



Harmonic and Innovatia Partner to Deliver Broadcast Quality TV Systems to Telecommunications Service Providers

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LivingLAB(TM) Partnership Launches with a Two-TV Video-Over-Copper Solution

Harmonic Inc. (Nasdaq:HLIT) and Innovatia, a wholly-owned subsidiary of Aliant Inc. (TSE:AIT), have signed an agreement to facilitate the development of Harmonic's broadcast quality, Internet Protocol-based, TV delivery systems for the worldwide telecommunications market. The first solution produced through the LivingLAB(TM) agreement enables interactive video programming to be simultaneously streamed to two televisions per location using the existing telephone infrastructure.

The agreement brings together two leaders in their respective industries to innovate, trial, and commercialize carrier-grade, IP-based, TV solutions. Harmonic, a leader in digital video systems -- including MPEG-2 compression and video-on-demand infrastructure -- brings broadband technology and expertise for delivering voice, data, and interactive services over the same network. Innovatia possesses extensive knowledge and relationships, in addition to integration services, for the telecommunications industry. Under the agreement, Innovatia will co-market solutions produced through the relationship with Harmonic to telecommunication service providers on a global basis.

As telecommunications companies seek ways to better serve existing customers and develop new markets, they are turning to broadcast and interactive services to provide a compelling extension to their product offerings. The two-TV video-over-copper solution, as with other solutions to be provided by Harmonic and Innovatia, will enable telecommunications service providers to increase revenue per customer while leveraging their existing infrastructure. With this new capability, customers may connect up to two-televisions with independent channel selection to a single telephone line while concurrently accessing high-speed Internet and traditional telephony services.

"Our objective is to bring new carrier-grade, revenue-generating systems to the telecom industry. We chose Harmonic as our strategic partner for delivering IP-based TV solutions because of their exceptional reputation for innovation, quality, and performance in the digital compression arena," said Bob Neal, President of Innovatia. "The two-TV package enhanced through this partnership is a prime example of how we are collaborating to benefit our customers, first in our home market of Atlantic Canada and then worldwide."

"The telecommunications industry faces increasing competition in the voice and data segments from non-traditional providers. IP-based television services are the ideal way to strengthen customer relationships and enhance revenue potential. Innovatia's unique telecommunications expertise and market reach will enable us to create and deliver compelling solutions that can level the playing field," said Dr. Yaron Simler, President of Harmonic's Convergent Systems Division. "Together, Innovatia and Harmonic are providing a new way for consumers as well as organizations of all sizes to receive broadcast-quality video and interactive services."

LivingLAB Model Speeds New Service and System Development

Products and services created by the two companies will be trialed using Innovatia's LivingLAB model, a unique production environment where partners, including telecommunications service providers, and their customers can experience and provide feedback on next generation services. This approach can accelerate the development, testing, certification, and deployment of new IP-based services, such as digital video systems, for the telecommunications market.

About Innovatia

Headquartered in Atlantic Canada, Innovatia focuses on designing and commercializing Internet-based innovations. Through its base of highly skilled professionals, Innovatia accelerates the design, development and sale of applications to service providers worldwide through the LivingLAB(TM) innovation, research and development approach. Using IP technology, Innovatia provides a variety of advanced Internet-based open standard services for governments, enterprises and service providers, including interactive television, e-business solutions as well as Web-based knowledge services. For more information about Innovatia please visit www.innovatia.net.

About Aliant

Innovatia is a wholly-owned subsidiary of Aliant Inc. Aliant Inc. (TSE:AIT) is one of Canada's top high-tech companies, providing integrated communications and IT solutions through subsidiaries operating worldwide. By combining industry-leading expertise from across the group of companies, Aliant utilizes the Aliant Premium(TM) Model to deliver unique, end-to-end solutions to customers. With 10,000 employees and a market capitalization of approximately \$4.5 billion, Aliant ranks in the top 100 publicly traded companies in the country. Please visit www.aliant.ca for more information about Aliant.

About Harmonic Inc.

Harmonic is a leading provider of innovative broadband solutions that deliver video, voice and data to communications providers around the world. Harmonic's technically advanced fiber optic, digital video and IP data delivery systems enable network operators to provide a range of interactive and advanced digital services that include high-speed Internet access, telephony, digital video, HDTV, video & audio streaming, and video-on-demand.

Harmonic (Nasdaq:HLIT) is headquartered in Sunnyvale, California with R&D, sales, and system integration centers worldwide. The Company has customers in over 40 countries on six continents, including many of the world's largest communications providers. For more information, visit www.harmonicinc.com.

This press release contains forward-looking statements, including, but not limited to, co-marketing of solutions produced through the relationship, the ability of those solutions to enable service providers to increase revenue, Innovatia's ability to create and deliver solutions, and the use of the LivingLAB model for trials of products and services, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In addition, actual results could differ materially from those projected in the forward-looking statements as a result of the risk factors set forth in documents that Harmonic files with the SEC, including reports on Form 10-K and 10-Q.

Editor's Note: Product and company names used here are trademarks or registered trademarks of their respective companies.

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