental building block 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.

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

###