



## **Hungary's Leading Telco Drives Fiber to Multi-Unit Dwellings with Harmonic's FLXLink(TM) Solution; Scalable System Enables Magyar Telekom to Quickly and Cost-Effectively Bring High-Speed IP Network Access to Thousands of Residential Buildings**

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AMSTERDAM, Netherlands--(BUSINESS WIRE)--Sept. 8, 2006--Harmonic Inc. (NASDAQ:HLIT) today announced that Magyar Telekom (NYSE:MTA), Hungary's leading telecommunications service provider and a subsidiary of Deutsche Telekom (NYSE:DT), has deployed Harmonic's FLXLink(TM) commercial services solution to bring high-speed IP-based services to apartment buildings and other multiple dwelling units (MDU). Deployed in conjunction with Synergon Information Systems Plc., a leading system integrator in the region, this scalable solution enabled Magyar Telekom to leverage its existing network infrastructure to deliver 100 megabits per second (Mbps) fiber links to buildings throughout its broad service area.

Magyar Telekom operates optical networks that serve approximately three-quarters of Hungary's population, and a wireless network with complete nationwide coverage. With Harmonic's versatile FLXLink solution, which uses coarse wavelength division multiplexing (CWDM) technology, Magyar Telekom was able to simply add wavelengths to its existing fiber network to securely transmit ultra high-speed IP-based services to a building or an individual customer.

"Magyar Telekom has rolled out high-speed services to thousands of residential buildings nationwide," said Attila Koos, R&D Director of Magyar Telekom. "Reliability, scalability and the ability to manage links centrally were critical requirements. Harmonic's creative and cost-effective solution based on its FLXLink system combined with Synergon's integration expertise greatly facilitated our service expansion. This unique approach reduced the need for both large-scale fiber builds and upgrades to the customer premises network infrastructure while, at the same time, enabling Magyar Telekom to fully achieve its network performance and reliability goals."

"While DSL can be an effective way to bring service to an individual home, the inherent distance and capacity limitations make it more costly and complicated to support MDUs, particularly given the increasing demand for bandwidth per subscriber," said Nimrod Ben-Natan, Vice President of Solutions and Strategy at Harmonic Inc. "By adding FLXLink wavelengths to its existing fiber access network, Magyar Telekom was able to easily overcome these challenges and provide higher levels of bandwidth to the building. The FLXLink-based network can carry virtually any kind of IP-based multimedia service, making it possible for Magyar to up-sell and cross-sell a wide range of advanced video, voice and data services to thousands of customers."

The platform-based FLXLink systems are located in central offices and hub sites across Magyar's service area. Service was incrementally expanded to each building by adding a new wavelength-specific network interface card into the FLXLink platform and a corresponding network interface unit at the MDU. At the customer location, Magyar Telekom has also installed a device that distributes network services to each user via the building's existing twisted-pair wiring. A web interface allows Magyar Telekom to remotely monitor and manage its infrastructure, simplifying verification of network and equipment status as well as reducing the number of on-site service calls.

### About Magyar Telekom

Magyar Telekom (NYSE:MTA) is the principal provider of telecom services in Hungary. It provides a broad range of services including wireline telephony, data transmission, value-added services, and through its business lines is Hungary's largest mobile carrier and leading internet service provider. Magyar Telekom's majority shareholder (59.21%) is MagyarCom, fully owned by Deutsche Telekom AG. Magyar Telekom holds a majority stake in MakTel, the largest telecom operator of Macedonia and in Telekom Montenegro, Montenegro's largest telecom operator. The business activities of Magyar Telekom are managed by three lines of business: T-Com (wireline services), T-Mobile (mobile services), T-Systems (corporate services). For more information, visit [www.magyartelekom.hu](http://www.magyartelekom.hu).

### About Synergon Information Systems Plc.

Synergon Information Systems Plc. is a leading Hungarian owned solution provider group of companies operating on regional level. The equity of the Synergon group is over 7 billion HUF (32 million USD), its turnover in 2005 was almost 20 billion HUF (92 million USD). The shares of the company are registered at the Budapest Stock Exchange. The company's activities cover Hungary, the Czech Republic, Croatia and Slovakia. The solution delivering activities of Synergon -- in Hungary and in the region as well -- cover IT network integration. The system integration work is executed with business consulting, hardware system construction, planning and construction of communication networks, business infrastructure services, software consulting, full-scale information security solutions, business solutions and related services and consulting, offering system operation, maintenance services and education as well.

### 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: increasing demand for bandwidth per subscriber and making it possible to up-sell and cross-sell a wide range of advanced services.

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.

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