



FOR IMMEDIATE RELEASE

**HATTERAS NETWORKS SOLVES CELL TOWER BACK-HAUL PROBLEM
FOR TELECOMMUNICATIONS CARRIER**

MTS Allstream includes Hatteras Networks to handle increased reliability and bandwidth demands for cell tower back-haul traffic

RESEARCH TRIANGLE PARK – MARCH 8, 2006 – Hatteras Networks announced today that MTS Allstream has expanded their use of Hatteras Networks’ award-winning HN4000 Ethernet switching platforms to provide high-bandwidth Ethernet back-haul transport from wireless cell tower sites for 1xEV-DO. The increased data service demands for mobile wireless traffic required MTS Allstream to pursue a solution that provides greater bandwidth than can be achieved with a traditional T1-based infrastructure. Hatteras Networks’ HN4000 Ethernet solution provided the bandwidth and reliability required for MTS Allstream’s cell tower back-haul evolution.

“North American wireless carriers are spending over \$2B of their OpEx budget on cell tower back-haul, and that number is growing,” says Frank Dzubeck, President of Communications Network Architects. “Video, Mobile broadband Service Assurance and Next-Gen IMS-based IP applications are significantly driving up the bandwidth and expandability requirements for cell tower back-haul. Back-haul using older generation T1-based systems are no longer good enough.” Hatteras Networks enables carriers to displace the existing T1s with significant gains in resiliency, and bandwidth using an Ethernet based back-haul solution over the existing copper pairs.

“Applications ranging from Internet access to streaming video are creating an exponential growth in mobile data traffic, and the existing copper-based T1 back-haul infrastructure cannot handle this growth. This critical network transport problem is exacerbated by the fact that less than 4% of the existing 175,000 cell towers in the U.S. are served with fiber-optic based transport,” adds Kevin Sheehan, CEO of Hatteras Networks, “Today, carriers urgently need a powerful cost-effective means to leverage their existing copper back-haul

infrastructure to achieve the expandability and bandwidth that was previously only available from plowing in fiber.” Hatteras Networks’ Ethernet over copper solution uses standards-based bonding of multiple copper pairs to achieve tremendous gains in service assurance and deliver over 7 times more bandwidth and resiliency per pair than a T1 based service.

“At MTS Allstream we needed to create a service infrastructure for our 1xEV-DO network capable of handling significant increases in broadband mobile data. T1-based technology could not effectively address the increasing bandwidth demands and provide the service performance we needed to support our growing mobile data business,” said Paul Frizado, Chief Technology Officer of MTS Allstream Inc. “We have effectively deployed Hatteras Networks’ Ethernet access and transport platforms to deliver our Metro Ethernet services and now we are extending Hatteras Networks’ value proposition to address some very specific cell tower back-haul requirements for 1xEV-DO.”

MTS Allstream is deploying Hatteras Networks HN400 customer premise platform at the cell site and back hauling the traffic to HN4000 Ethernet platforms already deployed in their central offices. MTS Allstream began deploying Hatteras Networks HN4000s and HN400s this past summer to support an aggressive rollout of Metro Ethernet services to business customers. This seamless integration into their existing HN4000 infrastructure enabled them to further leverage the platforms’ full Layer-2 switching capabilities to segregate and manage 1xEV-DO mobile wireless back-haul traffic and their traditional Metro Ethernet business services.

About Hatteras Networks

Hatteras Networks, a privately held company headquartered in Research Triangle Park, N.C., offers carrier solutions to extend the Ethernet service edge for Mid-Band Ethernet services to businesses, mobile wireless cell sites and remote DSLAMs that are not served with fiber. For more information, visit www.hatterasnetworks.com.

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

About MTS

MTS is one of Canada’s leading national communication providers, seamlessly blending innovative solutions and world-class technology to connect our customers to the world. We serve residential and business customers in the province of Manitoba with a full suite of wireline voice, data, wireless, and MTS TV services. Through Allstream, we provide

national business customers with a world-class portfolio of connectivity, managed, and professional services. Our extensive national broadband fibre optic network, spanning more than 24,300 kilometres, provides international connections through strategic partnerships and interconnection agreements with other international service providers. Our Common Shares are listed on The Toronto Stock Exchange (trading symbol: MBT). Visit MTS's Web site at www.mts.ca.

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