



## Harmonic's New Variable Bit-Rate Encoding Platform Sets Benchmark for MPEG-2 Picture Quality and Channel Density

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DiviCom(R) Electra(TM) Multichannel Standard Definition  
Compression Solution Maximizes Number of Services per  
Transport Stream While Reducing System Complexity

Harmonic Inc. (Nasdaq: HLIT) today set the benchmark for standard definition (SD) MPEG-2 picture quality and channel density with the new IP-based DiviCom(R) Electra(TM) compression platform. The scalable, one rack-unit (1-RU) system can be configured with up to four high-performance VBR encoders. When combined with Harmonic's versatile DiviTrackIP(TM) statistical multiplexing solution, Electra enables service providers to maximize the service carrying capacity of their video networks while dramatically reducing operational complexity.

"MPEG-2 remains integral to many cable, satellite, terrestrial and wireless video services around the world," said Tom Lattie, Product Line Manager for Standard Definition Encoders at Harmonic Inc. "Therefore, in addition to delivering state-of-the-art MPEG-4 AVC (H.264) and SMPTE VC-1 compression systems, Harmonic is introducing innovations, such as the DiviCom Electra multichannel VBR encoding platform and DiviTrackIP statistical multiplexing solution, that enable operators to continue using MPEG-2 to provision a competitive range of video services with superior quality picture."

Building on more than a decade of digital video compression technology leadership, the DiviCom Electra's modular hardware architecture can be configured to simultaneously encode up to four SD channels in real-time. It also incorporates key architectural developments such as internal scalability, native IP support, and low power consumption as well as an advanced analog input capability that eliminates the need for front-end converters, reducing the cost and complexity of the headend.

"As an IP-based VBR encoder, the DiviCom Electra enables operators to combine the economics, flexibilities and performance of IP networking and statistical multiplexing. The Electra used in conjunction with Harmonic's DiviTrackIP is the first ever 16 channel multiplex in six rack units, including 1-RU for the IP switch, 1-RU for DiviTrackIP and 1-RU for each of the four Electra encoders. As such, Electra delivers the highest MPEG-2 channel density with the highest video-quality presently on the market," continued Lattie.

For cable and broadband wireless operators, the Electra is a compelling solution for cable digital simulcasting applications, an important step toward realizing the all-digital future. A complete line-up of digital channels can be provisioned from a single rack of Electra encoders, a fraction of the space required by traditional single channel encoders. This makes it possible to more easily increase the channel count and video quality while reducing both operating costs -- due to lower space, power, cooling requirements -- and capital expenditures since the redundancy architectures enabled by DiviTrackIP require less hardware than comparable ASI-based approaches.

Satellite and terrestrial operators will find Electra a powerful yet cost-effective solution for both centralized and distributed applications. For example, when used with DiviTrackIP, the Electra can efficiently encode local channels in real-time at the source. This improves the bit-rate and video quality associated with local channels. It also greatly reduces the costs associated with local hosting and backhauling content to the main digital headend.

The DiviCom Electra multichannel VBR encoding platform and the other industry-leading DiviCom standard and high definition encoders will be showcased at Cable-Tec Expo 2005, Booth #2069, June 15-17 in San Antonio, TX.

### About DiviCom(R) 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(R) 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 includes the best-in-class DiviCom Electra(TM) VBR and DiviCom Ion(TM) CBR multichannel encoders, addresses a wide range of price/compression performance and functional requirements for broadcast, on-demand and other stored content 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 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: enabling service providers to maximize the service carrying capacity of their video

network while dramatically reducing operational complexity and the introduction of innovations that enable operators to continue using MPEG-2 to provision a competitive range of video services with superior quality picture.

Our expectations and beliefs regarding these matters and the features and benefits of Electra may not materialize, and actual results could differ materially from those projected. 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 recent Reports filed on Form 10-K and Form 10-Q. Harmonic does not undertake to update any forward-looking statements.

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