



## Harmonic Chosen for MTS Allstream's H.264 IPTV Upgrade

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Canadian Telecommunications Leader Selects Harmonic's DiviCom(R)

Electra(R) and Ion(TM) Encoders for HD and SD H.264 Upgrade

ANAHEIM, Calif.--(BUSINESS WIRE)--Nov. 12, 2008--Harmonic Inc. (NASDAQ:HLIT) today announced that MTS Allstream Inc., a wholly owned subsidiary of Manitoba Telecom Services Inc. (MTS) (TSX:MBT), has selected Harmonic's MPEG-4 AVC (H.264) high definition (HD) and standard definition (SD) video processing solutions for an IPTV service expansion. The upgrade will enable MTS Allstream to deliver equivalent MPEG-2 quality at half the bandwidth and a broader HD and SD channel line-up to its customers in Manitoba, Canada, further enhancing MTS Allstream's advanced and differentiated multi-service offering.

Harmonic's market-leading DiviCom(R) Electra(R) 7000 and DiviCom Ion(TM) AVC encoders will power MTS Allstream's expanded IPTV service. These encoders meet key requirements of this project, including the successful completion of conformance testing for the Microsoft Mediaroom IPTV platform, stringent jitter specifications, and support for picture-in-picture. Harmonic's NMX Digital Service Manager(TM) will provide MTS Allstream with seamless management and control of their video headend operations, and easily interfaces with third party systems.

"MTS Allstream carefully evaluated a number of alternatives for this project, and selected Harmonic as the supplier who best delivered on the technical and commercial requirements," said Michael Strople, Vice President Technology Development, MTS Allstream. "We are pleased to extend our partnership with Harmonic. Harmonic's MPEG-4 video processing solutions deliver the quality and compression to provide an enhanced TV service to our customers."

"Harmonic has been a trusted MPEG-2 encoding supplier to MTS Allstream since its launch of digital television in 2003," said Matt Aden, Vice President of Worldwide Sales and Service, Harmonic Inc. "With this upgrade, MTS Allstream will be able to cost-effectively provide their customers with a highly competitive video service. MTS Allstream's transition to MPEG-4 will enable them to add new value-added services such as more HD channels, while providing a very powerful platform to successfully compete with cable and satellite operators. Harmonic's broadcast and on-demand technologies continue to be the solution of choice for telco operators worldwide. Harmonic today delivers over 5,000 broadcast IPTV channels to more than four million telco subscribers around the world."

The award-winning Electra 7000 HD encoder is a multi-channel, multi-service solution that delivers up to four full and low resolution channels in a compact and power-efficient 1-RU platform, and has been selected by the world's leading video service providers to power their HDTV services. The Ion AVC provides four simultaneous H.264 SD channels in high and low resolution formats and offers operators a dense, cost-effective and high quality platform for constant bit-rate (CBR) video delivery.

About MTS Allstream Inc.

MTS Allstream Inc. is a wholly owned subsidiary of Manitoba Telecom Services Inc., and is one of Canada's leading national communication solutions providers, delivering innovative products and services through the Enterprise Solutions and Consumer Markets divisions. The Enterprise Solutions division, which operates under the Allstream brand nationally and under the MTS brand in Manitoba, is a leading competitor in the national business and wholesale markets. This division offers customers a portfolio of solutions tailored to the needs of medium and large businesses looking for success in a world of rapidly evolving technology - Internet protocol-based communications, unified communications, voice and data connectivity services. The Consumer Markets division leads every telecommunications market segment in Manitoba, delivering a full suite of next generation wireless, high-speed Internet and data, digital television and wireline voice services under the MTS brand, as well as small business services across Canada under the Allstream brand, and security and alarm monitoring services through AAA Alarm Systems Ltd., an affiliate of MTS Allstream which also operates in other western provinces. MTS Allstream's extensive national broadband fibre optic network spans more than 24,300 kilometres, and provides international connections through strategic alliances and interconnection agreements with other international service providers. Manitoba Telecom Services Inc.'s common shares are listed on The Toronto Stock Exchange (trading symbol:MBT). For more information, please visit: [www.mtsallstream.com](http://www.mtsallstream.com).

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: enabling MTS Allstream to deliver equivalent MPEG-2 quality at half the bandwidth and a broader HD and SD channel line-up, powering MTS Allstream's expanded IPTV service, providing MTS Allstream with seamless management and control, enabling MTS to cost-effectively provide customers with a highly competitive video service, and enabling MTS to add new value-added services such as more HD channels.

Our expectations and beliefs regarding the capabilities of Harmonic's IP-based solutions and the anticipated benefits for MTS Allstream 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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