



Harmonic Adds Privacy-Mode to Industry-Leading VOD Solution for Real-Time On-Demand Content Encryption; Increased Security for Cable Operators and Content Originators Expected to Fuel Growth of On-Demand Services

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SUNNYVALE, Calif.--(BUSINESS WIRE)--Aug. 24, 2005--Harmonic Inc. (Nasdaq:HLIT) today announced that its industry-leading video-on-demand (VOD) delivery solution, based on the Narrowcast Services Gateway(TM) (NSG), will provide real-time content encryption using Privacy-Mode conditional access technology from Motorola. With this new capability Harmonic addresses a key issue for content providers and cable operators who want a more flexible and robust way to protect their video assets and revenue. This added protection is expected to fuel the global growth of on-demand services such as VOD and network-based personal video recorders (nPVR).

Television of tomorrow promises a high definition, on-demand and interactive experience where subscribers can access the content they want, when they want it and from any device. While an exciting prospect for the viewer, it raises concerns about how copyrighted video material will be secured in a highly personalized and, increasingly, in an IP-based environment. Encryption, which protects content during transmission and usage, is critical to making this vision of the future a reality.

"Broadband video is quickly moving toward an all-digital, high definition, on-demand paradigm," said Gil Katz, Director of Cable Solutions Marketing for the Convergent Systems Division of Harmonic Inc. "Cable operators need a cost-effective, flexible and secure way to deliver the value-added services that consumers really want. Harmonic's Narrowcast Services Gateway, the industry's most deployed VOD delivery solution, which now supports Privacy-Mode in addition to standards-based encryption technology, such as DVB, gives operators more options when building and extending their VOD service, irrespective of whether they employ real-time or pre-encryption. In addition, the NSG's architectural versatility makes it possible for the new real-time encryption capability to be added to already deployed systems."

The application of Privacy-Mode and other standards-based encryption technologies enables Harmonic's multifunction IP-enabled edgeQAM devices to seamlessly integrate with more conditional access systems and set-top boxes. The NSG's real-time encryption capability provides greater flexibility than the common practice of pre-encrypting content as well as reduces the overall cost and complexity of implementing and managing an on-demand service.

With the introduction of the NSG's new privacy-mode capability, Harmonic offers one of the most comprehensive solution portfolios for securely delivering video services over a variety of networks. Complementing the NSG, the multifunction Broadcast Network Gateway(TM) (BNG) includes a high-performance DVB scrambler that secures broadcast services delivered within cable networks. Harmonic's recently announced ProCipher(TM) bulk encryptor enables IP-based networks operators to simultaneously scramble hundreds of broadcast services in real-time.

Harmonic's complete line of content protection solutions will be presented in booth #1.361 at IBC 2005 in Amsterdam, The Netherlands, September 9 - 13, 2005.

About the Narrowcast Services Gateway(TM)

Now in its third-generation, the standards-based Narrowcast Services Gateway(TM) (NSG) is the most deployed IP-enabled on-demand edgeQAM in the cable industry. The NSG product line is composed of single rack-unit systems with 8, 12 and 16 output QAM channels, providing operators greater choice and flexibility in the design and expansion of their network infrastructure. By combining NSG units of varying QAM channel densities for each service group, cable operators can optimize their network architecture and bandwidth, reducing the effective cost of their infrastructure. The NSG is interoperable with all the leading providers of VOD servers, Ethernet switches, conditional access systems and set-top boxes.

About the ProCipher(TM) IP-based Bulk Encryptor

Harmonic's ProCipher is a compact 1-RU bulk encryptor for distributed cable, telecom and other IP-based networks. ProCipher secures hundreds of services in real-time while lowering costs by eliminating the need for multiple hardware and software IP scrambling solutions. Fully integrated with leading CAS/DRM solutions and compliant with widely implemented industry standards -- including MPEG-2, MPEG-4 AVC and SMPTE VC-1 services as well as DVB and AES scrambling -- the ProCipher bulk encryptor easily integrates into existing networks.

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 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: the VOD delivery solution providing real-time content encryption, the expectation that this added protection will fuel the global growth of on-demand services, television of tomorrow promising a high definition, on-demand and interactive experience, and the move of broadband video toward an all-digital, high definition, on-demand paradigm.

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 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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