Harmonic Sets New Benchmark for ATSC Video Service Capacity at KXII Television

November 29, 2006

Leading U.S. Terrestrial Broadcaster Gray Television Deploys
Latest Generation DiviCom(R) MPEG-2 Encoders for World's First Live
ATSC Stream With Two HD and One SD Channels

NEW YORK--(BUSINESS WIRE)--Nov. 29, 2006--Harmonic Inc. (NASDAQ:HLIT) today announced that KXII TV in Sherman, Texas, a Gray Television (NYSE:GTN) station, has deployed Harmonic's market-leading DiviCom(R) MV 500 MPEG-2 high definition (HD) encoders and MV 100 MPEG-2 standard definition (SD) encoders for its digital upgrade. KXII, serving viewers in Texas and Oklahoma, has launched the world's first live ATSC service with two HD channels and one SD channel in the allocated 19.4 Mbps spectrum using the bandwidth-efficient Harmonic encoders. KXII is using the Harmonic solution to simultaneously broadcast their CBS (1080i), Fox (720p), and MyNetwork, branded "MyTexoma", (480i) programs. The multi-channel HD delivery capability made possible with the enhanced efficiency of the Harmonic solution, which also includes DiviTrack(TM) statistical multiplexing and NMX Digital Service Manager(TM), dramatically enhances the broadcaster's service and gives KXII the flexibility to adjust their service configuration in real-time or via scheduled changes.

The transition to an all-digital, HD world brings with it new possibilities in terms of the services over-the-air broadcasters such as Gray Television's 36 stations can offer, but also requires the operator to implement encoding solutions that can support these higher bit-rate 1080i and 720p services. Harmonic, the leader in MPEG compression, introduced the MV 500 in April 2006 to meet these needs for terrestrial, cable and satellite operators.

"As we were planning our digital upgrade, the ability to support multiple HD channels within a single ATSC stream was an absolute necessity," said Rick Dean, KXII Vice President and General Manager. "Harmonic's MV 500 HD encoder delivers impressive quality video while significantly improving compression efficiency. This breakthrough implementation of two HD services plus one SD channel in 19.4 Mbps dramatically enhances our business proposition and revenue opportunities as consumer demand for HD continues to grow. With the flexible and cost-effective Harmonic solution, we can now take our digital service to the next level by offering our viewers more high definition programming."

"While a significant amount of attention has been focused on MPEG-4 technology, MPEG-2 is still the dominant compression format for terrestrial and cable operators and will be so for some time to come," said Shahar Bar, Director of Satellite and Broadcast Solutions for Harmonic Inc. "As the industry leader in MPEG encoding, Harmonic continues to set the benchmark as the first to provide multi-channel HD support for ATSC networks. Our latest generation MPEG-2 HD encoder, the DiviCom MV 500, is the most efficient and highest quality platform in its class, while the standard definition MV 100 is the world's most widely deployed multi-codec real-time encoder."

The MV 500 supports both 1080i and 720p video resolutions and various audio formats including MPEG Audio Layer II, Dolby Digital AC-3, AAC, aacPlus and Dolby E. The DiviCom encoders also offer native IP or ASI support, and can be utilized as part of a closed-loop statistical multiplex with Harmonic's advanced DiviTrack solutions. To streamline configuration, ongoing management and scheduling of the program lineup, operators can utilize Harmonic's versatile NMX Digital Service Manager(TM) to manage the video headend infrastructure.

About Gray Television, Inc.

Gray Television, Inc. is a media company headquartered in Atlanta, Georgia, whose primary mission is to provide quality news and entertainment services to the local markets in which the Company operates. Gray Television's commitment to local interests and a selective acquisition strategy provides growth opportunities, which builds long-term value for stockholders.

Gray Television, Inc. currently operates seventeen CBS-affiliated television stations, ten NBC-affiliated television stations, eight ABC-affiliated television stations, one Fox-affiliated television station, and seven multi-cast digital channels of which six are UPN-affiliated and one is Fox-affiliated.

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 transition to an all-digital HD world, consumer demand for HD continuing to grow, taking digital service to the next level, and MPEG-2 being the dominant compression format for terrestrial and cable operators for some time to come.

Our expectations and beliefs regarding the features and benefits of our MV 500 and MV 100 encoders 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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SOURCE: Harmonic Inc.