



FOR IMMEDIATE RELEASE

**CONTINENTAL BROADBAND TURNS UP ETHERNET ACCESS AND
TRANSPORT SERVICES WITH HATTERAS NETWORKS**

Partnership enables Continental Broadband to deliver layered Ethernet business services over existing last-mile infrastructure

RESEARCH TRIANGLE PARK – FEB 07, 2006 – Hatteras Networks, the leading provider of award-winning broadband Ethernet edge and transport service platforms, today announced that Continental Broadband, a leading telecommunications provider for managed services with locally branded business units serving business customers in Chicago, Baltimore, Pittsburgh, Cleveland, Boston, Miami, Fort Lauderdale, Richmond and Hampton Roads is now busy deploying its HN4000 and HN400 platforms to deliver Continental’s Metro Ethernet business service offerings. Beyond Continental Broadband’s Ethernet product, business offerings include: Internet connectivity, Voice over IP, email, web hosting, and managed services such as network monitoring, network security, disaster recovery, data backup and redundancy, compliance services, and co-location.

“Our relationship with Hatteras Networks enables business customers without access to fiber to purchase full-featured, broadband Ethernet services in our target markets. The value proposition of Ethernet deployment over copper facilities using Hatteras Networks solutions is tremendously compelling.” said Owen Griffin, Chief Operating Officer of Continental Broadband.

Continental Broadband is deploying Hatteras Networks’ HN4000 in central offices and the HN400 at the customer’s premise to deliver a full broadband Ethernet service offering over existing copper facilities as a means to overcome the lack of fiber to business locations and the bandwidth and Quality of Service limitations of the existing T1 infrastructure. While four markets are fully operational for this new service today, all of Continental Broadband’s remaining markets are expected to be fully functional in 2006.

“In today’s market, delivering data services over leased T1s is incredibly inefficient,” said Kevin Sheehan, CEO at Hatteras Networks. “Continental Broadband is exploiting the service delivery and economic advantages of Ethernet over copper as a significant competitive differentiator to legacy T1-based services. Hatteras is very excited about our relationship with Continental Broadband to create ubiquitous broadband Ethernet services to more businesses and regions.”

Hatteras Networks’ solutions enable the delivery of up to 45 Mbps of symmetrical Ethernet service over existing last-mile copper infrastructure, giving carriers the flexibility required to create a rich service portfolio. With Hatteras Networks solutions, Continental Broadband is delivering managed, layered services over the existing copper facilities to each building. Continental Broadband will leverage Hatteras Networks’ full Layer 2 Ethernet switching and service management capabilities to enable transparent Ethernet service offerings between branch business locations within each of Continental Broadband’s metro markets.

About Hatteras Networks

Hatteras Networks, a privately held company headquartered in Research Triangle Park, N.C., offers carrier solutions to deliver high-bandwidth business services to locations that are not served with fiber. For more information, visit www.hatterasnetworks.com.

About Continental Broadband

Continental Broadband, Inc. is a managed data network services company serving thousands of business customers in leading markets and differentiated by unusually responsive customer service, and a premier set of services for middle market users of the Internet. Currently operating in eight major metropolitan markets (Pittsburgh, Chicago, Cleveland, Boston, Baltimore, South Florida, Richmond and Hampton Roads, Virginia), Continental Broadband serves local businesses, including large businesses with local (and multiple) offices. Continental's comprehensive product offerings span the continuum from basic to complex, and include Internet connectivity, VoIP, email, web hosting, and managed services (network monitoring, network security, disaster recovery, data backup and redundancy, compliance services, and co-location). Continental Broadband’s award-winning “Ethernet Anywhere” product is now available in several markets. Continental continues to grow through organic city start-ups and acquisitions, sales, and shared capabilities.

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

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