



Harmonic Announces CableOS, Comcast Warrant Agreement

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Forward Looking Statements



During the course of this presentation, we will provide projections and other forward looking statements regarding future events or the future financial performance of Harmonic, including expectations concerning our business strategy and financial outlook for 2016, and beyond. Such statements are only current expectations and actual events or results may differ materially. We refer you to Harmonic's filings with the SEC, particularly our most recent Reports on Form 10-K, Form 10-Q and Form 8-K. These documents identify important risk factors that could cause actual results to differ materially from our projections or other forward looking statements.

Transforming Cable Broadband Networks

harmonic

- Poised to penetrate \$2.5 billion* CCAP market
- First software-based CCAP solution
 - Running on Intel x86 servers
 - Performance exceeding traditional solutions
 - Significant space and power consumption savings
- Game changing innovations
 - Flexible centralized or distributed architectures
 - Unrivalled port density
 - Full spectrum video and DOCSIS data delivery



* SNL Kagan, June 2016

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CableOS – Strong Market Acceptance



- Trusted technology partner
 - Leading cable operator support
 - Multiple Tier 1 trials underway
 - First revenue shipments on track for 4Q 2016
- Strengthening Comcast partnership
 - Win-win warrant agreement
 - Presents a new accretive growth opportunity



Disruptive innovation, creating shareholder value

Comcast Warrant Agreement



- CableOS accelerates Harmonic's software transition
 - Warrant agreement anticipates revenue growth, margin expansion, earnings accretion
- Warrant terms
 - 7 years, strike price \$4.76
 - Maximum vesting, 10% of issued and outstanding shares
 - 5% CableOS milestones and sales targets
 - 5% CableOS and non-CableOS sales targets
 - Warrants expire in 2023
- Accounting Treatment
 - Fair value of warrant will reduce GAAP revenue
 - No cash impact, no changes to pricing
 - Add back non-cash GAAP revenue adjustment to Non-GAAP revenue
 - Treasury stock method used to calculate diluted shares, GAAP and Non-GAAP



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Q&A



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