



Harmonic Enhances Narrowcast Services With World's First Integrated MPEG-2 Digital Video Re-Encoding Solution

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SUNNYVALE, Calif.--(BUSINESS WIRE)--June 20, 2006--

New ProStream(TM) 1000 Platform Efficiently Generates

High Quality CBR Video for On-Demand, Network Personal Video Recorder

and Switched Broadcast TV Services

Harmonic Inc. (Nasdaq:HLIT) today introduced the ProStream(TM) 1000, a versatile video stream processing platform, with Mentor(TM) technology, the world's first complete single box MPEG-2 digital video re-encoding solution. With Harmonic's new solution, operators can more efficiently process pre-compressed video acquired from various sources into constant bit-rate (CBR) streams that can be efficiently delivered via a narrowcast service infrastructure. The ProStream(TM) 1000 with Mentor re-encoding technology -- which is ideal for video-on-demand (VOD), network personal video recorder (nPVR), switched digital broadcast and digital turnaround applications -- reduces capital and operating expenditures while providing outstanding picture quality.

Intensifying competition and a shift toward an increasingly personalized, on-demand viewing experience mean that efficiently repurposing real-time broadcast programming and other pre-encoded video content for VOD and emerging narrowcast services is paramount. The ProStream 1000 with Mentor technology offers unparalleled density and flexibility. It supports the operator's growing need to generate high quality CBR content for on-demand applications by processing up to 16 standard definition channels in a compact one rack-unit form factor. The Mentor technology also gives the operator greater control of the video output by selecting from a variety of horizontal video resolutions and MPEG-2 group of picture (GOP) structures.

"The future of television lies in a more interactive and user-directed model with services such as VOD, time-shifted TV and nPVR," said Yaniv Ben-Shushan, ProStream Product Marketing Manager for Harmonic Inc. "The ProStream 1000 with Mentor re-encoding technology helps operators repurpose the growing volume of content to feed these on-demand services. The system incorporates the best-in-class technologies developed for Harmonic's award-winning DiviCom(R) encoders and leverages the knowledge and experience gained from several generations of market-leading compression systems. This unique platform also eliminates the limitations associated with other techniques for variable bit-rate (VBR) to CBR conversion or CBR bit-rate adjustments to give operators broader latitude in reducing bit-rates and modifying the video while maintaining a broadcast-quality picture."

Until now operators have relied on two general methods of digital content re-processing to generate streams for their narrowcast services: decoding/encoding or rate shaping. The ProStream 1000 provides a simple, high-value solution with the convenience of multiple functions within a single system. In comparison to the complete decode/encode solution, which typically entails added cost and complexity, and rate shaping, which offers more limited bit-rate reductions and more quickly impacts video quality, ProStream delivers greater versatility, better quality, and more bandwidth efficiency. In addition to the robust video processing capabilities of the ProStream 1000, it also has a full-featured, integrated multiplexing capability to efficiently combine programs acquired via the system's IP and ASI interfaces.

Separately, Harmonic is introducing a version of the basic ProStream 1000 platform that incorporates its ProCipher(TM) IP-based scrambling technology to provide a unique, integrated and high performance bulk encryption and video multiplexing solution. The ProStream 1000 with ProCipher is essential for protecting premium broadcast video content in a variety of network architectures. Both the ProStream 1000 with Mentor re-encoding and the ProStream 1000 with ProCipher are monitored and controlled by Harmonic's innovative NMX Digital Service Manager(TM).

The ProStream with Mentor re-encoding will be demonstrated in Harmonic's booth (#1180) at Cable-Tec Expo 2006 in Denver, June 21-23, 2006.

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 the future of television.

Our expectations and beliefs regarding these matters and the features and anticipated benefits of ProStream 1000 with Mentor technology 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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