



For Immediate Release

HATTERAS NETWORKS ANNOUNCES ITS FOURTH SEQUENTIAL QUARTER OF RECORD-BREAKING REVENUE GROWTH

Explosive Growth Yields Record Increase in Profitability

RESEARCH TRIANGLE PARK, NC, October 12, 2010 - Hatteras Networks, the global leader in multi-service Ethernet solutions for enterprise access services and next-generation mobile backhaul, announced today that it has achieved its fourth sequential quarter of record-breaking revenue growth, and profitability. Hatteras' aggressive growth is sparked by extensive customer expansion, product advancements and an uptake in customers' mobile backhaul as well as wholesale and retail service deployments.

During the past year, Hatteras increased its market-leading position by growing its global customer base by greater than 30%, including the addition of more Tier 1 telecommunications service providers. Hatteras' market leadership includes reaching carriers throughout Europe, Asia, Australia, and the Americas. A number of existing very large carrier customers extended their use of Hatteras solutions to include wholesale deployments, dramatically expanding their geographical reach and opening a new revenue stream for Hatteras. Furthermore, these same customers have often extended their deployments to include the entire breadth of Hatteras multi-service Ethernet solutions. During the same period Hatteras has grown their extensive partner network, which now includes Alcatel Lucent, ADVA Optical Networking, Calix, and Occam Networks.

"During the past year we have experienced dramatic increases in deployments of carrier Ethernet solutions, and our growth is a direct result of our customers' success. Carriers are committed to the Ethernet access evolution, and our continued growth reflects our commitment to providing the service performance and cost-effective scalability they require," said Kevin Sheehan, CEO, Hatteras Networks. "By providing carriers with the flexibility to offer Ethernet over copper, TDM, or fiber facilities, we are positioning carriers for current and future success."

Over the same period, Hatteras launched several new solutions designed to meet carriers' exact business strategies and infrastructure needs while maintaining optimum Ethernet service levels for customers, including:

- HN6100: A modular, multi-service platform designed to enable carriers to offer any service, over any media from one compact, ultra-dense chassis. The 40 Gbps, two-rack-unit HN6100 provides unique, simple, and flexible support for the complete range of Ethernet business services and mobile backhaul in a pay-as-you-grow platform. This enables a carrier to simplify deployment, integrate management, and reduce its number of vendors;

- HN500 Series customer premise equipment: A high-performance, reliable and cost-effective Ethernet over Time Division Multiplexing (TDM) and Ethernet over NxT1/E1 services product. With the carrier-class HN500 Series, carriers can quickly bond up to eight T1/E1 signals over a single Ethernet connection and provide services of up to 12 and 16 Mbps;
- HN600 Series with PWE3-plus: Allows for substantially wider rollout of next-generation mobile broadband services by mobile wireless service providers worldwide. PWE3-plus uniquely enables simultaneous transport of native TDM and native Ethernet traffic over copper with embedded network timing, and the HN600 delivers 10 times more bandwidth at one-tenth the cost of legacy technologies for mobile backhaul.

Hatteras' new products and solutions were the recipient of several esteemed industry accolades including the Supercomm EOS Award, multiple Light Reading Ethernet Expo Awards including Best Carrier Ethernet Product and many Product of the Year and Technology Innovation awards from TMCNet, 4G Wireless Evolution (4GWE) and Communications Solutions.

About Hatteras Networks

Hatteras Networks is redefining the way carriers think about Ethernet services. Hatteras Networks' Carrier Ethernet service delivery solutions are leading service providers worldwide to a significant expansion of the Metro Ethernet market, which had previously been limited by legacy technologies in the access network. Now service providers are empowered to cost-effectively offer 100 Mbps Ethernet services over existing facilities, enabling businesses to migrate from legacy networks to transparent Ethernet services for voice and data business connectivity, infrastructure backhaul, and mobile wireless backhaul solutions via copper and fiber.

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