



## **SOFTBANK Selects Harmonic Digital Headend Systems to Power World's Largest TV over DSL Service**

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DiviCom(R) Systems Support Multi-Channel Broadcast Quality TV

Services Offered to More Than One Million Yahoo! BB Subscribers

Harmonic Inc. (Nasdaq:HLIT) today announced that SOFTBANK Broadmedia Corporation, a unit of SOFTBANK Group, has selected a Harmonic digital television headend solution for what is expected to be the world's largest TV over DSL service. The superior performance and efficiency of Harmonic's DiviCom(R) video compression systems will enable broadcast quality digital TV over DSL to be offered to more than one million Yahoo! BB subscribers.

Harmonic's standards-based solution allows the SOFTBANK service to deliver multi-channel broadcast television as well as video-on-demand (VOD). The service, which is the first of its kind in Japan, was launched in Tokyo at the end of 2002. It will be extended to other major cities in 2003. Yahoo! BB, the fastest growing broadband network in Japan, will make the service available to its entire ADSL user base, currently exceeding one million subscribers throughout Japan.

"I believe that this initiative will redefine the relationship customers have with all types of media. This is the natural extension of the broadband Internet experience in a converging telecommunications world," said Mr. Taro Hashimoto, CEO of SOFTBANK Broadmedia Corporation, Club iT Corporation and BB Cable Corporation. "We evaluated many solutions on the market and strongly believe in the key technology partners we selected for a long-term solution. We invested in Harmonic's technology because of its technical leadership as well as its excellent service and support."

"We are honored to have our digital television headend systems chosen by SOFTBANK for this industry leading deployment. It is certainly a testament to the superior capabilities of Harmonic's systems," said Mr. Anthony J. Ley, President and Chief Executive Officer of Harmonic. "We expect the television and video-on-demand services they deliver will set the standard for broadband television services in Japan and elsewhere around the world."

DiviCom Video Compression Systems Support Real Time and Pre-Encoding Applications

Harmonic's DiviCom digital video compression systems will be used primarily for the real time encoding of broadcast channels. The systems will also be used for pre-encoding content, which is then stored on a video server, to support SOFTBANK's VOD service. Harmonic's encoders are used in both applications because of the systems ability to compress the video to bit-rates as low as 2 Mbps while maintaining a broadcast quality picture. A low bit-rate maximizes the number of digital television channels that can be carried over a DSL connection as well as extends the reach of the service.

Features within the compression system facilitate the use of IP multi-cast for video transport and distribution. Subscribers will view the broadcast video and VOD services on their existing TV sets by using an IP-based set-top box. Harmonic's open standards-based systems are compatible with leading conditional access systems, set-top boxes and video servers, giving operators more flexibility when implementing, expanding and maintaining their service.

About SOFTBANK Broadmedia Corporation

SOFTBANK Broadmedia Corporation is a broadband contents and application unit of SOFTBANK. Club iT, a contents aggregation and marketing company and a subsidiary of SOFTBANK Broadmedia Corporation is at the center of the BB Cable TV Service and will launch the service through its wholly-owned subsidiary, BB Cable Corporation.

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 including, but not limited to, enabling broadcast quality digital TV over DSL, the scheduled launch in Tokyo and other major cities, availability of the service to the entire ADSL user base, redefinition of the relationship customers have with all types of media, setting the standard for broadband television, use of Harmonic's systems for real time encoding and pre-encoding, and viewing video services on existing TV sets by using an IP-based set-top box, 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.

Note to Editors: Product and company names used here are trademarks or registered trademarks of their respective companies.

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