



HOT Telecommunications Deploys Harmonic's IP-Based Video Solutions for New HD Service and Network Upgrade

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-- Israel's Largest Pay-TV Service Provider Uses Harmonic's Technologies to Greatly Enhance Operational Efficiency and Expand Channel Lineup With MPEG-4 HD --

COLOGNE, Germany, May 28, 2008 (BUSINESS WIRE) -- Harmonic Inc. (NASDAQ:HLIT) today announced that HOT Telecommunications Systems Ltd (TASE:HOT) has implemented a full suite of Harmonic's IP-based digital video solutions, enabling HOT to further consolidate its operations, realize significant operational efficiencies, and expand its cable video service to include high definition (HD) television. HOT is Israel's largest pay-TV and interactive services provider and offers more than 150 digital video channels as well as voice and data services to nearly one million subscribers.

By transitioning from an ASI to an IP-based headend infrastructure, HOT is reducing its network cost and complexity while investing in a highly flexible and reliable architecture that can scale to support advanced services. HOT deployed Harmonic's best-in-class DiviCom(R) Electra(R) 7000 HD MPEG-4 AVC (H.264) encoders and Broadcast Network Gateway(TM) edge devices. Statistical multiplexing is performed by the ProStream(TM) 1000 stream processing platform with DiviTrackMX(TM) at the IP headend, as well as DiviTrackIP(TM) for HOT's HD service, while NMX Digital Service Manager(TM) is used to monitor and control the enhanced video service. HOT also utilizes Harmonic's HFC broadband access solutions for efficient transport across the RF network.

"Harmonic is a pioneer and leader in both HD and IP video delivery," said Meidad Katz, VP of Engineering and CTO at HOT. "In planning our upgrade, critical requirements included best-in-class HD video quality, the ability to multiplex, scramble and re-encode content within a single platform, and the requirement for a broad portfolio of products advanced enough to enable our continued migration to an all-IP infrastructure. Harmonic's digital video technologies met all of these needs."

"HOT is building one of the world's most technically advanced digital video networks," said Nimrod Ben-Natan, Vice President of Solutions and Strategy, Harmonic Inc. "Our successful working relationship with HOT spans ten years, and our video processing, edge and access products are extensively deployed throughout their network. By transitioning to an IP-based architecture, HOT is able to further consolidate its operations and realize significant operational efficiencies while maintaining extremely high quality of service. HOT's world-class HD service and migration to an all-IP infrastructure continues their long-standing tradition of delivering the most advanced digital video, voice, and data services available."

Harmonic's IP-enabled, H.264 Electra 7000 encoders deliver unparalleled HD video quality at extremely low bit rates, supporting up to four high resolution HD channels while simultaneously generating up to four low resolution services in a single rack-unit. This highly dense and flexible solution greatly reduces power consumption and rack space requirements. The ProStream 1000 with DiviTrackIP statistical multiplexing allows HOT to operate a highly efficient, geographically distributed statistical multiplex across an IP wide area network.

The ProStream 1000 with DiviTrackMX technology offers operators unprecedented flexibility and scalability by providing re-encoding, multiplexing and scrambling within a compact one rack-unit platform. Up to 64 variable bit-rate or constant bit-rate services are re-encoded in multiple closed-loop DiviTrackMX pools, resulting in higher quality video than that offered by legacy rate-shaping technologies. An ideal stream processing solution for digital turn-around (DTA) systems, Harmonic's ProStream 1000 solution essentially provides "headend-in-a-box" capability.

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: a highly flexible and reliable architecture that can scale to support advanced services.

Our expectations and beliefs regarding the capabilities of Harmonic's IP-based video solutions and the anticipated benefits to HOT 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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