



## Harmonic's New Digital Program Insertion Solution Enables Broadcasters to Regionalize Content and Increase Revenue Potential

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### ***DiviCom(R) MV50 MPEG-2 Encoder Adds Standards-Based "Digital Cue Tones" Support***

Harmonic Inc. (Nasdaq: HLIT) today introduced a new Digital Program Insertion (DPI) solution that enables broadcasters to regionalize content and increase revenue potential. The core of the solution is Harmonic's DiviCom(R) MV50 MPEG-2 video encoder which has been enhanced to support "Digital Cue Tones" as defined in the SCTE 35 standard. The complete solution allows for both long and short form content, such as feature-length programs and advertisements, to be inserted into an already encoded video stream. Harmonic's standards-based approach reduces costs and minimizes risk for cable, satellite, telecom and terrestrial operators.

#### Harmonic Supports Standards-Based Implementation of Digital Cue Tones

The DiviCom MV50 encoder provides advanced compression and noise reduction capabilities with dual pass LookAhead encoding for constant bit-rate and statistical multiplexing variable bit-rate applications. The result is a very efficient, high-quality encoding of the video program. The MV50 has a unique architecture that allows software upgrades to quickly deliver new features as well as further optimizations to core algorithms. A software upgrade now available enables the system to insert standards-based "digital cue tone" into the compressed video stream.

The MV50 seamlessly integrates and interoperates with other elements of a complete DPI solution, including the Terayon CherryPicker, which recognizes the program cue and inserts the local content. Since the remotely acquired video does not need to be decoded and then re-encoded in order to accomplish the localization, the video quality remains unaffected, and less equipment needs to be deployed and maintained.

"Broadcasters face a significant dilemma. On the one hand, they want to centralize systems and services to improve efficiencies and reduce costs. On the other hand, they also want to customize content for local relevance in order to ensure a compelling user experience," said Dr. Yaron Simler, President of Harmonic's Convergent Systems Division. "Harmonic delivers a solution that fully addresses both issues. Our digital program insertion provides a cost-effective way for broadcasters to generate revenue from local content and, at the same time, provides an upgradable standards-based platform that lowers the risk of technological obsolescence."

#### About Harmonic Inc.

Harmonic Inc. is a leading provider of digital video, broadband optical networking and IP delivery systems to cable, satellite, telecom and broadcast network operators. Harmonic's open standards-based solutions for the headend through the last mile enable customers to develop new revenue sources and a competitive advantage by offering powerful interactive video, voice and data services such as video-on-demand, high definition digital television, telephony and Internet access.

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 the new DPI solution which enables broadcasters to regionalize content and increase revenue potential. In addition, actual results could differ materially from those projected in the forward-looking statements as a result of the risk factors set forth in documents that Harmonic files with the Securities and Exchange Commission, including reports on Form 10-K and 10-Q.

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