Harmonic Completes Acquisition of Scopus Video Networks

March 12, 2009

Combination Extends Worldwide Customer Base and Strengthens Technology Leadership

SUNNYVALE, Calif.--(BUSINESS WIRE)--Mar. 12, 2009-- Harmonic Inc. (NASDAQ: HLIT), a leading provider of broadcast and on-demand video delivery solutions, today announced that it has completed the acquisition of Scopus Video Networks Ltd. (NASDAQ: SCOP) for $5.62 per share in cash, which represents an enterprise value of approximately $50 million, net of Scopus' cash and short-term investments. The acquisition strengthens Harmonic's technology and market leadership, particularly in the broadcast contribution and distribution markets, in addition to increasing the global customer base. Scopus' customers will be supported by the expanded regional Harmonic sales and support teams, and through channel partners.

Harmonic continues to expect cost synergies of $8-10 million on an annualized basis once Scopus becomes fully integrated into the existing Harmonic organization and management structure. The transaction is expected to be accretive to Harmonic's non-GAAP earnings in 2009, exclusive of the amortization of intangibles and non-recurring charges such as restructuring and transaction costs. Harmonic will determine the appropriate purchase accounting for the transaction upon closing its first quarter of 2009 and, accordingly, cannot reasonably estimate the impact on GAAP earnings at this time. See "Use of Non-GAAP Financial Measures" below.

About Harmonic Inc.

Harmonic Inc. is a leading provider of versatile and high performance video solutions that enable service providers to efficiently deliver the next generation of broadcast and on-demand services including high definition, video-on-demand, network personal video recording and time-shifted TV. Cable, satellite, broadcast and telecom service providers can increase revenues and lower operational expenditures by using Harmonic's digital video, broadband optical access and software solutions to offer consumers the compelling and personalized viewing experience that is driving the business models of the future.

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.

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 presentation of 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.

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 expectation that the acquisition will strengthen its technology and market leadership, particularly in broadcast contribution and distribution markets and increase its global customer base; Harmonic's expectations that Scopus' customers will be supported by the expanded regional sales and support teams, and through channel partners; and Harmonic's expectations regarding cost synergies and the impact on earnings related to the acquisition. These statements are based on the current 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 Scopus within Harmonic or to realize synergies from such integration; costs related to the acquisition of Scopus; the economic environment of the industries in which Harmonic and Scopus operate; and other factors affecting the operation of the respective businesses of Harmonic and Scopus. More detailed information about these factors are described in Harmonic's filings with the SEC including its annual report on Form 10-K for the year ended December 31, 2008, and its Current Reports on Form 8-K. 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.

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