



## Hong Kong's Leading Pay-TV Provider Adopts Harmonic Digital Headend Systems

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Hong Kong Cable Maximizes Bandwidth Efficiency and Enables

Future Growth With Open Systems Encoding Solution

Hong Kong Cable Television Limited, Hong Kong's leading pay television provider, selected headend systems from Harmonic Inc. (Nasdaq:HLIT) to enable their transition to broadcast digital television. Harmonic's DiviCom(R) encoders, which form the core of the open systems-based headend facility, maximize effective bandwidth as well as infrastructure, service, and subscriber expansion.

Hong Kong Cable presently carries 31 channels from local and international sources over its existing fiber and microwave services. Harmonic's highly efficient digital video encoding and sophisticated multiplexing allow Hong Kong Cable to enhance video quality while creating additional capacity for delivering more television channels, value-added services such as high speed Internet, and multimedia content services related to news, sports and entertainment. As a result, these services will be able to share the same bandwidth as the digital television services, optimizing valuable RF spectrum.

"Harmonic has an excellent reputation in digital video compression and broadband solutions. We selected Harmonic's headend systems because high quality video and network efficiency are very important to our business plans," said Mr. Simon Yu, Vice President of Information, Administration and Audit of Hong Kong Cable. "By working with Harmonic, we're building an extremely flexible, robust and scalable infrastructure that permits us to both cost-effectively offer more options to our customers and generate a better return on our investment."

The initial phase of Hong Kong Cable's migration, which converts over 200,000 homes to digital services, is expected to be complete by April 2002.

"Implementing an open architecture for their headend facility gives Hong Kong Cable the ability to always incorporate the best available equipment. As the company expands its subscriber base, adds more channels, or introduces new services, this architecture lays the ground work for easy upgrades and seamless integrations," said Dr. Yaron Simler, President of Harmonic's Convergent Systems Division. "Hong Kong Cable is demonstrating clear industry leadership and we look forward to further developing our strategic relationship with them."

To date, over 10,000 Harmonic(TM) digital encoders are installed for use in DTH, cable, telecommunications and broadcast networks. Harmonic has the largest installed based of digital video encoders worldwide.

### About Hong Kong Cable

Hong Kong Cable Television Limited is Hong Kong's leading pay television service provider, offering a 31-channel service, to about 540,000 subscribers. The Company is a wholly-owned subsidiary of i-CABLE Communications Limited, Hong Kong's only fully integrated communications company that owns and operates one of the two broadband networks with near universal coverage; creates its own multi-media content; and offers pay television and Internet access including broadband services concurrently.

### 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.

Headquartered in Sunnyvale, Calif., Harmonic employs approximately 750 people and operates more than 15 R&D and sales & system integration centers globally. Harmonic's customer base includes the world's largest communications providers. Harmonic's stock is traded on the Nasdaq stock market under the symbol "HLIT." For more information, check the company's website at [www.harmonicinc.com](http://www.harmonicinc.com).

This press release contains forward-looking statements, including, but not limited to, value-added services sharing bandwidth with digital television services, completion of the initial phase of migration by April 2002, and further development of a strategic relationship, 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.

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### **CONTACT:** Aries MarketMasters

(for Harmonic, Inc.)

Dawn Danaher, 714/378-5841 (Media Relations)

[danaher@keymaster.com](mailto:danaher@keymaster.com)

or

StreetConnect

(for Harmonic, Inc.)

Michael Newman, 408/542-2760 (Investor Relations)

mnewman@stct.com

or

Hong Kong Cable Television Limited

S. K. Chan, +852.2112.6916 (External Affairs)

skchan@cabletv.com.hk