



Harmonic Establishes Key Position as Headend Provider in Microsoft IPTV Deployments

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-- Electra(TM) High Definition and Standard Definition MPEG-4 AVC

(H.264) Encoders Now Microsoft Qualified --

LAS VEGAS--(BUSINESS WIRE)--April 16, 2007--Harmonic Inc. (NASDAQ:HLIT) today announced its position as a leading headend solution provider in Microsoft TV (NASDAQ:MSFT) environments, powering services for several Microsoft TV IPTV customers. A key Microsoft TV partner, Harmonic's DiviCom(R) Electra(TM) 7000 high definition (HD) and Electra 5400 standard definition (SD) MPEG-4 AVC (H.264) encoders are the third generation of products to be deployed with Microsoft TV's IPTV Edition. Harmonic has been at the forefront of innovation with the Electra platform, having introduced the first integrated encoder to simultaneously support full resolution and picture-in-picture (PiP) and the first multi-channel encoder used in a live Microsoft TV service.

Microsoft TV's award-winning IPTV Edition software platform enables broadband service providers to deliver next-generation TV experiences to consumers, including standard- and high-definition live TV channels, picture in picture, instant channel zapping, advanced VOD and DVR, and new connected entertainment experiences to consumers.

The multi-service Electra encoders are optimized for this environment, supporting these advanced services and reducing cost of ownership. Leveraging Harmonic's experience and expertise in delivering ground-breaking IP-based video delivery solutions, these high density systems offer superior video quality while minimizing bit-rates. As a result, DSL-based service providers can deploy higher quality HD and SD video while also saving bandwidth, making it possible to support multiple services to the home and higher-speed Internet access.

"Harmonic is a leading Microsoft TV partner and has been instrumental in enabling advanced video services through the integration of their products with our IPTV Edition software platform," said Joe Seidel, worldwide partner ecosystem director for the Microsoft TV division at Microsoft. "A significant number of our current customers are using Harmonic-based compression for their headends. The Electra HD and SD encoders, with their support for simultaneous delivery of both full resolution and low resolution video, offer telcos outstanding performance and superior picture quality."

"Microsoft's success in the telco IPTV market continues to grow around the world, and Harmonic is focused on working closely with Microsoft to deliver the highest performing IP-based video solutions to customers that select the Microsoft TV IPTV Edition software platform," said Thierry Fautier, Director of Telco Solutions for Harmonic Inc. "To date, a majority of Microsoft's IPTV customers are using Harmonic's compression solutions. Together, we bring a strong value proposition with a best-in-class video experience backed by technology innovation and a long-term strategic vision."

Harmonic's versatile and market-leading Electra H.264 encoders are capable of delivering up to four channels of ultra-low bit-rate SD or HD video in one rack-unit, as well as multiple audio channels. Launched in mid-2006, these next generation encoders have been selected by more than 35 operators across all markets worldwide.

Harmonic will demonstrate the Electra encoders' capabilities in a Microsoft TV environment at its booth #SU9620 at the NAB2007 exhibition in Las Vegas, held from April 16-19.

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.

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 anticipated benefits of the features and capabilities of Microsoft's IPTV Edition and Harmonic's Electra encoders.

Our expectations and beliefs regarding these matters and the anticipated benefits of Microsoft's IPTV Edition and Harmonic's Electra encoders 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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