



Harmonic Drives All-Digital Migration With Integrated Standards-Based Digital Program Insertion Solution

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New NMX Digital Service Manager(TM) Module Enables Operators to Dynamically Customize Content, Increase Advertising Revenue Potential and Reduce Operational Complexity

LAS VEGAS, Apr 18, 2005 (BUSINESS WIRE) -- Harmonic Inc. (Nasdaq:HLIT) today introduced an extension to Harmonic's NMX Digital Service Manager(TM) that provides a highly-integrated foundation for a standards-based digital program insertion (DPI) solution, facilitating the analog to digital migration. The NMX DPI Server module simplifies the process of dynamically customizing content with advertisements and short form programs to increase an operator's revenue potential while reducing complexity and costs.

In addition to offering more services with better picture-quality, digital television holds the promise of a more personalized viewing experience. This is fundamentally enabled by high performance compression systems, such as Harmonic's industry-leading DiviCom(R) standard (SD) and high definition (HD) digital video encoders, and a flexible two-way network that supports real-time interactivity. A third core technology for realizing the full potential of digital TV is a DPI infrastructure which allows an existing digital channel to be dynamically customized by region, service group or individual without the overhead of decoding and re-encoding.

"As the digital TV experience continues to evolve, it will become increasingly more locally relevant and, ultimately, personally tailored even though it may be distributed centrally," said Shahar Bar, NMX Digital Service Manager Product Manager at Harmonic Inc. "Harmonic's new NMX DPI Server offers a scalable, pay-as-you-grow deployment model, making it possible for operators to incrementally expand their infrastructure in step with market demand. Our standards-based solution, which supports both centralized and distributed DPI architectures to fit seamlessly into virtually any environment, gives operators a simple, cost-effective and reliable way to ensure the continuity and growth of their advertisement business in the digital world."

The NMX DPI Server works in conjunction with Harmonic's SD and HD encoders based on MPEG-2, MPEG-4/AVC (H.264) as well as SMPTE VC-1. Operators migrating to an all-digital service can deploy the NMX DPI Server to efficiently detect GPI contacts within the analog domain and then trigger the encoders to embed a standards-based cue tone in the resulting digital stream. By separating the GPI contact closure from the encoder, Harmonic provides greater flexibility and reliability compared with other alternatives. Harmonic's solution is also fully interoperable with downstream third party equipment including digital splicers and ad servers. The ability to package metadata with the DPI triggers sent to the encoders will permit the introduction of more intelligent splicing systems and offer greater control and customization.

The many unique and powerful features of the NMX DPI Server make it a robust platform for the all-digital future. For example, the DPI service is directly linked to the scheduling facility within NMX to increase the overall level of system automation. The regionalization of national channels, therefore, is greatly simplified by the schedule-based insertion of longer-form local content such as news and weather. In addition, the Harmonic solution is built on an SQL database that comprehensively tracks all service events. With a full audit trail, operators can better support the billing process as well as troubleshoot any system problems that might occur.

The NMX DPI Server is a featured solution in Harmonic's booth (#SU10707) at NAB 2005.

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 for more information.

This press release contains statements which may be 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 expected features and benefits of NMX Digital Service Manager and its DPI Server module.

Our expectations and beliefs regarding the features and benefits of NMX Digital Service Manager and its DPI Server module and its acceptance by customers may not materialize, and actual results could differ materially from our expectations. 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 Annual Report filed on Form 10-K for the year ended December 31, 2004. Harmonic does not undertake to update any forward-looking statements.

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