



FOR IMMEDIATE RELEASE

**CAVALIER TELEPHONE PUTS HATTERAS NETWORKS ON THE
ETHERNET EXPRESS**

One of the nation's largest full-service CLECs expands service footprint with Mid-Band Ethernet solutions from Hatteras Networks

RESEARCH TRIANGLE PARK, NC, JANUARY 30, 2008 – Hatteras Networks, the Mid-Band Ethernet™ market, technology and services leader, today announced that Cavalier Telephone and TV has selected Hatteras Networks Mid-Band Ethernet solutions to underpin its Ethernet Express business service. Cavalier, one of the nation's largest competitive local exchange carriers (CLECs), already serves 650,000 business customers in 15 states and the District of Columbia from its fiber network. This new addition to the Ethernet Express service represents a tremendous opportunity for Cavalier to extend its footprint throughout the Mid-Atlantic and Eastern United States.

“Ethernet Express enables us to cost-effectively deliver native Ethernet services at far greater speeds than traditional T1s,” said Brad Evans, Chairman of Cavalier. “With Hatteras Networks Mid-Band Ethernet solutions installed, our business customers have the flexibility to purchase Ethernet bandwidth in increments that are suitable for their business requirements today, with the ability to scale as their businesses grow.”

With Mid-Band Ethernet deployed, Cavalier is no longer tied to the rigid T1 service increment structure, gaining greater flexibility in the types of services they can offer its business customers. Cavalier is leveraging Hatteras Networks' Mid-Band Ethernet solutions to build a portfolio of converged services over one Ethernet connection including Internet, VoIP & Private LAN. The service is available in hundreds of carrier exchanges across seven states and Washington, D.C. at speeds from 3 to 45 Mbps.

“Cavalier has created a network to serve a rapidly evolving set of business requirements for higher performance, greater flexibility and unmatched resiliency,” explained Kevin Sheehan, President and CEO of Hatteras Networks. “Cavalier has built a clear competitive advantage by leveraging a cost-effective way to extend their Ethernet Express services to businesses served by copper facilities.”

Xchangemag.com, Hatteras Networks and Cavalier Telephone will be hosting “Finding Your Cash Cow in the New Year,” an educational webinar, on Thursday, January 31st, at 2 pm EST. Log on to http://www.xchangemag.com/webinars/webinar_display.asp for details.

About Cavalier Telephone and TV

Founded in 1998, Cavalier Telephone and TV is a full-service, rapidly growing Competitive Local Exchange Carrier (CLEC) operating in 16 states including the District of Columbia. Cavalier has over \$1 billion in fiber optic networking assets using state-of-the-art technology to offer high-quality phone, hi-speed Internet and digital television to more than 650,000 business and residential customers. Cavalier also provides services to government and wholesale customers. Visit www.cavtel.com for more information.

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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