



## Philips and Harmonic Reinforce Commitment to Open Platform With CA Integration; Harmonic's Head-End Integrated with CryptoWorks Conditional Access System

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ANAHEIM, Calif., Nov 28, 2001 (BUSINESS WIRE) -- Philips Digital Networks, an entity of Royal Philips Electronics (NYSE: PHG, AEX: PHI), and Harmonic Inc. (Nasdaq:HLIT) confirmed today that the Philips CryptoWorks(TM) conditional access (CA) system has been validated as fully interoperable with the digital video head-end by Harmonic. Open platform based products give operators greater flexibility when enhancing and extending their infrastructure.

The Harmonic head-end system is now fully integrated with Philips CryptoWorks in addition to CA systems from other suppliers. Philips' CryptoWorks product line is a state-of-the-art CA system in the pay-TV and IP domains. Integrating Philips CryptoWorks with Harmonic's digital head-end equipment is achieved via the DVB SimulCrypt interface protocol. SimulCrypt permits DVB-compliant conditional access systems, such as CryptoWorks, to coexist in the same network. The ability to simultaneously support more than one CA system in a head-end enables operators to lower costs and increase revenue by supporting new set-top boxes and offering more services.

"The convergence of video, voice, and data is bringing significant new revenue sources and, at the same time, more competition to incumbent providers. Open systems offer an exceptional platform for cost-effectively delivering new value-added services," said Nicolas Pry, Director of Broadcast Solutions for Harmonic's Convergent Systems Division. "The interoperability between CryptoWorks, Philips' powerful conditional access system, and Harmonic's digital head-end is a major step forward for open systems."

"This successful integration with Harmonic reflects the growing demand for open systems within the digital television arena," commented Mathieu Goudsmits, Business Manager for CryptoWorks at Philips Digital Networks. "Operators are finding it necessary to innovate at their own pace rather than that allowed by proprietary solutions. Together with Harmonic, we can contribute to the widespread realization of a truly open platform in digital TV technology."

### About Philips

Royal Philips Electronics of the Netherlands is one of the world's biggest electronics companies and Europe's largest, with sales of EUR 37.9 billion in 2000. It is a global leader in color television sets, lighting, electric shavers, color picture tubes for televisions and monitors, and one-chip TV products. Its 192,000 employees in more than 60 countries are active in the areas of lighting, consumer electronics, domestic appliances, components, semiconductors, and medical systems. Philips is quoted on the NYSE (symbol: PHG), London, Frankfurt, Amsterdam and other stock exchanges. News from Philips is located at [www.news.philips.com](http://www.news.philips.com).

Philips Digital Networks is a Business Group of Philips Consumer Electronics, a division of Royal Philips Electronics. Digital Networks is playing a leading role in the business of digital media delivery via broadcast and Internet distribution. In addition to being one of the world's top providers of digital television systems and set-top boxes, including Internet TV and personal video recording solutions, Digital Networks has major business activities in enabling technologies like MPEG-4-based media streaming, secure content delivery, middleware and applications for digital TV. News from Philips Digital Networks is located at [www.digitalnetworks.philips.com](http://www.digitalnetworks.philips.com).

### About Harmonic Inc.

Harmonic is a leading provider of innovative broadband solutions that deliver video, voice and data to communications providers around the world. Harmonic's technically advanced fiber optic, digital video and IP data delivery systems enable network operators to provide a range of interactive and advanced digital services that include high-speed Internet access, telephony, digital video, HDTV, video & audio streaming, and video-on-demand.

Harmonic (Nasdaq:HLIT) is headquartered in Sunnyvale, California with R&D, sales, and system integration centers worldwide. The Company has customers in over 40 countries on six continents, including many of the world's largest communications providers. For more information, visit [www.harmonicinc.com](http://www.harmonicinc.com).

This press release contains forward-looking statements, including, but not limited to, the convergence of video, voice and data, the growing demand for open systems, and the realization of a truly open platform, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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 SEC, including reports on Form 10-K and 10-Q.

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