



## Portugal Telecom Deploys Harmonic's IP-Based Solutions for Nationwide Satellite DTH TV Service

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Portugal's Largest Telecommunications Provider Leverages Full Suite of Harmonic's H.264 Digital Video Technologies for MPEG-4 AVC Satellite DTH Service

AMSTERDAM, Netherlands--(BUSINESS WIRE)--Sept. 14, 2008--Harmonic Inc. (NASDAQ:HLIT) today announced that Portugal Telecom (NYSE:PT) has implemented a broad range of Harmonic's IP-based MPEG-4 AVC (H.264) compression and stream processing solutions for its nationwide launch of satellite direct-to-home (DTH) television. The new service is offered as part of Portugal Telecom's triple-play Meo package and complements its IPTV offering, also powered by Harmonic. With this launch, Portugal Telecom becomes one of Europe's first telcos to offer a MPEG-4 DTH service, expanding its reach and enhancing its service offering to subscribers across Portugal, while investing in a platform that can seamlessly scale to accommodate future services.

Portugal Telecom's new digital video headend--which was implemented by Novabase/OctaTV, a leading video system integrator in Portugal--includes Harmonic's DiviCom(R) Electra(R) 7000 high definition (HD) encoders, Electra 5400 standard definition (SD) encoders, and the ProStream(TM) 1000 stream processing platform with DiviTrackIP(TM) distributed statistical multiplexing, DVB scrambling and Forward Error Correction capability. The video service is managed by Harmonic's versatile NMX Digital Service Manager(TM).

"Harmonic is a trusted Portugal Telecom solutions provider," said Ashok Bhagubai, Senior Director for DTH Services at Portugal Telecom. "We were able to quickly launch our DTH service, and Harmonic's proven and advanced solutions played a key role in helping us to meet this objective. Our IPTV service has been very successful to date, and the new DTH television service is being well-received by consumers. Harmonic's technologies are enabling us to provide our subscribers with a superior television experience."

The versatility and technical merits of Harmonic's H.264 solutions continue to be evidenced in Harmonic's ongoing selection for broadcast and on-demand services worldwide, including by a number of operators deploying hybrid satellite/telco IPTV or cable HFC/telco IPTV systems.

"Harmonic continues to build its relationship with Portugal Telecom," said Jean-Pierre Mace, Regional Sales Director for Harmonic. "Portugal Telecom not only required outstanding picture quality at extremely low bit-rates, but also a highly advanced stream processing and multiplexing solution for a distributed IP network. Harmonic's full suite of technologies provides Portugal Telecom with a powerful toolset to meet their goals, while also putting in place a highly advanced platform that can rapidly scale to support more new services. Novabase/OctaTV, which partnered with Harmonic to implement Portugal Telecom's IPTV service, once again provided strong local support and technical expertise for this project."

Harmonic's IP-based DiviCom Electra AVC encoders today power approximately 1,800 HD and 6,000 SD channels worldwide. DiviTrackIP, the world's first all IP-based closed-loop statistical multiplexing solution, enables operators to maximize bandwidth efficiency by dynamically allocating content among geographically dispersed encoders according to content complexity. Harmonic has played a key role in the launch of DTH and IPTV services worldwide, and counts seven of the ten largest DTH operators and more than 100 telcos as customers.

### About Portugal Telecom

Portugal Telecom is an integrated telecom and multimedia operator with a leading position in its two strategic markets: Portugal, where it offers a full range of voice, video and data services, and Brazil, where it is market leader in mobile. In Internet, PT is the leading broadband provider in Portugal. PT also owns the leading internet portal in Portugal - Sapo. PT is listed on the Euronext Lisbon Stock Exchange and on the New York Stock Exchange. For more information, visit our site <http://www.telecom.pt/>.

### About Novabase

Established in 1989, Novabase is the leading Portuguese company in Information Technology business solutions. In 2006, Novabase registered a turnover of 261.5 Million Euros. With an average number of 1477 employees in 2006, Novabase has the following main business areas: Novabase Consulting, Novabase Engineering and Novabase Digital TV. Novabase also has a Corporate Venture area, Novabase Capital.

Novabase has been listed on the Euronext Lisbon stock exchange since July 2000.

Please visit [www.novabase.pt](http://www.novabase.pt) for additional information on Novabase.

### 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 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: expanding Portugal Telecom's reach and enhancing its service offering to subscribers across Portugal, and investing in a platform that can seamlessly scale to accommodate future services.

Our expectations and beliefs regarding the capabilities of Harmonic's IP-based solutions and the anticipated benefits for Portugal Telecom 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  
StreetConnect  
Michael Newman, +1-408-542-2760 (Investor Relations)  
hlit@stct.com

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