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**HATTERAS NETWORKS DELIVERS INDUSTRY'S FIRST SERVICE
CREATION PLATFORM WITH INTEGRATED LOOP MANAGEMENT TOOL**

Industry-leading solution enables carriers to perform loop prequalification and troubleshooting directly from Hatteras Networks' award-winning Mid-Band Ethernet platforms

LAS VEGAS (COMPTTEL PLUS 2007), FEBRUARY 26, 2007 — Hatteras Networks™, the Mid-Band Ethernet™ services specialist, today announced the industry's first commercialized integrated Time-Domain Reflectometer (TDR). By integrating this functionality into its award-winning Mid-Band Ethernet platforms, Hatteras is enabling carriers to accurately and cost-effectively perform loop prequalification, and to monitor/maintain selected network facilities throughout the life of their deployment. These critical activities can be performed from either the central office or from a remote location via a simple-to-use web interface.

“Our wholesale customers connected to our copper networks are clamoring for an affordable alternative to T-1s, and before we offered any new service we needed to ensure we could deliver a robust, high-performance Ethernet alternative with our existing infrastructure,” said Francisco Maella, Chief Operating Officer for Alpheus Communications. “Hatteras Networks’ new TDR feature gave us critical insight into the capabilities of our copper plant, enabling us to better understand service performance options prior to launching our new service and ensure we can maintain the highest level of performance once the service has been deployed.”

Unlike existing non-integrated solutions, Hatteras Networks’ integrated TDR solution allows technicians to perform testing at the central office (CO) or from a remote location (NOC), with no special training required. No physical wiring access is necessary, and a simple command initiates the test and returns the results. By using targeted patent-pending algorithms to pinpoint problems, the Hatteras solution enables issue resolution to proceed immediately, without the expense of a truck roll.

“Our mission is to help our customers quickly and reliably deploy the most successful Mid-Band Ethernet service offerings, and this means ensuring they have the tools to guarantee their success long term,” said Kevin Sheehan, President and CEO of Hatteras Networks. “Providing a powerful means for our customers to deliver advanced Ethernet services in a timely manner is a real advantage.”

Hatteras Networks’ new TDR solution performs two critical tasks that save carriers from losing unnecessary time and money. The first, loop prequalification, is a one-time operation that involves the testing of a copper pair to determine the suitability for, and expected performance of, the intended service. Loop prequalification includes detection of flaws in the underlying copper infrastructure as well as accurate measurement of loop length. The second operation, loop troubleshooting, is an ongoing activity. This function finds and characterizes problems with previously qualified copper pairs. Loop troubleshooting detects any post-deployment cable damage or cable degradation.

“Until now, loop qualification and maintenance have been cumbersome, time-consuming activities that provided little insight into issues found with the copper plant,” said Rosemary Cochran, principal and co-founder of Vertical Systems Group. “By integrating the solutions into its Mid-Band Ethernet portfolio, Hatteras is enabling its carrier customers to streamline the service qualification and creation process.”

With the new Hatteras Networks TDR-capable unit positioned at the customer premises, testing can be performed by the on-site technician, limiting the coordination requirements between the CO and customer premise at installation. Positioning TDR-capable units at both the CO and customer premise also allows double-ended testing, which provides for the ability to address very long loops, up to 24,000 ft. All of these advantages translate into reduced operating expenditures (OpEx) and faster deployments.

Hatteras Networks will demonstrate how its Mid-Band Ethernet solutions with integrated TDR functionality can help carriers extend the Ethernet service edge of their networks at the Comptel Plus Spring 2007 Convention and Expo (booth 808) from February 27 to March 1, 2007 in Las Vegas.

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.

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