



Harmonic Named Global Encoding Market Share Leader in 2008 by Leading Research Firm In-Stat

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Leads the Industry with 12,000 Channels in 2008; More than 60,000 SD and HD Channels Shipped Since 1996

SUNNYVALE, Calif.--(BUSINESS WIRE)--Jun. 10, 2009-- [Harmonic Inc.](#) (NASDAQ:HLIT) led the industry in encoder shipments in 2008, with 28 percent market share, according to research from industry analyst In-Stat. In 2008, Harmonic shipped more than 12,000 encoding channels to broadcast, cable, satellite and telecom video service providers. The analyst's findings, published in a new report entitled "Worldwide Real-Time Broadcast MPEG Encoder Market," confirms Harmonic's global leadership in providing encoding solutions for all video markets.

Around the world, more than 60,000 MPEG-2 and MPEG-4 AVC (H.264) standard and high definition video channels have been provisioned using Harmonic's DiviCom® encoders since 1996. Eight of the 10 largest direct-to-home (DTH) satellite operators worldwide and nine of the top 10 cable operators in the United States use Harmonic encoders. Harmonic compression solutions also power more than 6,500 telco IPTV channels around the world, and over 300 TV stations in the United States broadcast their digital TV programs using Harmonic encoders.

"Even in today's challenging economic environment, both MPEG-2 and AVC HD services continue to grow, as does conversion of the contribution and primary distribution segments to AVC," said Michelle Abraham, In-Stat's principal analyst for Converging Markets and Technologies, Multimedia. "Harmonic has consistently held a strong leadership position in MPEG-2 and AVC, and was the top encoder vendor in 2008. We expect their position to grow even stronger in 2009 following their recent acquisition of Scopus with the addition of the Ellipse contribution and distribution encoders to their solution portfolio."

Harmonic's newest generation compression platform, the [DiviCom Electra® 8000](#), sets a new, ground-breaking standard in performance, quality and functionality, with the most comprehensive and unique feature set available from any vendor today. Service providers in North America and Europe have already selected the Electra 8000 to deliver superior quality, ultra-efficient video services.

For MPEG-2 and AVC applications, the Electra 8000, featuring an advanced, new in-house compression architecture, can improve bandwidth efficiency by more than 20 percent, enabling four HD channels in one 256QAM for cable operators. High definition AVC channels at constant bit-rate can be provisioned at less than 5 Mbps to increase reach for telco applications without compromising video quality. It also features integrated statistical multiplexing and integrated up/down-conversion that enables a secondary output channel for additional service provisioning. The architecture of the Electra 8000 significantly reduces rack space and power consumption requirements—as low as 70 watts per channel—thus considerably lowering operating expenses.

"Harmonic has always met its commitment to enhancing quality and performance, for both MPEG-2 and MPEG-4, SD and HD, as well as pioneering innovations for technologies such as 1080p50/60 and scalable video coding," said Jean-Christophe Morizur, Senior Director of Digital Video Products, Harmonic Inc. "With 16 years of expertise gained from more than 10 generations of SD MPEG-2 and HD AVC encoders, we are proud of the heritage of quality and performance we bring to the industry. We welcome In-Stat's affirmation of the success of this strategy, which confirms our position at the top of the market."

Harmonic offers a comprehensive line of compression solutions, from the [Ellipse™ contribution encoders](#) to the fully featured Electra family of broadcast distribution encoders and the cost-effective [Ion™ platform](#) for SD and HD video delivery.

The hugely successful Electra 7000 HD AVC platform today powers nearly 3,000 HD channels for the world's leading video service providers, including ASTRA Platform Services, C&M Korea, CANALSAT, Deutsche Telekom, DIRECTV, HOT Telecommunications, MTS Allstream, NTV-Plus, PCCW, Portugal Telecom, SKY Perfect and Television New Zealand.

About In-Stat

In-Stat's market intelligence combines technical, market and end-user research and database models to analyze the mobile Internet and digital entertainment ecosystems. The firm's insights are derived from a deep understanding of technology impacts, nearly 30 years of history in research and consulting, and direct relationships with leading players in each of the core markets. In-Stat provides its research through reports, annual subscriptions, consulting and advisory services to inform critical decisions. Technology and semiconductor vendors, infrastructure and device manufacturers, service providers and media companies worldwide rely on partnerships with In-Stat's tenured, experienced staff and on our in-depth market intelligence to support critical business, product and technology decisions.

In-Stat is a strategic segment of the \$9 billion Reed Elsevier global information network, with access to an expansive worldwide electronic network, extensive technology databases and well-informed personnel. As a member of Reed Business Information, In-Stat is a division of the largest business-to-business publisher in the U.S. For more information, visit [www.in-stat.com](#). For more information about the [Worldwide Real-Time Broadcast MPEG Encoder Market](#) report, visit [www.in-stat.com](#).

About Harmonic Inc.

Harmonic Inc. is a leading provider of versatile and high performance video solutions that enable service providers to efficiently deliver the next generation of broadcast and on-demand services including high definition, video-on-demand, network personal video recording and time-shifted TV. Cable, satellite, broadcast and telecom service providers can increase revenues and lower operational expenditures by using Harmonic's digital video, broadband optical access and software solutions to offer consumers the compelling and personalized viewing experience that is driving the business models of the future.

Harmonic (NASDAQ:HLIT) is headquartered in Sunnyvale, California with R&D, sales and system integration centers worldwide. The Company's

customers, including many of the world's largest communications providers, deliver services in virtually every country. Visit www.harmonicinc.com for more information.

This press release may contain forward-looking statements within the meaning of Section 27(A) of the Securities Act of 1933 and Section 21(E) of the Securities Exchange Act of 1934, including statements related to: MPEG-2 and AVC HD services continuing to grow, the expectation that Harmonic's position will grow even stronger in 2009, and the ability of Electra 8000 to improve bandwidth efficiency by more than 20 percent, to provision high definition AVC channels at constant bit-rate at less than 5 Mbps and to increase reach for telco applications without compromising video quality.

Our expectations and beliefs regarding the capabilities of Harmonic's encoders and their benefits for customers may not materialize, and actual results could differ materially from those projected. The forward-looking statements contained in this press release are also subject to other risks and uncertainties, including those more fully described in Harmonic's filings with the Securities and Exchange Commission including its recent Reports filed on Form 10-K and Form 10-Q. Harmonic does not undertake to update any forward-looking statements.

EDITOR'S NOTE – Product and company names used herein are trademarks or registered trademarks of their respective owners.

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