



FOR IMMEDIATE RELEASE

**HATTERAS NETWORKS EXTENDS GLOBAL
MARKET LEADERSHIP POSITION**

Heavy Reading's Carrier Ethernet Quarterly Tracker affirms Hatteras Networks' strong lead in the global Mid-Band Ethernet market

RESEARCH TRIANGLE PARK, NC, SEPTEMBER 17, 2008 – Hatteras Networks, the global leader in flexible Ethernet solutions for enterprise access services and next-generation mobile backhaul, announced today it has once again been recognized by Heavy Reading as the leading provider of Mid-Band Ethernet solutions to carriers worldwide. Heavy Reading's *Carrier Ethernet Access Platform Quarterly Market Tracker* report, released today, solidly affirms Hatteras' lead position in the expanding Mid-Band Ethernet market with its award winning EtherFLEX solutions.

According to the Heavy Reading report, Hatteras leads all competitors supplying Mid-Band Ethernet (Ethernet over bonded copper) platforms with an estimated 37% worldwide market share. Hatteras Networks' EtherFLEX solutions, deployed by hundreds of carriers across five continents, are meeting growing customer demand by delivering highly flexible, scalable, easy-to-manage solutions that enable service providers to quickly grow top-line growth.

"Ethernet-over-copper continues to ramp worldwide as carriers see the growth potential it represents," said Stan Hubbard, senior analyst with Heavy Reading and author of the report. "In fact, we estimate the global market for Ethernet-over-bonded copper platforms grew 82% year-over-year for the four-quarter period ending in 2Q08. We're confident we'll see strong double-digit annual spending growth in the Mid-Band Ethernet market as service providers strive to meet the Ethernet access needs of businesses worldwide not currently served by fiber."

The business services enabled by Hatteras Networks' EtherFLEX solutions deliver ten times more bandwidth at one-tenth the cost of legacy T1/E1 services, representing a tremendous opportunity for carriers of all types and sizes.

"Hatteras is very excited over the accelerated growth of the Ethernet over copper market," said Kevin Sheehan, CEO of Hatteras Networks. "We are seeing strong global growth as service providers ramp up their Ethernet service deployments. Hatteras continues to pull out all the stops delivering innovative next-generation Ethernet access solutions that increase performance and reduce costs for our service providers."

About Hatteras Networks

Hatteras Networks is redefining the way carriers think about Ethernet services. Hatteras Networks' Ether*FLEX* service delivery solutions are leading Service Providers worldwide to a *\$24 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 blocks 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.

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