



## Harmonic Extends MPEG-4 AVC Encoding Product Line With New DiviCom(R) Standard Definition Multi-Service Encoder

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Electra(TM) 5400 Enhances Picture Quality and Bandwidth Efficiency  
With Advanced Processing Engine and Unique Multi-Channel,  
Multi-Format Capabilities

Harmonic Inc. (NASDAQ:HLIT) today introduced the DiviCom(R) Electra(TM) 5400, a third generation MPEG-4 AVC (H.264) standard definition (SD) encoder that further extends Harmonic's market leading multi-service family of compression systems. Delivering up to four full resolution SD channels in a one rack-unit package, as well as simultaneous low resolution content for picture-in-picture (PiP), mobile video services or other applications, the Electra 5400 is ideal for massive deployments of telco/IPTV, satellite and DVB-T services. The new encoder utilizes Harmonic's advanced processing engine to provide best-in-class picture quality and sets a new standard for bandwidth efficiency in SD H.264 with bit-rates more than 30 percent lower than H.264 encoders deployed today.

Over the past two years, Harmonic's highly successful DiviCom Electra and Ion(TM) multi-channel platforms have been deployed by many of the world's leading operators to power nearly 8,000 channels. Incorporating advanced technologies developed by Harmonic including a new silicon architecture, unique video pre-processing and full multi-pass LookAhead(TM) compression, the Electra 5400 builds upon this strong foundation to deliver next-generation H.264 services with superior video quality at ultra-low bit-rates.

"Using IP-based technology in the network gives video service providers much greater flexibility and scalability," said Tom Lattie, Product Line Manager for SD Encoders at Harmonic Inc. "The field-proven, native IP output and management capabilities built into the Harmonic DiviCom encoders, combined with DiviTrackIP(TM) distributed statistical multiplexing and encryption, offer a unique and high quality solution for operators of all types. The new Electra 5400 meets critical requirements for provisioning a greater number and variety of services via a range of devices, by minimizing bit-rates while delivering superior quality video for applications including full resolution TV, PiP, video to the PC and mobile video such as DVB-H."

In addition, the density of the Electra 5400 allows operators to minimize the number of systems required in the headend infrastructure, thereby reducing capital and operating expenditures. Harmonic's high performance solutions such as the new Electra 5400 provide operators with the versatility, scalability and efficiency needed to deliver a revolutionary new video experience. Easily integrated as part of a distributed IP-based statistical multiplex using Harmonic's innovative DiviTrackIP solution, the Electra 5400 operating in variable bit-rate (VBR) mode can further enhance service-carrying capacity.

The DiviCom Electra 5400 multi-service encoder will be featured at Harmonic's booth (#1.361) at the upcoming IBC exhibition in Amsterdam, The Netherlands from September 8-12. First customer shipments are scheduled to begin in September.

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 anticipated features and benefits of the Electra 5400.

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.

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