



## PCCW Launches High Definition Video Service in Hong Kong With Harmonic's H.264 Encoders

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- IP-Based DiviCom(R) Electra(R) 7000 Offers Superior Quality for

Ultra-Low Bit-Rate Video Delivery -

LONDON--(BUSINESS WIRE)--March 12, 2008--Harmonic Inc. (NASDAQ:HLIT) today announced that PCCW has deployed Harmonic's market-leading DiviCom(R) Electra(R) 7000 high definition (HD) MPEG-4 AVC (H.264) encoders to power its HD channel service in Hong Kong. PCCW is a telecommunications service provider offering a full complement of video, voice, data and mobile services to its customers across Hong Kong, and operates now TV, Hong Kong's largest IPTV service with over 882,000 subscribers. PCCW also utilizes Harmonic's standard definition (SD) encoders to deliver its full lineup of more than 150 broadcast channels, as well as Harmonic's video-on-demand (VOD) servers and software.

In selecting a compression solution, PCCW looked for an encoder that could offer best-in-class HD video quality at bit-rates under 6 megabits per second in order to reach the vast majority of subscribers on the DSL network. The Electra 7000 offers outstanding performance, reliability, power and space efficiency with its compact, multi-channel design. Today, top tier satellite, telco and cable operators in North America, Europe and Asia use the Electra 7000 to deliver more than 1,500 HD H.264 video channels.

"The addition of high definition to the now TV service was key to our plans for continually enriching the video experience for PCCW customers," said Dominic Leung, Managing Director, Television & Content of PCCW. "Harmonic is an outstanding technology partner, providing us with IP-based solutions that meet our technical requirements and support our efforts to deliver the highest quality video for our IPTV service."

"The Electra 7000 was engineered to set the standard in ultra-low bit-rate compression for HD H.264 video delivery," said Raymond Tse, Vice President of Asia-Pacific Sales for Harmonic Inc. "We recognize the importance of being able to provide high quality HD on the telco network, as consumer demand shifts increasingly toward richer viewing experiences. Consequently, at Harmonic we are consistently focused on enhancing compression efficiency, capabilities and performance for customers such as PCCW."

The multi-service Electra 7000 encoder delivers up to four channels of full resolution video alongside four simultaneous low resolution outputs for applications such as picture-in-picture and multi-channel mosaics. The platform's design efficiency saves considerable space for operators while significantly reducing their power consumption and costs. Harmonic's market-leading compression portfolio also includes the Electra 5400 and Ion(TM) AVC SD H.264 multi-service encoders and a range of MPEG-2 products. PCCW's video delivery infrastructure is managed and monitored by Harmonic's user-friendly network management system, NMX Digital Service Manager(TM).

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](http://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: continually enriching the video experience for PCCW customers, and demand shifting increasingly toward richer viewing experiences.

Our expectations and beliefs regarding the capabilities of Harmonic's Electra 7000 solution and the anticipated benefits to PCCW 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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CONTACT: Harmonic  
Sarah Lum, +1-408-543-2392 (Media Relations)  
[sarah.lum@harmonicinc.com](mailto:sarah.lum@harmonicinc.com)  
or  
StreetConnect for Harmonic  
Michael Newman, +1-408-542-2760 (Investor Relations)  
[hlit@stct.com](mailto:hlit@stct.com)

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