



## Russia's Largest Cable Operator Selects Harmonic for Digital Video and On-Demand Services Rollout

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- National Cable Networks Transitions Moscow Operations to Digital, Will Offer New State-of-the-Art VOD and Network DVR Service -

SUNNYVALE, Calif.--(BUSINESS WIRE)--Sept. 10, 2008--Harmonic Inc. (NASDAQ:HLIT) today announced that National Cable Networks (NCN) has selected the full range of Harmonic's market-leading compression, video processing, edgeQAM and on-demand solutions for NCN's new service. The new deployment will enable NCN to provide its 700,000 customers throughout Moscow with a highly attractive service package, encompassing digital television as well as advanced services such as video-on-demand (VOD) and network-based digital video recording (DVR). With over 4.5 million subscribers nationwide, NCN is Russia's largest cable operator.

NCN is deploying a hybrid cable and fiber-to-the-home (FTTH) architecture for the delivery of its digital and on-demand offering. Downstream content will be delivered over NCN's HFC network, using the versatile NSG(TM) 9000 universal edgeQAM for broadcast services. NCN's premium programming and interactive services such as VOD, as well as upstream data, will be delivered over IP.

NCN's digital broadcast television service will be powered by Harmonic's DiviCom(R) Ion(TM) encoders. Harmonic's CLEARcut(TM) offline content preparation software in conjunction with the market-leading Electra(TM) standard and high definition encoders are being utilized to create on-demand assets, and the ProStream(TM) 1000 stream processing platform with Mentor(TM) re-encoding technology is used for bit-rate "clamping" of the network DVR content. Harmonic's Armada(R) Content Delivery Network (CDN) and StreamLiner(R) video servers are used for VOD asset distribution and delivery.

"Harmonic's broad solution set makes it possible for NCN to offer its customers a high quality digital television line-up, and services such as VOD and network DVR that provide an enhanced, more personalized user experience," said Victor Pinchuk, CEO, National Cable Networks. "We are investing in a unique network architecture that can be cost-effectively expanded to support additional services, enabling NCN to remain at the forefront of television in Russia. Harmonic played a key role in NCN's successful rollout of St. Petersburg's first digital cable service, and Harmonic was the clear choice for our Moscow upgrade."

"Harmonic is firmly committed to enabling innovative services for leading operators such as NCN," said Serguei Lakhman, Regional Director of Russia and CIS for Harmonic Inc. "A significant portion of Harmonic's versatile and highly scalable on-demand product line has been selected for NCN's deployment. The VOD system combined with the high quality compression and stream processing capabilities of our IP-based headend solution offer NCN an integrated platform for provisioning of superior quality, advanced video services."

Harmonic's comprehensive portfolio of digital video solutions encompasses the complete video delivery chain -- from asset creation and video stream processing to distribution, delivery and network management for broadcast and on-demand services.

### About National Cable Networks (NCN)

National Cable Networks (NCN) operates cable networks in major cities throughout Russia. The company was founded in 2001 with the goal of consolidating fragmented cable assets into a unified national broadband network. NCN's strategy is to build its customer base through the acquisition of regional cable service providers and then upgrade the infrastructure to two-way HFC (hybrid fiber-coaxial cable) capable of supporting advanced digital services. Currently, NCN has a total of approximately 4.5 million subscribers in Moscow, St. Petersburg, Ekaterinburg, Novosibirsk, Kurgan and Elektrostal.

### 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](http://www.harmonicinc.com) for more information.

This press release may contain 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 NCN to provide its 700,000 customers throughout Moscow with a highly attractive service package, delivering NCN's premium programming and interactive services over IP, powering NCN's digital broadcast television service by Harmonic's DiviCom(R) Ion(TM) encoders, and a unique network architecture that can be cost-effectively expanded.

Our expectations and beliefs regarding the capabilities of Harmonic's video solutions and the anticipated benefits to NCN 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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