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HATTERAS NETWORKS UNLEASHES ETHERFLEX OPERATING SYSTEM™

Hatteras Networks' industry-unique service architecture and operating system enables service providers to unleash Ethernet services from fiber and make them available to a broad market

LAS VEGAS, NV, JUNE 17, 2008 (NXTCOMM 2008) – Hatteras Networks, the global leader in flexible Ethernet solutions for enterprise access services and next-generation cell tower backhaul, today announced its Ether**FLEX** Operating System™ (EOS). Ether**FLEX**™ brings together three critical best-in-class capabilities, enabling service providers to offer a rich set of Ethernet services quickly, easily and reliably.

“Hatteras Networks has been a pioneer in the Ethernet access market since it began, developing technologies for enterprise access and mobile wireless backhaul applications,” said Michael Howard, principal analyst and co-founder of Infonetics Research. “The Ether**FLEX** Operating System is an innovation designed to help service providers expand their revenues as the markets for Mid-Band Ethernet and Ethernet backhaul mature.”

Hatteras Networks' EOS leverages a self-contained service delivery engine to deliver all the Ethernet services of best-in-class optical switching platforms, above and beyond Dedicated Internet Access (DIA), Transparent LAN Services, Private Line Ethernet and layered VoIP services, all without the requiring the presence of additional Ethernet switches or routers. EOS provides service providers with the broadest service reach while reducing OPEX and CAPEX.

EOS delivers a number of key capabilities the service provider can leverage for faster time to revenue, increased revenues and improved service profitability. The platform

expands a carrier's service reach beyond its existing optical switch footprint, and eliminates the need to automatically backhaul all traffic to a common upstream optical switch or router. Easy-to-use loop qualification methods and flexible deployment options enable faster customer acquisition and turn up. The system also features the broadest, most versatile support of all types of service offerings normally delivered over fiber.

The Ether*FLEX*[™] service architecture features three distinct elements that work together to meet the needs of service providers today and in the future:

SERVflex[™] – The industry's only self-contained Service Delivery Engine. Enables carriers deliver all Ethernet services of best-in-class optical switching platforms, above and beyond DIA (Dedicated Internet Access), without requiring additional Ethernet switches or routers. *SERVflex* provides carriers with the broadest service reach while reducing OPEX and CAPEX.

SUREflex[™] – The ideal architecture for supporting demanding Service Level Agreements (SLAs) to deliver the most reliable and secure Ethernet solutions. *SUREflex* delivers a self-healing product architecture with multiple levels of resiliency in all critical areas.

FASTflex[™] – Provides service providers the fastest time to revenue with easy, automated and flexible service configurations and deployment. *FASTflex* ensures that carriers maximize ARPU by quickly delivering bandwidth and services to their customers.

“Ether*FLEX* is designed to deliver the most advanced service creation and deployment capabilities to date for carriers looking to add a new revenue-generating element to their service portfolio,” said Kevin Sheehan, CEO of Hatteras Networks. “As Ethernet-over-copper spending continues to increase and networks become increasingly complex, our new operating system is poised to give our customers an easily implemented means of the maximum return on their investments.”

Hatteras Networks will demonstrate its Ether*FLEX* service architecture and Ether*FLEX* Operating System (EOS) at NXTcomm in booth SU3711 at the Las Vegas Convention Center from June 17 to June 19, 2008.

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 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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