



Harmonic Introduces Industry's First Multi-Channel MPEG-4 AVC Digital Splicing Solution

September 7, 2006

SUNNYVALE, Calif.--(BUSINESS WIRE)--Sept. 7, 2006--

Scalable ProStream(TM) System Supports Standard and High Definition Streams as Part of End-to-End IP-Based Solution for Local Program and Ad Insertion

Harmonic Inc. (NASDAQ:HLIT) today announced the ProStream(TM) 2000 digital splicer, a scalable and cost-effective platform for seamless real-time splicing of standard definition (SD) and high definition (HD) MPEG-4 AVC (H.264) video streams. This solution represents the industry's first system to offer multi-channel splicing capabilities within one rack-unit (RU), achieving high levels of performance and density by leveraging the advanced stream processing techniques developed by Harmonic. The ProStream 2000 is a key element of Harmonic's wide-ranging suite of IP-based video processing and delivery solutions that increase operating efficiencies and reduce costs for satellite, telco/IPTV and cable service providers. The new splicer is also fully integrated with Entone's StreamLiner(R) digital program insertion (DPI) solution, enabling operators to benefit from the end-to-end Harmonic and Entone solution for applications including national, local and targeted advertisement insertion.

Large scale introduction of new, high quality HD and SD digital television services is a critical requirement for operators of all types in today's competitive and rapidly evolving market. In order to maximize new revenue opportunities and average revenue per user, service providers are also implementing targeted and localized advertisement insertion. Given the massive capital and operational expenses required to perform insertion in the uncompressed domain, satellite and IPTV providers in particular are looking for more compact and cost-effective digital splicing solutions supporting the rapidly growing H.264 format.

"Bandwidth limitations and the need to introduce more national and local HD services are driving operators to select the highly efficient H.264 compression standard," said Jean-Christophe Morizur, Director of Digital Video Product Marketing for Harmonic Inc. "At the same time, operators are looking to take advantage of the additional revenue represented by national, targeted and local advertising. The new ProStream 2000 splicer, in combination with Harmonic's market-leading video compression, stream processing and service management systems, offers service providers a more scalable, all-IP platform for seamless insertion of local programs and advertisements. The technically advanced ProStream 2000 does not degrade video quality in comparison with other splicing solutions, but the platform's scalability does decrease cost per channel, making it an ideal solution for HD and SD H.264 ad insertion."

The standards-based ProStream 2000 is fully integrated with Harmonic's innovative IP-based digital video solutions including the DiviCom(R) encoders, ProStream 1000 with ProCipher(TM) scrambling technology, DiviTrackIP(TM) statistical multiplexing, NMX Digital Service Manger(TM) and the Entone StreamLiner DPI solution.

Harmonic is featuring the ProStream 2000 digital splicer as part of its stream processing solutions on display in its booth (#1.361) at the IBC exhibition in Amsterdam, The Netherlands, from September 8-12.

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 rapidly evolving market and the rapidly growing H.264 format.

Our expectations and beliefs regarding these matters and the anticipated features and benefits of ProStream 2000 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
or
StreetConnect for Harmonic

Michael Newman, 408-542-2760 (Investor Relations)
hlit@stct.com

SOURCE: Harmonic Inc.