



## **Telekom Austria Deploys Harmonic's Market-Leading Video Solutions for New Digital TV Service; High Performance Solution From Alcatel and Harmonic Optimizes IP-Based Video Delivery and Provides Enhanced TV Experience**

September 5, 2006

SUNNYVALE, Calif.--(BUSINESS WIRE)--Sept. 5, 2006--Harmonic Inc. (NASDAQ:HLIT) today announced that Telekom Austria (NYSE:TKA) is using Harmonic's industry-leading digital video solutions, including the high performance DiviCom(R) encoders, for its aonDigital TV Service. Launched in Vienna and being rolled out nationally, the service offers viewers access to a full complement of broadcast television, radio and premium services such as video-on-demand. Telekom Austria joins the large group of top tier telco operators around the world who have selected Harmonic systems for their IP-based services; in Europe, Harmonic encoders power more IPTV channels than any other brand. The DiviCom encoders, in addition to Harmonic's ProView(TM) integrated receivers/decoders and widely implemented NMX Digital Service Manager(TM), were deployed as part of a comprehensive IPTV solution delivered by Alcatel.

With the increasing competition for the customer and consumer preferences shifting toward a more highly personalized anytime, anywhere just for me TV(SM) experience, telco operators are adding innovative new video services to their existing portfolio of voice and data offerings. Harmonic's IP-based headend solutions give operators such as Telekom Austria unmatched versatility, video quality and bandwidth efficiency, in addition to the scalability to support more advanced services in the future.

"To solidify and strengthen our customer relationships, revenue potential and market position, Telekom Austria is complementing its voice, data and mobile offerings with an exciting range of broadcast and on-demand TV services," said Helmut Leopold, Managing Director of Platform and Technology Management at Telekom Austria. "This new service complements the wide selection of high-quality and leading-edge solutions that we offer both our fixed line and mobile customers. Harmonic was the natural choice for Telekom Austria with its complete range of native IP headend products, as well as the highly flexible NMX system for monitoring and control of our video infrastructure. Our new Harmonic DiviCom encoders maximize the efficiency of video delivery across our ADSL infrastructure while providing a high quality, high value service that will enable us to compete more effectively over the long term."

"On a global basis, the business of television is rapidly evolving with an expanding array of services and companies to deliver them. Telekom Austria's new service represents another major step forward in realizing the promise of IP-based TV," said Patrick Harshman, President and CEO of Harmonic Inc. "Telekom Austria understands that viewers fundamentally are not concerned with how TV is delivered; they simply want to receive a compelling and differentiated service. Similarly, our customers want more than just an encoder. As with Telekom Austria, Harmonic makes it possible for operators to establish and consistently set the benchmark for a world-class service."

In addition to delivering advanced video products, Harmonic brings years of specialized solution development and integration expertise garnered by working with leading telco, cable, satellite and terrestrial service providers around the world. As part of the end-to-end solution delivered by Alcatel, Harmonic's high performance digital video systems offer unparalleled value to Telekom Austria and other IPTV operators deploying new video services through experience that no other headend provider can match. This includes the implementation of the first large-scale MPEG-2 IPTV service, the first service based solely on MPEG-4 AVC and the first live service to transition from MPEG-2 to MPEG-4.

Every day, DiviCom encoders -- a family which includes the world's most deployed AVC-enabled encoder and the industry's first multi-service encoder -- deliver tens of thousands of free and pay TV channels to millions of viewers in MPEG-2 and MPEG-4. The ProView PVS 6000 is a modular and customizable platform designed for professional applications such as multi-format, multi-source content acquisition and video monitoring. The standards-based, extensible NMX Digital Service Manager monitors and controls Telekom Austria's complete digital headend environment. In addition to enabling advanced redundancy architectures, and streamlining problem detection, analysis and resolution, NMX facilitates system installation and configuration, as well as automates service and resource scheduling.

### About Telekom Austria

With total revenues of roughly 4.4 EUR billion and approximately 15,600 employees at year-end 2005, Telekom Austria is Austria's leading provider of telecommunications services. It was listed on the Vienna and New York stock exchanges in November 2000. The Group has two main business areas: the wireline segment encompasses fixed line telephony, data and IT, Internet, wholesale and security services as well as multimedia applications and accounts for roughly 3 million customers. The wireless segment covers mobile communications and services roughly 9 million customers. The Telekom Austria Group has international operations in the Czech Republic, Croatia, Slovenia, Bulgaria and Liechtenstein. <http://www.telekom.at>

### About Alcatel

Alcatel provides communications solutions to telecommunication carriers, Internet service providers and enterprises for delivery of voice, data and video applications to their customers or employees. Alcatel brings its leading position in fixed and mobile broadband networks, applications and services, to help its partners and customers build a user-centric broadband world. With sales of EUR 13.1 billion and 58,000 employees in 2005, Alcatel operates in more than 130 countries.

### 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 scalability to support more advanced services in the future and service that will enable Telekom Austria to compete more effectively over the long term.

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.

CONTACT: Harmonic  
Sarah Lum, 408-543-2392 (Media Relations)  
[sarah.lum@harmonicinc.com](mailto:sarah.lum@harmonicinc.com)  
or  
StreetConnect  
Michael Newman, 408-542-2760 (Investor Relations)  
[hlit@stct.com](mailto:hlit@stct.com)

SOURCE: Harmonic Inc.