



FOR IMMEDIATE RELEASE

**HATTERAS NETWORKS INTEGRATES WITH MICROMUSE'S NETCOOL SUITE
TO DELIVER COMPLETE SOLUTION FOR SERVICE PROVIDER NETWORK
MANAGEMENT SYSTEMS**

RESEARCH TRIANGLE PARK, NC – MAY 23, 2005 – Hatteras Networks, the leader in high-bandwidth, symmetrical, last-mile Ethernet over copper access and service platforms, announced today its integration with Micromuse's Netcool® solutions to provide carriers with a robust service support infrastructure for large-scale standards-based Ethernet over copper service network deployments. As a member of the Micromuse Alliance Program™ Hatteras Networks' award-winning Ethernet over Copper platforms have been certified as Netcool Ready™ and are proven to interoperate with Micromuse's Netcool product family. This certification enables a carrier to perform cross-domain fault management across different platforms. Hatteras Networks' platforms can now be easily integrated into any Netcool-managed network, enabling real-time, end-to-end management.

The combined solution is already deployed and in use to manage a service-rich portfolio of Ethernet-based business services by Expedient. Expedient currently provides voice, video and data services in three North American markets and has plans to expand to 20 markets and 46 central offices by the end of 2005.

“Our relationship with Micromuse is enabling our mutual customers to quickly move through deployment to delivering business-grade Ethernet services over copper infrastructure,” said Kevin Sheehan, president and CEO of Hatteras Networks. “Innovative service providers like Expedient are leveraging the advanced service activation, monitoring and management capabilities enabled by this partnership to rapidly roll out its Ethernet Anywhere service into new markets.”

Through Micromuse's Alliance Program, Hatteras Networks and Micromuse will cooperatively pursue business, technical and marketing opportunities. The goals of the program are to provide flexibility, choice, and quick time-to-market for our customers through the development of integrated, viable solutions. Since its launch in 2000, the Micromuse Alliance Program has welcomed over 100 software and hardware vendors who offer best-of-breed solutions that are complementary to the Netcool suite of applications.

“As a Micromuse Alliance Program member, Hatteras Networks brings a unique ability to our mutual customers, enabling them to tap into the growing need for higher-performance services over the copper network,” said John Sien, Vice President of OEMs and Alliances at Micromuse. “We look forward to working with Hatteras to create business opportunities and leverage both company’s best-of-breed technologies to win new business.”

With Hatteras Networks’ Ethernet over bonded-copper broadband delivery platforms, carriers can deliver up to 45 Mbps of symmetrical Ethernet service over existing last-mile dry copper loops. This bandwidth flexibility gives carriers the ability to create a rich service portfolio that includes Ethernet private line, Transparent LAN services, Voice-over-IP, Internet Access from 1-45 Mbps, and virtual private networks (VPNs). These services are delivered seamlessly over the existing last-mile copper infrastructure, effectively bridging the existing T1 – T3 service gap and economic disparity.

About the Netcool® Suite

Micromuse's Netcool® software suite provides businesses with the assurance that their networks, services and applications are working. By allowing our customers to see what’s happening throughout the infrastructure in real-time, Netcool applications enable them to respond to problems before network-based business services are affected.

Netcool suite applications install out-of-the-box, deploy rapidly and scale as networks grow. Micromuse's flagship, Netcool/OMNIBus™ application, includes a library of off-the-shelf software modules that allow our customers to collect and consolidate fault information from more than 1,000 environments spanning voice and IP, cable/broadband, switches and routers, and enterprise management systems.

About Micromuse®

Micromuse Inc. (Nasdaq: MUSE) is the leading provider of ultra-scalable, realtime business and service assurance software solutions. The Netcool® software suite provides organizations with the assurance that their IT systems are supporting and driving profits 24 hours a day. Unlike traditional infrastructure management systems, Netcool solutions provide realtime end-to-end visibility and accurate troubleshooting from a business perspective. Such business intelligence allows organizations to respond to problems quickly, streamline workflow processes and improve business uptime. Micromuse customers include BT, Cable & Wireless, Deutsche Telekom, EarthLink, ITC^DeltaCom, J.P. Morgan Chase, MCI, T-Mobile, and Verizon. Headquarters are located at 139 Townsend Street, San Francisco, Calif. 94107; (415) 538-9090. The Web site is at www.micromuse.com.

About Hatteras Networks

Hatteras Networks, a privately held company headquartered in Research Triangle Park, North Carolina, offers carrier solutions to deliver high-bandwidth business services to locations that are not served with fiber. Hatteras Networks Metro Ethernet Copper Access™ (MECA™) enables carriers to fully deliver the requisite high-bandwidth, access infrastructure to support converged voice, video and data network services to business customers. Carriers can use Hatteras Networks’ standards-based solutions to extend fiber-based Ethernet services over copper, or

upgrade private line customers to higher-performance services. Hatteras Networks' platform is built to operate in central offices (COs), controlled environmental vaults (CEVs), remote terminals (RTs) and on poles, allowing carriers to deliver Ethernet to nearly all business buildings on their copper and fiber infrastructure. For more information, visit www.hatterasnetworks.com.

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