



Harmonic's DiviCom(R) Ion(TM) AVC Encoder Completes Conformance Testing for Microsoft Mediaroom IPTV Platform

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-- Harmonic's Compression Solutions Enable Service Providers to Economically Scale the Number of Channels Without Sacrificing Video Quality --

SUNNYVALE, Calif. & REDMOND, Wash.--(BUSINESS WIRE)--March 11, 2008--Harmonic Inc. (NASDAQ:HLIT) today announced that its new DiviCom(R) Ion(TM) AVC standard definition (SD) encoder has successfully completed encoder conformance testing for the Microsoft Mediaroom(TM) Internet Protocol TV (IPTV) and multimedia software platform. The test was administered by Microsoft Corp. as part of the Microsoft Mediaroom Interoperability and Qualification Lab (IQ Lab) program, which is intended to enable the ongoing interoperability and compliance of encoders used in deployments of Microsoft Mediaroom. A Microsoft Mediaroom ecosystem partner, Harmonic powers the video headends for a majority of Microsoft's IPTV customers. Harmonic delivers over 5,000 broadcast video channels around the world to more than four million IPTV subscribers, and counts more than 100 telco operators as its customers.

Able to deliver four simultaneous MPEG-4 AVC (H.264) SD channels in both high and low resolution formats, the IP-based Ion AVC encoder offers service providers a dense, cost-effective and high quality platform for constant bit-rate (CBR) video delivery. Designed for service providers that need to meet the increasing demand for high quality digital video services while minimizing capital and operating expenditures, the new Ion AVC is ideal for applications such as "long-tail" program delivery in a unicast environment, a key competitive differentiator for service providers.

"The Microsoft Mediaroom Interoperability and Qualification Lab for digital video encoders was established to enable our service provider customers to rollout IPTV services in a more seamless and efficient manner," said Joe Seidel, Director of Global Partner Ecosystems for Microsoft TV. "We are pleased to be working with Harmonic in this new IQ Lab program, and we are confident that our common IPTV customers around the world will be equipped with a powerful video delivery solution that enables them to offer an outstanding and competitive connected TV service."

"Harmonic helps telcos to maximize reach and video quality at ultra-low bit-rates with our best-in-class compression solutions, and further enhances cost efficiency with the Ion AVC encoder," said Thierry Fautier, Director of Telco Solutions for Harmonic Inc. "Microsoft is successfully addressing the IPTV service provider industry with Microsoft Mediaroom, and the Ion AVC will continue to enable Microsoft and Harmonic to offer service providers innovative connected TV and entertainment services that help differentiate them in the marketplace."

The Ion AVC encoder was vigorously tested in both NTSC and PAL formats for feature set completeness, compression performance and service uptime in video and audio encoding, picture-in-picture, closed captioning and other categories. Other Harmonic products which have successfully completed the Mediaroom compliance testing include the DiviCom Electra 7000 HD MPEG-4 AVC (H.264) encoder and the Electra 5400 SD H.264 encoder.

Deployed or being trialed by more than 20 service providers worldwide on four continents and in 18 countries, Microsoft Mediaroom enables unique TV features and experiences, such as simultaneous recording of multiple high-definition and standard-definition TV channels, personal media sharing, whole-home and remote digital video recording (DVR), and multiple picture-in-picture scenarios. The award-winning platform, which is delivering video entertainment experiences to more than 1 million set-top boxes worldwide, also integrates with the Xbox 360 gaming device, bringing together next-generation television and gaming offerings into an integrated entertainment experience. Microsoft Mediaroom allows third parties to create exciting new TV applications and services that enrich the TV viewing experience through the multimedia application environment in the platform.

Harmonic's portfolio of solutions for telco IPTV service providers encompasses compression and stream processing at the headend, video servers and on-demand software, and targeted advertisement insertion.

About Microsoft Mediaroom

The award-winning Microsoft Mediaroom Internet Protocol Television (IPTV) and multimedia software platform is driving the future of television by enabling broadband service providers to deliver new connected TV and entertainment experiences to consumers worldwide. Microsoft Mediaroom provides new ways for consumers to experience TV as part of their connected, digital lifestyle, while also creating new business opportunities for broadband service providers, hardware manufacturers, content creators, advertisers and application developers. Over 20 of the world's leading service providers across four continents have selected the Microsoft Mediaroom platform to drive their digital TV services. More information on Microsoft Mediaroom and the opportunity to deliver the best in TV plus all your media in one place is available at <http://www.microsoft.com/tv> and <http://www.microsoftmediaroom.com>.

About Microsoft

Founded in 1975, Microsoft (Nasdaq:MSFT) is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

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 contains 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 that: our common IPTV customers will be equipped with a powerful video delivery solution, and the Ion AVC will continue to enable Microsoft and Harmonic to offer service providers innovative connected TV and entertainment services.

Our expectations and beliefs regarding our Ion AVC encoders and their anticipated benefits for our 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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