



Harmonic's Industry-Leading Solutions Deployed for New IPTV Service in Germany; HanseNet Extends Alice Service With Digital TV Powered by DiviCom(R) MPEG-4 AVC Encoders

April 21, 2006

SUNNYVALE, Calif., Apr 21, 2006 (BUSINESS WIRE) -- Harmonic Inc. (Nasdaq:HLIT) today announced that HanseNet Telekommunikation GmbH, a wholly owned subsidiary of Telecom Italia, is using Harmonic's MPEG-4 AVC (H.264) video solutions to deliver a range of digital TV services as part of its Alice brand. The advanced compression capabilities of Harmonic's industry-leading DiviCom(R) encoders make it possible to distribute video service over longer distances and via bandwidth constrained links while maintaining a broadcast-quality picture. The new TV service is being launched in Hamburg, Germany, first and rolled out country-wide over the coming months, and represents the first large-scale, real-time broadcast IPTV over ADSL service in the country. By adding TV to its portfolio, Alice is now able to offer a range of telephone, Internet and television bundles that are expected to better attract and retain customers.

Harmonic provided an integrated solution that is fully compatible with Alice's existing infrastructure, meeting the immediate need for video delivery while also providing room to scale the service in step with demand. The new Harmonic-based headend encompasses high performance standard definition DiviCom real-time encoders for low bit-rate MPEG-4 AVC video as well as the ProView(TM) receivers and decoders for scalable content acquisition. HanseNet also uses the versatile NMX Digital Service Manager(TM) for advanced monitoring and control, ensuring the highest levels of video quality and service availability. Alice's new Harmonic-based headend is provisioning an extensive range of services, including 100 channels of broadcast television.

"As communications services converge, our customers are looking for a differentiated offering from a single provider," said Michele Novelli, Marketing Director of HanseNet. "We recognize that to increase subscriber satisfaction and loyalty, we must continue to innovate and provide a best-in-class service by integrating broadcast and on-demand TV with our existing Alice voice and data packages. Harmonic's impressive record of technical innovation and IPTV expertise were key to reducing implementation risk and operational complexity. The compression capabilities, video quality and flexibility of the DiviCom encoding platform give us a tremendous advantage today and greater latitude to introduce new video services in the future."

An intensifying competitive environment combined with changing customer preferences means moving beyond a "me too" broadcast TV service is critical for long-term success. Telcos are uniquely positioned to leverage an IP-based infrastructure to provision an anytime, anywhere just for me TV(SM) experience. Harmonic is at the forefront of this paradigm shift with advanced digital headend solutions, such as the DiviCom Electra(TM) 5000 Multi-Service Encoder, that streamline the IPTV infrastructure and enable new features such as picture-in-picture and dynamic multi-channel mosaics.

"Alice's new IPTV service is an innovative integration of communication services that addresses the broader needs and expectations of the subscriber," said Frank Kessaratos, Vice President of EMEA and Asia-Pacific Sales for Harmonic Inc. "DiviCom encoders, which generate high quality digital video at ultra-low bit-rates in broadcast and on-demand applications, are an ideal solution for IPTV service providers, like Alice, who must deliver several services simultaneously into the home, often when bandwidth is at a premium. With several years of pioneering experience in IPTV and powering more channels for top tier telco operators than any other vendor, Harmonic ensures Alice has a solid technology foundation for delivering exceptional IP-based video services well into the future."

Harmonic's industry-leading solutions reduce implementation risk and costs while accelerating time-to-market and maximizing service quality. Leading telcos around the world have selected Harmonic for their ground-breaking IPTV implementations including the first large-scale MPEG-2 IPTV service, the first all MPEG-4 AVC service and the first live service to transition from MPEG-2 to MPEG-4 via a firmware upgrade. As a result, today DiviCom encoders are delivering more than 2,300 channels of IP-based TV, nearly twice the combined total of the two vendors commonly considered Harmonic's main competitors.

About HanseNet/Alice

HanseNet with its brand Alice is one of the fastest growing telecommunication providers in Germany and offers telephone, DSL and Internet services to both business and private customers. Alice stands for simplicity and clarity of its product design, favorable and customer-orientated tariff structures and fair services. Up until now more than 570,000 private and business customers comfortably use the services of Alice and Alice Business (business customers only) in Germany.

Visit www.alice-dsl.de or www.alice-business.de for more information.

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: rolling out country-wide over the coming months, providing room to scale the service in step with demand, greater latitude to introduce new video services in the future and moving beyond a "me too" broadcast TV service being critical for long-term success.

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.

EDITOR'S NOTE -- Product and company names used herein are trademarks or registered trademarks of their respective owners.

SOURCE: Harmonic Inc.

Harmonic

Sarah Lum, 408-543-2392 (Media Relations)

sarah.lum@harmonicinc.com

or

StreetConnect (for Harmonic)

Michael Newman, 408-542-2760 (Investor Relations)

hlit@stct.com