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**XO COMMUNICATIONS SIGNS MULTI-MILLION DOLLAR DEAL WITH
HATTERAS NETWORKS FOR NATIONWIDE MID-BAND ETHERNET
SERVICES ROLLOUT**

*XO commits to exclusive supplier arrangement with Hatteras Networks to continue
aggressive 60-market Mid-Band Ethernet service deployment*

RESEARCH TRIANGLE PARK, NC AND RESTON, VA, APRIL 18, 2007—

Hatteras Networks, the Mid-Band Ethernet service specialists, today announced that XO Communications has signed a multi-million dollar agreement, standardizing on its award-winning HN4000 and HN400 platforms as the exclusive Mid-Band Ethernet (MBE) solution to be used in its network. XO is currently deploying the Hatteras platform to expand the reach of its Ethernet Services footprint in 60 metropolitan markets, enabling businesses at copper-fed locations to take advantage of Ethernet services previously only available at buildings connected by fiber.

“After a successful product launch with Hatteras Networks and volume roll-out in 2006, the decision to go with Hatteras as our sole supplier of Mid-Band Ethernet equipment was simple,” said Tom Cady, president of XO Business Services. “Hatteras Networks’ solution performs at the highest levels in the industry and uniquely enables XO to expand the availability of our Ethernet service offering to business customers over existing copper facilities nationwide.”

Designed to deliver bandwidth over fiber, broadband wireless, and now copper, XO Ethernet Services enable businesses to connect local area networks within and between

metropolitan areas and provide transport for high-speed Internet access at speeds ranging from 10 Mbps to 100 Mbps, 1 Gbps and 10 Gbps. Ideally suited for enterprise and service provider networks, XO Ethernet services provide an extremely cost-effective and scalable transport solution designed to offer connections at full network speed, removing the network bottlenecks experienced with other forms of network transport.

“The XO Mid-Band Ethernet service deployment has generated significant interest and demand from business customers hungry for high-performance business services,” said Kevin Sheehan, president and CEO of Hatteras Networks. “XO is a clear market leader in Ethernet service delivery, and we’re proud to be an integral part of their solution set as the exclusive supplier of Mid-Band Ethernet equipment.”

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 are as significant for business services as “triple play” is for residential. For more information, visit www.hatterasnetworks.com.

About XO Communications

XO Communications, a subsidiary of XO Holdings, Inc. (OTCBB: XOHO.OB), is a leading provider of national and local telecommunications services to businesses, large enterprises and communications service providers. XO offers a broad portfolio of services, including local and long distance voice, dedicated Internet access, private networking, data transport, and Web hosting services as well as bundled voice and Internet solutions. XO provides these services over an advanced, nationwide facilities-based IP network and serves 75 metropolitan markets across the United States. For more information, visit www.xo.com.

Note to Editors: Hatteras Networks is a trademark of Hatteras Networks. All other trademarks are the property of their respective owners.

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