



## Insight Communications Securely Delivers On-Demand Services With Harmonic's Narrowcast Services Gateway(TM)

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NSG Dynamically Encrypts VOD and Other Services to Better Protect Video Assets and Revenue While Reducing Associated Costs and Complexity

Harmonic Inc. (Nasdaq:HLIT) today announced that Insight Communications Company, Inc., one of the 10 largest cable operators in the United States, is using Harmonic's Narrowcast Services Gateway(TM) (NSG) with Privacy Mode real-time encryption to protect video-on-demand (VOD) content. The move to a more personalized, interactive user experience -- with VOD as a core component -- necessitates greater security in order to maintain the confidence of the content owners and the revenue of the service providers. The NSG with Privacy Mode offers Insight deployment and operational advantages including a scalable and cost-effective mechanism for protecting narrowcast service content.

The take-rate of on-demand services is growing at an astounding pace, with billions of VOD views now delivered each year in North America alone. As consumers increasingly demand greater control over their television experience, in terms of what and when to watch, an efficient, scalable and secure narrowcast infrastructure capable of delivering many thousands of concurrent streams will be essential. Harmonic addresses these critical requirements with the award-winning NSG that, in addition to enabling Insight to leverage the benefits of IP-based video transport, provides a highly effective way to ensure that only authorized users can access premium and other subscription-based programming.

"As the consumer migration to digital cable continues and VOD usage accelerates, the ability to scale in step with demand and, at the same time, securely transport video assets to the home is a critical business issue," said Patrick Forde, Vice President, Engineering, Video Platforms, for Insight Communications. "Streamlining our content protection scheme with Harmonic's solution provides Insight with a single-system solution for VOD delivery. The Privacy Mode capability was easily added to our existing Harmonic Narrowcast Services Gateway based infrastructure without the need to replace any hardware, which simplified integration with our live VOD service."

The real-time encryption capability yields a highly scalable and easy-to-use alternative to the traditional approach of pre-encryption. Among the other benefits, it eliminates the need to store multiple instances of the program in order to support different usage scenarios such as regular play and trick play for fast forward and rewind. By encrypting content at the leading-edge of the open network, the NSG with Privacy Mode makes it possible for operators to increase their revenue potential by refreshing advertisements within narrowcast streams. Dynamically splicing advertisements also allows operators to increase the level of personalization by targeting based on the viewer's location and/or demographics.

"Having launched VOD services in 1999, Insight has been a pioneer in offering high quality, advanced and interactive video services to its customers," said Nimrod Ben-Natan, Vice President of Solutions and Strategy for Harmonic Inc. "Insight is building on this reputation by utilizing the multi-function Narrowcast Services Gateway with Privacy Mode to more flexibly and cost-effectively protect and expand its VOD service, generating incremental revenue opportunities and increasing customer satisfaction. Deployed more often than any other product in its class, the NSG is being used by eight of the top nine cable MSOs to deliver the vast majority of narrowcast streams in the United States today."

Cable operators can implement a state-of-the-art VOD service using the NSG in conjunction with Harmonic's CLEARcut(TM) storage encoding solution and best-in-class DiviCom(R) encoders, digital DWDM transmission solutions for the IP-based narrowcast backbone, and HFC distribution systems to efficiently deliver streams to the home. The market-leading NSG has been honored as the "Biggest Contributor to the Future of Content Delivery" by a respected industry publication and selected as "Product of the Year" by the SCTE of the United Kingdom.

### About Insight Communications

Insight Communications is the 9th largest cable operator in the United States, serving approximately 1.3 million customers in the four contiguous states of Illinois, Kentucky, Indiana and Ohio. Insight offers bundled, state-of-the-art services in mid-sized communities, delivering analog and digital video, high-speed Internet and, in selected markets, voice telephony to its customers.

### 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](http://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: the astounding pace of growth in the take-rate of on-demand services, the fact that an efficient, scalable and secure narrowcast infrastructure will be essential, the continuing consumer migration to digital cable, and accelerating VOD usage.

Our expectations and beliefs regarding these matters and the features and anticipated benefits of the NSG with Privacy Mode 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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