



## France's Leading Broadcaster Launches First Digital Terrestrial Service with Harmonic Video Headend

April 21, 2005

SUNNVYALE, Calif.--(BUSINESS WIRE)--April 21, 2005--

- DiviCom(R) MV 100 Encoder, DiviTrackXE(TM) Statistical Multiplexer  
and NMX Digital Service Manager(TM) Maximize Flexibility

of TF1's Free and Pay-TV Services -

Harmonic Inc. (Nasdaq:HLIT) and TF1 (PSE:TF1), France's leading broadcaster, today announced that Harmonic's advanced video solutions are being used to support the first commercial digital terrestrial television service in France. TF1 is the operator of the SMR6 Digital Terrestrial Television (DTT) multiplex which gathers free-to-air channels (NRJ12, TF1) and pay-TV channels from TF1 Group (LCI, Eurosport, TPS Star). The new DVB-compliant digital headend -- built on Harmonic's high-performance DiviCom(R) MV 100 encoding platform, DiviTrackXE(TM) closed-loop statistical multiplexing system and NMX Digital Service Manager(TM) -- delivers the flexibility, reliability and outstanding picture quality required for free and pay-TV services. Harmonic's solution will enable TF1 to simultaneously deliver MPEG-2 and MPEG-4/AVC (H.264) based services.

The launch of the SMR6 free-to-air DTT service on March 31, 2005 initiated a new era for broadcasting in France. Over the coming months, the geographical reach will be extended and the scope of services will grow to include HDTV and pay-TV based on MPEG-4/AVC. According to recent market research, more than 30 percent of French households are expected to install a DTT set-top box by the end of 2005, representing between 750,000 and one million units. This rapid uptake is expected to lead to a further expansion of services currently delivered by satellite, cable and telecom operators.

Central to this DTT service is Harmonic's DiviCom MV 100 encoding platform, which renders the highest picture-quality at any bit-rate and offers a simple migration path to MPEG-4 through a field installable software module. The MV 100's support of standards-based digital program insertion (DPI) allows content to be more easily and cost-effectively regionalized, enhancing local relevance as coverage expands across the national network of 115 transmission sites. To further optimize the video compression and service flexibility, TF1 is using the third generation DiviTrackXE closed-loop statistical multiplexing solution to support both MPEG-2 and MPEG-4 formats in the same multiplex. This greatly simplifies the headend infrastructure while delivering superior picture-quality across all free-to-air and pay-TV services.

"Terrestrial broadcasting in France is embarking on a series of complex technology and business model transitions as it migrates from analog to digital, MPEG-2 to MPEG-4/AVC, standard definition to high definition, and free-to-air to pay-TV," said Dr. Yaron Simler, President of the Convergent Systems Division of Harmonic Inc. "TF1 has demonstrated its forward thinking and leadership, deploying a proven Harmonic-based headend that can easily scale to support the long-term business plans, to become the first to market in France with a digital terrestrial service. Key to TF1's selection of Harmonic is the ability of our systems to provision services based on both current and future compression technologies as well as free and pay-TV services."

To enable the new pay-TV services, TF1 has deployed Harmonic's award-winning multifunction Broadcast Network Gateway(TM) (BNG). The BNG's high-performance DVB scrambling capability -- which has proven interoperability with all major conditional access systems -- represents a cost-effective, scalable solution for securing content and protecting service revenue. In addition, the NMX Digital Service Manager monitors and controls the entire TF1 digital headend, including Harmonic and third party systems. The unique service-level operation and redundancy features of NMX maximize quality through the entire system and ensure the highest degree of availability.

### About DiviCom Encoders

Every day Harmonic's encoders deliver thousands of channels of television to tens of millions of households worldwide. From their first deployment a decade ago, DiviCom encoders have consistently set the benchmark for high quality, low bit-rate digital television services. This industry-leading family of SD and HD systems, which is complemented by the best-in-class DiviCom Ion(TM) multichannel encoder, addresses a wide range of price/compression performance and functional requirements for broadcast and on-demand applications. Harmonic is also at the forefront of introducing systems based on new compression technologies -- such as MPEG-4/AVC (H.264) and SMPTE VC-1 -- that will increase the effective capacity of a network as well as enable new services.

### About TF1 Group

Since its privatization in 1987 when Bouygues Group -- a major diversified industrial group listed on the Paris Stock Exchange (prime market) and member of the CAC 40 index -- acquired a majority stake, TF1 has created new high added-value business lines, based on its activity as a program producer/broadcaster. France's leading free-to-air TV broadcaster with a 31.4% marketshare in 2004, TF1 is also developing a pay-TV business through its 66% stake in Television Par Satellite (TPS) and theme channels -- such as Eurosport, La Chaine Info, Odyssee, TV Breizh, TF6, Histoire and Tfou -- which have become key components of cable, DSL and satellite offerings in France and other countries. The TF1 Group employs approximately 3,900 people and posted sales of 2.8 billion euros in 2004.

### 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: Harmonic's solution enabling TF1 to simultaneously deliver MPEG-2 and MPEG-4/AVC (H.264) based services, the extension of the geographical reach and the growth of the scope of services, the expectation that more than 30 per cent of French households will install a DTT set-top box by the end of 2005, this rapid uptake leading to a further expansion of services, and the ability of Harmonic systems to provision services based on both current and future compression technologies.

Our expectations and beliefs regarding these matters may not materialize, and actual results could differ materially from those projected. The forward-looking statements contained in this press release area also subject to other risks and uncertainties, including those more fully described in Harmonic's filings with the Securities and Exchange Commission including its recent Report filed on Form 10-K for the year ended December 31, 2004. Harmonic does not undertake to update any forward-looking statements.

EDITOR'S NOTE - Product and company names used herein are trademarks or registered trademarks of their respective owners.

CONTACT: AxiCom  
Stephen Orr, 408-543-2360 or +44.20.8392.4056 (Media)  
[stephen.orr@axicom.com](mailto:stephen.orr@axicom.com)  
or  
StreetConnect  
Michael Newman, 408-542-2760 (Investor Relations)  
[hlit@stct.com](mailto:hlit@stct.com)

SOURCE: Harmonic Inc.