



Harmonic Completes Acquisition of Omneon

September 15, 2010

Combination Creates Global Leader in Video Infrastructure for Media Companies

San Jose, California - September 15, 2010 - Harmonic Inc. (NASDAQ: HLIT), a leading provider of broadcast and on-demand video delivery solutions, today announced that it has completed the acquisition of Omneon, Inc., a leading provider of video production and playout solutions for many of the world's premier media companies, for aggregate consideration of approximately \$194 million in cash and approximately 17.1 million shares of its common stock. This represents an enterprise value of approximately \$273 million, based on the value of Harmonic's common stock as set forth in the definitive acquisition agreement and net of Omneon's cash balances.

"By bringing together a powerful range of market-leading technologies that span content contribution through delivery, and leveraging strong relationships with content producers and service providers around the globe, Harmonic is now uniquely positioned as a global leader in video infrastructure for the digital media industry," said Patrick Harshman, President and CEO of Harmonic. "In combination with Omneon, we expect to deepen our relationships with global media companies, enabling them to create, package and deliver the next generation of video-centric media services."

The transaction is expected to be neutral to Harmonic's non-GAAP net income in 2010 and to be accretive to non-GAAP net income in 2011, excluding the amortization of intangibles and non-recurring charges such as restructuring and transaction costs. See "Use of Non-GAAP Financial Measures below."

Due to the purchase accounting for the transaction, Harmonic cannot reasonably estimate the impact on GAAP net income at this time. The Company expects to report consolidated guidance when it reports its results for the third quarter of 2010 in October.

About Harmonic Inc.

Harmonic Inc. is redefining video delivery with the industry's most powerful solutions for delivering live and on-demand video to TVs, PCs and mobile devices. Harmonic's technical innovation and market leadership enable the company to offer a unique and comprehensive solution portfolio—including encoding, transcoding, content preparation, stream processing, asset management, edge processing, and delivery. Broadcast, cable, Internet, mobile, satellite and telecom service providers around the world choose Harmonic's IP-based digital video, software, and broadband edge and access solutions. Using these award-winning and industry-leading solutions, operators can reduce costs and differentiate their services by offering consumers a higher quality, personalized multi-screen experience.

Harmonic (NASDAQ: HLIT) is headquartered in San Jose, 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.

About Omneon, Inc.

Omneon, Inc., is a leading provider of scalable media server and active storage systems that optimize workflow productivity and on-air reliability for the production, distribution, and management of digital media. Omneon is a pioneer in the use of advanced IT technologies and open systems for broadcast applications, producing a modular and expandable video server architecture in the Omneon Spectrum media server and highly scalable production storage with the MediaGrid active storage system. The company has an extensive global presence with customers in more than 85 countries on six continents. Omneon is on the Web at www.Omneon.com.

Forward-Looking Statements

Some of the statements contained in this release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve risks, uncertainties and assumptions, including those regarding Harmonic's future plans for Omneon's business, the expected benefits and costs of the acquisition, Harmonic management plans relating to the acquisition, the expectation that, as a result of the acquisition, Harmonic will deepen its relationships with global media companies, enabling them to create, package and deliver the next generation of video-centric media services, the expectations regarding the acquisition on Harmonic's results of operations for the remainder of 2010 and for 2011, and the expectation that Harmonic will report consolidated guidance when it reports its results for the third quarter of 2010 in October. The statements contained in this release that are not purely historical are forward-looking statements including, without limitation, statements regarding our expectations, beliefs, intentions or strategies regarding the future. In some cases you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these terms or other comparable terminology. These statements are based on the expectations or beliefs of management of Harmonic and are subject to uncertainty and changes in circumstances that, if they were to never materialize or prove incorrect, could cause actual results to differ materially from those projected, expressed or implied in the forward-looking statements. Factors that could cause Harmonic's actual results or outcomes, levels of activity, performance or achievements, including the realization of expected financial and other effects of the acquisition, to be materially different from those anticipated in this release include among others, the inability to integrate successfully Omneon within Harmonic or to realize synergies from such integration; costs related to the acquisition of Omneon; failure to retain key employees; the economic environment of the industries in which Harmonic and Omneon operate, as well as facts relating to Omneon that may impact the benefits and costs of the acquisition that are unknown to Harmonic; and other factors affecting the operation of the respective businesses of Harmonic and Omneon. More detailed information about these factors are described in Harmonic's filings with the SEC including its quarterly report on Form 10-Q for the quarter ended July 2, 2010. All forward-looking statements included in this release are based on information available to Harmonic on the date thereof, and Harmonic assumes no obligation to update any such forward-looking statements.

Use of Non-GAAP Financial Measures

In establishing operating budgets, managing its business performance, and setting internal measurement targets, Harmonic excludes a number of items required by GAAP. Management believes that these accounting charges and credits, which are non-cash or non-recurring in nature, are not useful in managing its operations and business. Historically, Harmonic has also publicly presented these supplemental non-GAAP financial measures in order to assist the investment community to see Harmonic "through the eyes of management," and thereby enhance understanding of its operating performance. The non-GAAP financial measure discussed in this release is non-GAAP net income. The presentation of this non-GAAP information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP and is not necessarily comparable to non-GAAP results published by other companies.