



## SKY Italia Deploys Harmonic's IP-Based Digital Video Headend Solutions for Satellite TV Service Upgrade

May 27, 2008

- Leading PayTV Service Provider in Italy Implements Distributed Statistical Multiplex to Enhance Bandwidth Efficiency and Optimize Video Quality -

COLOGNE, Germany--(BUSINESS WIRE)--May 27, 2008--Harmonic Inc. (NASDAQ:HLIT) today announced that SKY Italia, a wholly owned subsidiary of News Corporation (NYSE:NWS), has deployed Harmonic's market-leading compression and IP-based statistical multiplexing solutions for its direct broadcast satellite (DBS) service. Serving 4.5 million subscribers, SKY Italia is Italy's leading payTV operator and the fifth largest satellite provider worldwide. The new headend architecture encompasses Harmonic's industry-leading DiviCom(R) Electra(R) 1000 standard definition (SD) MPEG-2 encoders, the ProStream(TM) stream processing platform with DiviTrackIP(TM) distributed statistical multiplexing, and NMX Digital Service Manager(TM).

Harmonic's high performance compression solutions are deployed by seven of the ten largest satellite providers around the globe, reaching nearly 50 million subscribers. As demand for video, particularly high definition (HD), continues to grow, operators such as SKY Italia need to implement more bandwidth-efficient compression technology to reduce bit-rates and improve video quality.

"The ability to geographically distribute our infrastructure across multiple sites, connected by IP, was a key requirement for our new digital headend," said Massimo Bertolotti, Compression and Transmission Manager of SKY Italia. "Harmonic is the clear leader in IP-based compression and statistical multiplexing. Not only can they deliver a solution that enables this critical level of flexibility, they also deliver superior video quality, lower bit-rates and excellent reliability with the Electra encoders."

"Satellite operators demand superior performance and video quality, both critical needs for a competitive and compelling video service," said Jean-Christophe Morizur, Director of Digital Video Product Marketing for Harmonic Inc. "With the improved efficiencies and performance of the new headend, SKY Italia can improve their service offering and enhance revenues. In addition, SKY Italia's selection of the Electra encoders and DiviTrackIP statistical multiplexing are a reflection of Harmonic's leadership in high quality video delivery solutions for the satellite market."

Harmonic's market-leading compression portfolio also includes the Electra 7000 HD and Electra 5400 SD MPEG-4 AVC (H.264) encoders, and the Ion(TM) multi-channel SD MPEG-2 and AVC encoders. These IP-based encoders deliver up to four channels in one rack unit, offering operators a dense, high performance solution that significantly reduces energy consumption.

Harmonic has led the way in pioneering the all-IP architecture, and introduced the world's first IP-based statistical multiplexing solution, DiviTrackIP, in 2005. This innovative solution gives operators more flexibility in their video networks, while lowering capital and operational expenses, by eliminating the need for encoders to be physically co-located.

### About SKY Italia

SKY Italia is the Italian pay-TV owned by News Corporation Limited. Launched in 2003 it has grown so rapidly as to achieve 4.500.000 subscribers, as of March 31, 2008. SKY currently offers more than 170 TV, audio, pay per view channels and interactive services, with a rich offer of cinema, sport, news, entertainment and programs for children. SKY can be received by satellite and by IPTV, through the broadband services of Fastweb, Alice Home TV Telecom Italia, Wind's Infostrada TV and Tiscali TV. Moreover SKY distributes channels suitably studied for mobile TV systems, in partner with Vodafone, H3G and Tim.

### 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: SKY Italia's ability to improve their service offering and enhance revenues.

Our expectations and beliefs regarding our digital video headend solutions and their anticipated benefits for SKY Italia 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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SOURCE: Harmonic Inc.