



Tiscali UK Expands MPEG-4 AVC Video Service With Harmonic's DiviCom(R) Electra(TM) Encoders

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IPTV Service Provider Migrates Standard Definition Service to Latest Generation Compression Systems Offering Enhanced Video Quality

LONDON, Mar 12, 2008 (BUSINESS WIRE) -- Harmonic Inc. (NASDAQ:HLIT) today announced that Tiscali UK, a leading triple play service provider, is expanding and upgrading its IPTV service in the United Kingdom with Harmonic's latest generation DiviCom(R) Electra(R) 5400 standard definition (SD) MPEG-4 AVC (H.264) multi-channel encoders. As part of its rollout of the Tiscali TV service to 10 million homes in cities throughout the UK, Tiscali is upgrading its encoding platform to enable higher quality video services at lower bit-rates. The IP-based Electra 5400 enables Tiscali to significantly enhance performance, freeing up valuable bandwidth for high definition (HD), high-speed data and other advanced services.

In 2005, Video Networks Limited, which was later acquired by Tiscali, launched the world's first all MPEG-4 broadcast video service using Harmonic's MV 100 encoders. Today, Harmonic is a driving force in providing solutions for both broadcast and on-demand video delivery in a telco environment, with more than 100 customers around the world serving over four million subscribers.

"Harmonic is a valued solution provider that has worked with us to deliver a reliable and high quality IPTV service since the launch of HomeChoice in 2005," said Aarne Aho, Managing Director, IPTV Technology Development at Tiscali. "Video quality, cost and functionality were important factors as we evaluated solutions for our Tiscali TV service expansion. The latest generation Electra encoders further enhance compression efficiency and picture quality, with the additional benefit of a higher density multi-channel platform that reduces our power and space requirements and therefore our operational expenses."

"Telco IPTV has been an important area of growth for Harmonic," said Glen Sakata, Vice President of EMEA Sales for Harmonic Inc. "We are focused on continuing to enhance the capabilities of telco operators such as Tiscali to deliver even more powerful personalized user experiences with advanced services such as on-demand, HD and targeted advertisement insertion. Our unique portfolio of IP-enabled solutions has been designed to meet DSL network operators' requirements to maximize service carrying capacity and offer a powerful viewing experience."

Harmonic's full range of DiviCom encoders delivers superior quality video delivery in either constant bit-rate, generally used by telco IPTV operators, or variable bit-rate. The market-leading Electra family of 1-RU multi-service encoders supports multi-channel and multi-format delivery for up to four full resolution and four simultaneous low resolution video outputs in HD H.264, SD H.264 or SD MPEG-2. The powerful yet compact platform dramatically increases energy efficiency while delivering superior performance and functionality.

About Tiscali

Tiscali UK forms part of Tiscali SpA., headquartered in Cagliari, Italy. The UK company was launched in July 2001 following the acquisitions of Liberty Surf, World Online and LineOne. Tiscali UK also acquired Tiny and Gateway ISPs and more recently Video Networks Limited in 2006 to enable it to provide Triple Play broadband, telephone and home entertainment IPTV and Video on Demand services and the Pipex broadband and telephone business in September 2007.

Providing broadband, dialup, telephone and TV services to over three million customers of which two million are broadband customers, Tiscali UK is positioned within the UK market as the third largest DSL broadband provider.

Tiscali S.p.A. (Borsa Italiana, Milan: TIS) is one of the main alternative European telecommunication companies. With one of the largest and most interconnected IP networks in the world, Tiscali is able to supply its customers, residential and business, with a full range of services: Internet access, both dial-up and ADSL, voice, VoIP, IPTV, media, value added services (VAS), and other technologically advanced products.

As of 31st December 2007, Tiscali had ca 3.5 million active users in Italy and the UK. 2.4 million of these were ADSL customers. Tiscali's corporate website can be found at www.tiscali.com. Visit the Tiscali Press Centre at www.tiscali.co.uk/press.

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 related to: Tiscali's expansion and upgrade of its IPTV service in the UK, and Harmonic's focus on continuing to enhance the capabilities of telco operators.

Our expectations and beliefs regarding our Electra 5400 encoders and their anticipated benefits for Tiscali 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.

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