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HATTERAS NETWORKS IS GLOBAL MARKET LEADER

Heavy Reading's Carrier Ethernet Quarterly Tracker confirms Hatteras Networks' Mid-Band Ethernet global market leadership

RESEARCH TRIANGLE PARK, NC, JUNE 3, 2008 – Hatteras Networks continues to outpace all competition across the globe, according to top industry analyst Heavy Reading. Heavy Reading's *Carrier Ethernet Access Platform Quarterly Market Tracker* report, released today, confirms Hatteras Networks' global market leadership in the rapidly growing Mid-Band Ethernet market. Hatteras Networks solutions are deployed by hundreds of carriers around the world, used to deliver highly flexible, scalable, easy-to-manage solutions that enable carriers to quickly grow top-line revenue. The services enabled by Hatteras Networks' Mid-Band Ethernet 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.

According to Heavy Reading, Hatteras leads the growing competitive field of players that supply Ethernet over bonded copper pair platforms with an estimated 38% worldwide market share in the first quarter of 2008. Hatteras Networks' Mid-Band Ethernet solutions are designed to be a natural extension of fiber-based services, enabling service providers to offer businesses of all sizes high-performance, high-speed voice and data solutions, effectively meeting the needs of the 85% of businesses worldwide not currently served by fiber.

“The Ethernet-over-copper market is continuing to see worldwide growth as service providers take advantage of a largely untapped revenue opportunity,” said Stan Hubbard, senior analyst with Heavy Reading and author of the report. “In fact, Ethernet-over-copper spending has increased 76% in the last year, and strong double-digit growth is expected to continue, as existing and emerging opportunities in this sector demand the type of performance and innovation delivered by Mid-Band Ethernet.”

“Hatteras Networks has proven to the telecommunications market that Mid-Band Ethernet is the ideal complement to fiber-based services and an integral part of a service provider's Ethernet service portfolio,” said Kevin Sheehan, CEO of Hatteras Networks.

“As demand continues to ramp worldwide, we’ll continue to roll out innovative, easily implemented solutions that address the explosive bandwidth needs of businesses and enterprises, as well as exciting and urgent applications such as mobile wireless backhaul.”

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 *\$21 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 six 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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