Management Presentation

March, 2015

Forward Looking Statements

During the course of this presentation, we will provide projections and other forward looking statements regarding future events or the future financial performance of Harmonic, including expectations concerning our 2015 business strategy and our Q1 2015 financial outlook. Such statements are only current expectations and actual events or results may differ materially. We refer you to Harmonic's filings with the SEC, particularly our most recent Reports on Form 8-K, 10-Q and 10-K. These documents identify important risk factors that could cause actual results to differ materially from our projections or other forward looking statements.

The Worldwide Leader

in video delivery infrastructure

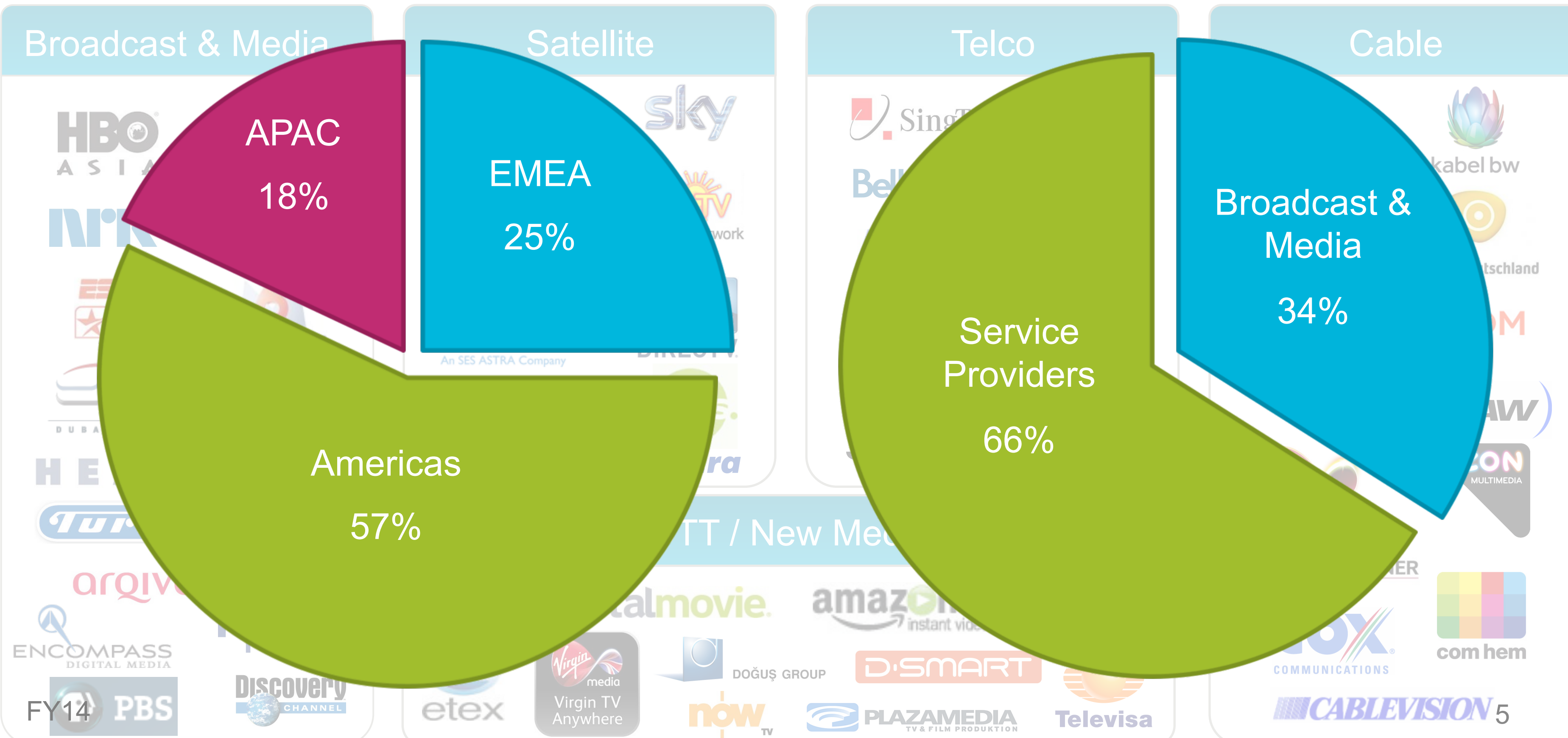
Enabling amazing video experiences

through integrated solutions with unrivaled simplicity, flexibility and efficiency

Harmonic

CA	$434M	1028	8	3850
Silicon Valley	2014 Annual Revenue	Employees	Major Sites Worldwide	Customers Globally

Customers



Broadcast & Media
Satellite
Telco
Cable
APAC 18%
EMEA 25%
Americas 57%
Service Providers 66%
Broadcast & Media 34%

Harmonic Business Lines

Video	Cable Edge
• Media Co's and Service Providers • $2.0B-$2.5B 2018 TAM • $327M 2014 revenue	• Cable and Broadband Service Providers • $1.5B - $2.0B 2018 TAM • $107M 2014 revenue
• Unified software-based platform; playout through multiscreen delivery	• Virtualized CCAP platform that enables flexible migration to all-IP
• Innovation: first in video compression / quality, function collapse, content customization, virtualization	• Innovation: first in unified distributed & centralized architecture, video & data, virtualization
• Service / TCO: capex, opex, SaaS and managed service; top support talent	• Service / TCO: flexible capacity licensing, reliability, pro-services

Industry Leadership

Harmonic is the leader

Production & Playout	Primary Distribution	Content & Service Delivery	Multiscreen			Cable Edge
#1 in Broadcast Playout Servers	#1 in Pay TV Encoders	#1 in IPTV Headends	#1 in Multiscreen			#1 in Cable EdgeQAMs
March 2014	May 2014	December 2013	Oct. 2013	Dec. 2013	April 2014	February 2015

Video Products

Marco Market Dynamics

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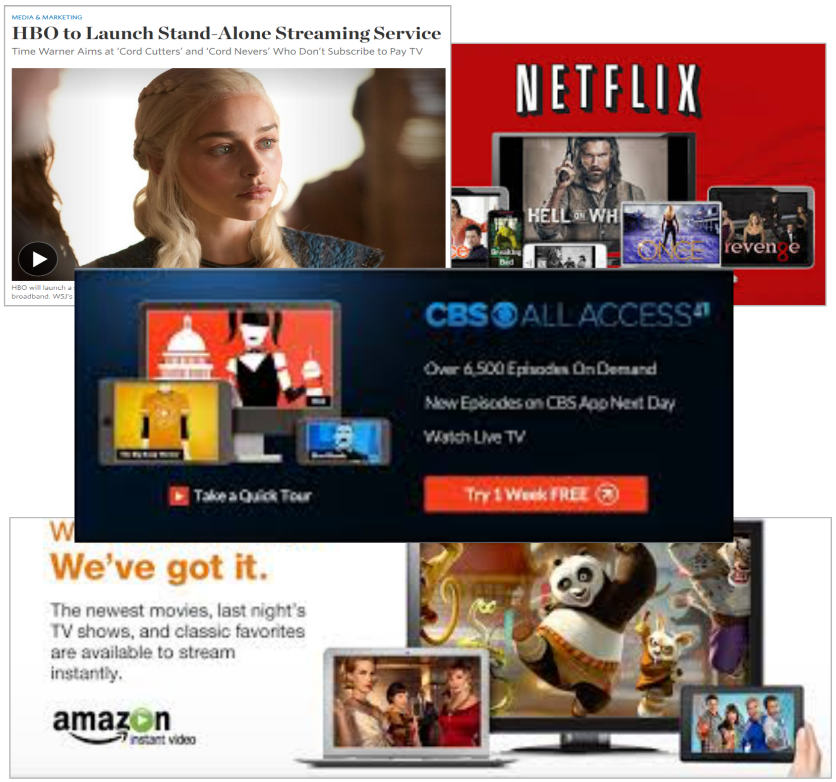
Consumer Video Trends

- Linear viewing not in significant decline; shifting to delayed consumption
- International PayTV households growing
- The OTT opportunity continues to grow

Technology Trends

- Cloud and virtualization
- HEVC
- 4K / UHD

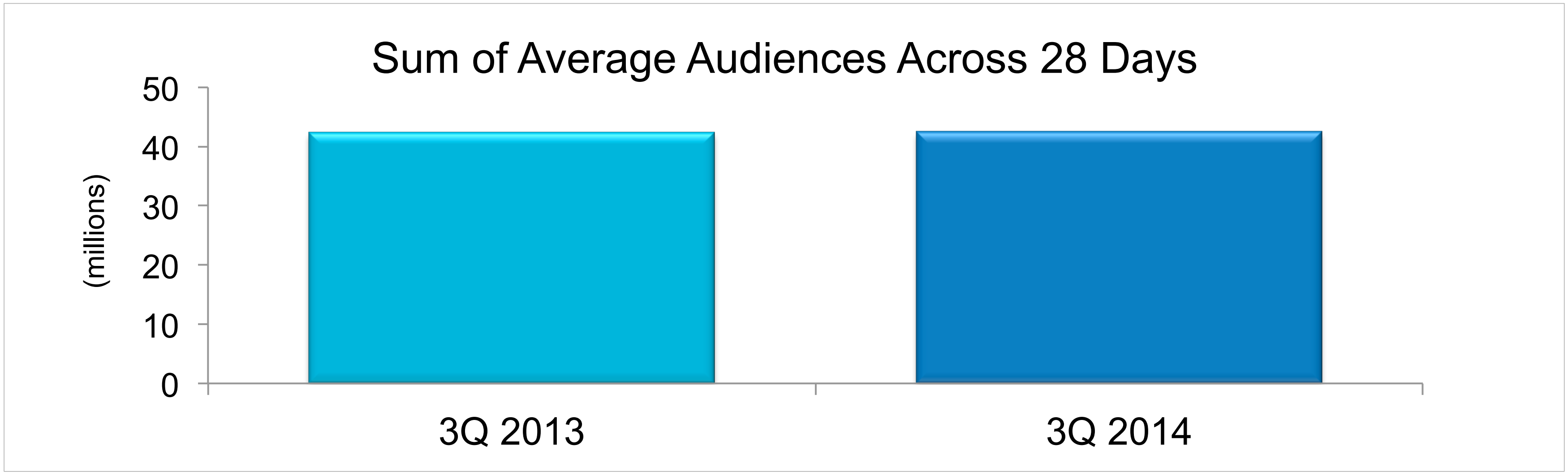
Linear PayTV Data



College Football Championship On ESPN *Sets Cable TV Viewership Record* With First 30+ Million Audience

ESPN has been on a ratings roll of late. Less than two weeks into 2015 and already the Walt Disney Company-owned cable network has had four telecasts average over 20 million viewers. ESPN also reached a cable first when the inaugural College Football Playoff Championship game (Ohio State over Oregon), garnered 33.4 million viewers, the first cablecast with an average of over 30 million viewers.

U.S. Linear PayTV Data

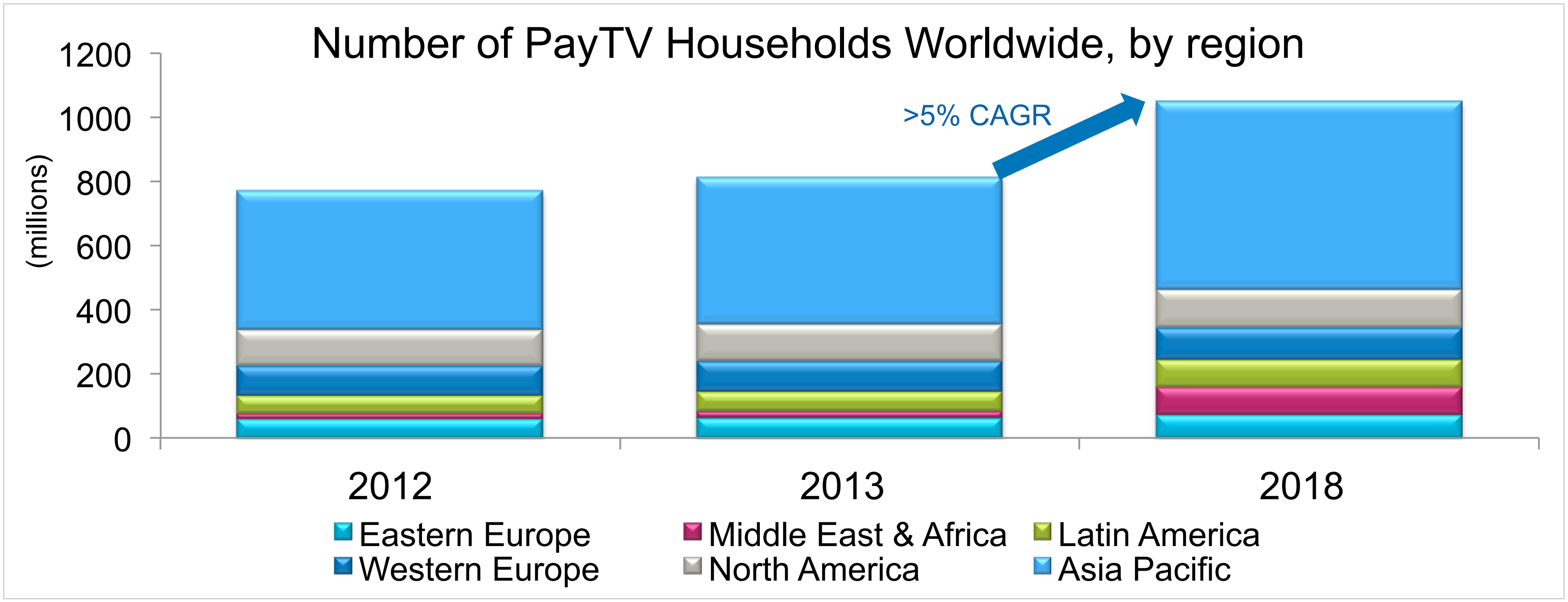


Conclusions:

- The amount of viewing has not changed from 2013 to 2014
- >20% Increase in delayed viewing
- Delayed viewing scales by subscriber, not channel count

Note: 66,952 episodes in 2013, 67502 episodes in 2014 Source: Rentrak Multiscreen Essentials

Global PayTV Expansion



Conclusion:	Significant PayTV growth outside U.S.

Source: http://www.statista.com/statistics/260529/number-of-pay-tv-households-worldwide-by-region/

OTT and Linear Function Collapse

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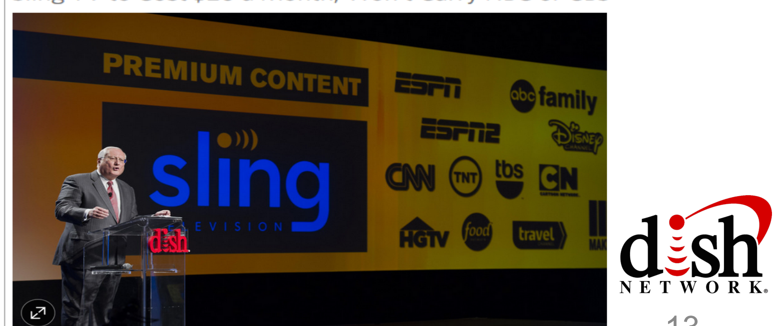
Vodafone heads funding for Joyn developer, aims to gain OTT traction

- $8.3 M investment in Jibe Mobile
- Gaining traction in OTT services market

Vodafone Spain launched Joyne service to counter OTT messaging players & maintain value with customers



THE WALL STREET JOURNAL.

TECHNOLOGY

Dish Network Unveils Streaming Service That Includes ESPN

Sling TV to Cost $20 a Month; Won't Carry NBC or CBS

Joseph Clayton, CEO of Dish Network, at a news conference Monday at the Consumer Electronics Show in Las Vegas, talking about the company's new Sling online video service. BLOOMBERG NEWS

Technology Transitions

Virtualization and Cloud

HEVC

UHD

2015 and beyond

4K / UHD Momentum

- 4 times the resolution of HD
- Brighter colors & higher contract ratios
- Big push from consumer electronics manufactures
- The standards are still being discussed (HDR)

4K / UHD Momentum

- Some TV production already starting to shoot in 4K
- OTT will be the first wave, followed by VOD, then live

4K / UHD Momentum

- Expect service providers to deploy test channels in 2015
- Large scale deployments as early as 2016-2018
- Recompression of existing SD & HD channels to make room

4K / UHD Momentum

- Harmonic is in the process of launching a full suite of products now to support this wave!

Upgrading to UHD / HEVC

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Discovery CHANNEL
NATIONAL GEOGRAPHIC
NFL
ESPN
FIFA
NBC

Content Creation

Cameras
Editing suites
Storage
Ad insertion
Graphics
Playout

Service Provider Distribution

Primary Distribution to Service Provider

Encoders
Security/Watermarking
Satellite/fiber capacity
Decode

Service Provider Headend Processing

Transcode
Local ad insertion

Direct Distribution

Content Provider Distribution to Consumer

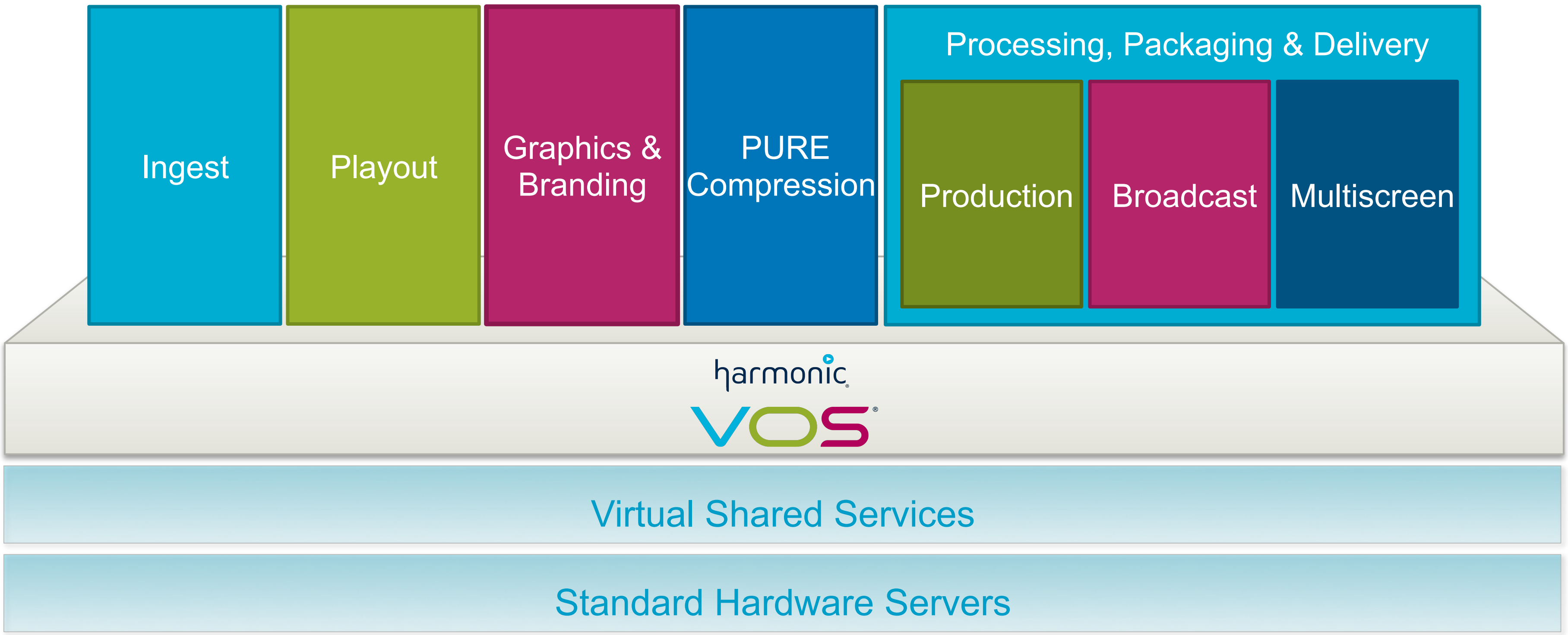
Encoder
Origin servers/CDN
IP bandwidth

Distribution to Viewers

Origin servers/CDN
Bandwidth in network
UHD set-top box or
UHD capable device

Video Delivery Workflow

Our Winning Video Strategy



Our Winning Video Solutions

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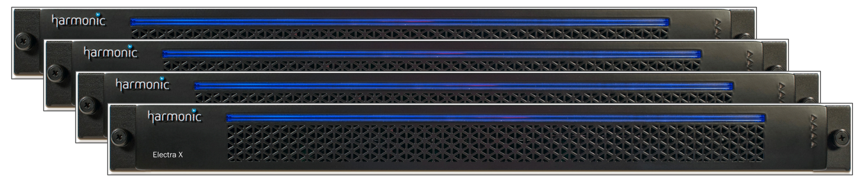
Software

VOS™

Appliances



Services

TCO

Summary

Positive trends in the market

- Opportunity is growing

Market dynamics

- Consumer pull and the needed technology to deliver is maturing

Multiple refresh cycles beginning

- Efficiency gains
  - Cloud & virtualization
  - HEVC
  - Function collapse, compression
- UHD
  - Video work flow

Harmonic leading the industry with solutions to capture growth

Cable Edge

Cable is Exciting Again

- Subscriber value increasing
- Premium services increasing
- Data service speed demand
- OTT rights revenues
- Cool factor of new STBs, user interfaces
- 10+ years of bandwidth capacity
- Healthy CAPEX trends

Cable is Exciting Again

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Network-based Services

- Cloud UI – PPV/VOD
- nPVR
- TV Everywhere/Multiscreen
- Gaming

The Traditional Cable Network

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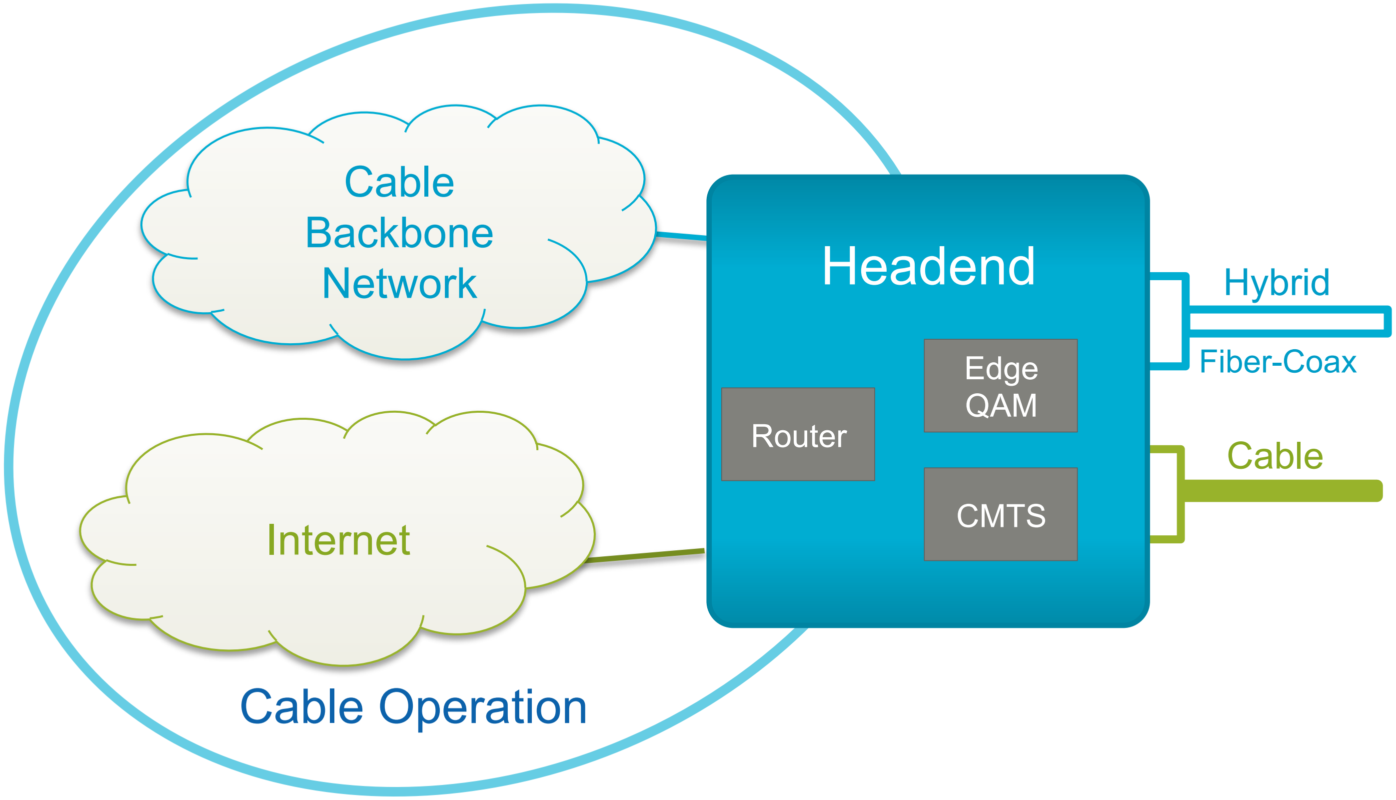
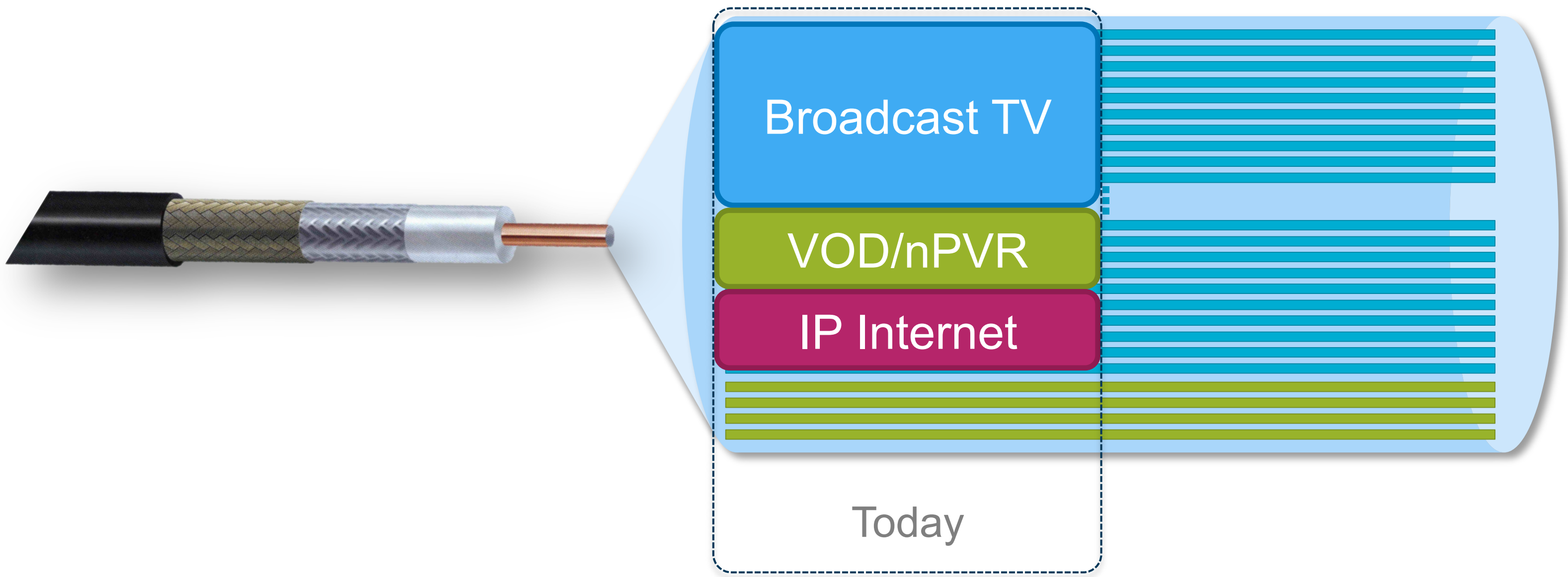
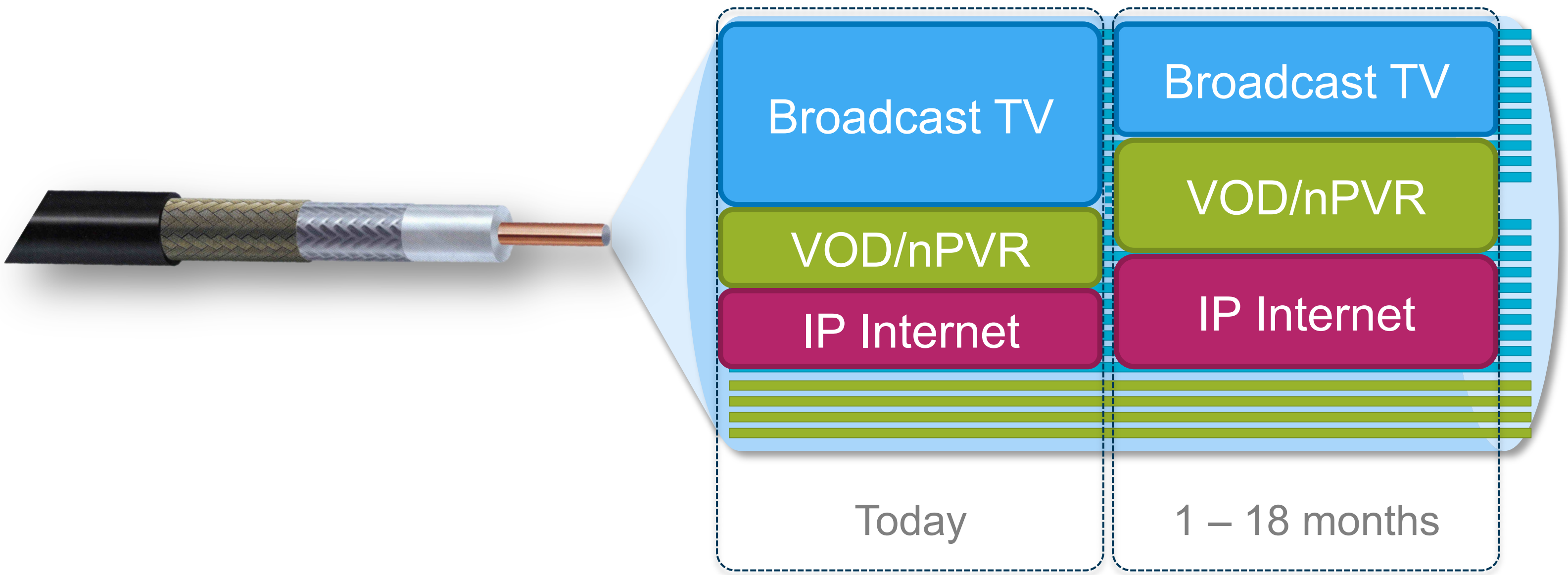


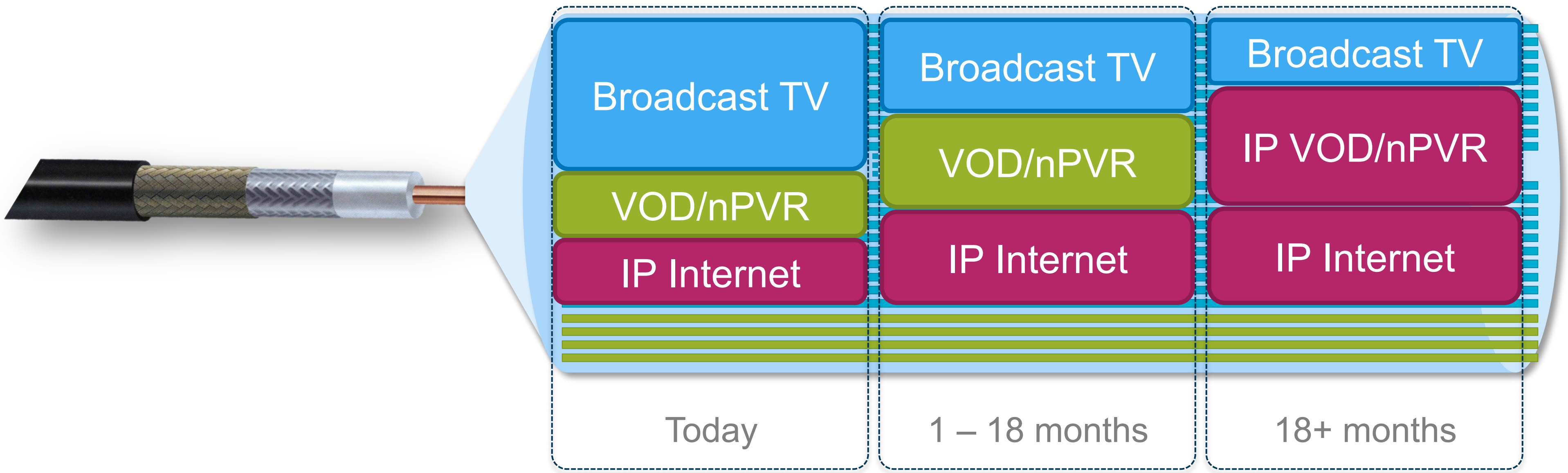
Changing the Profile of Cable



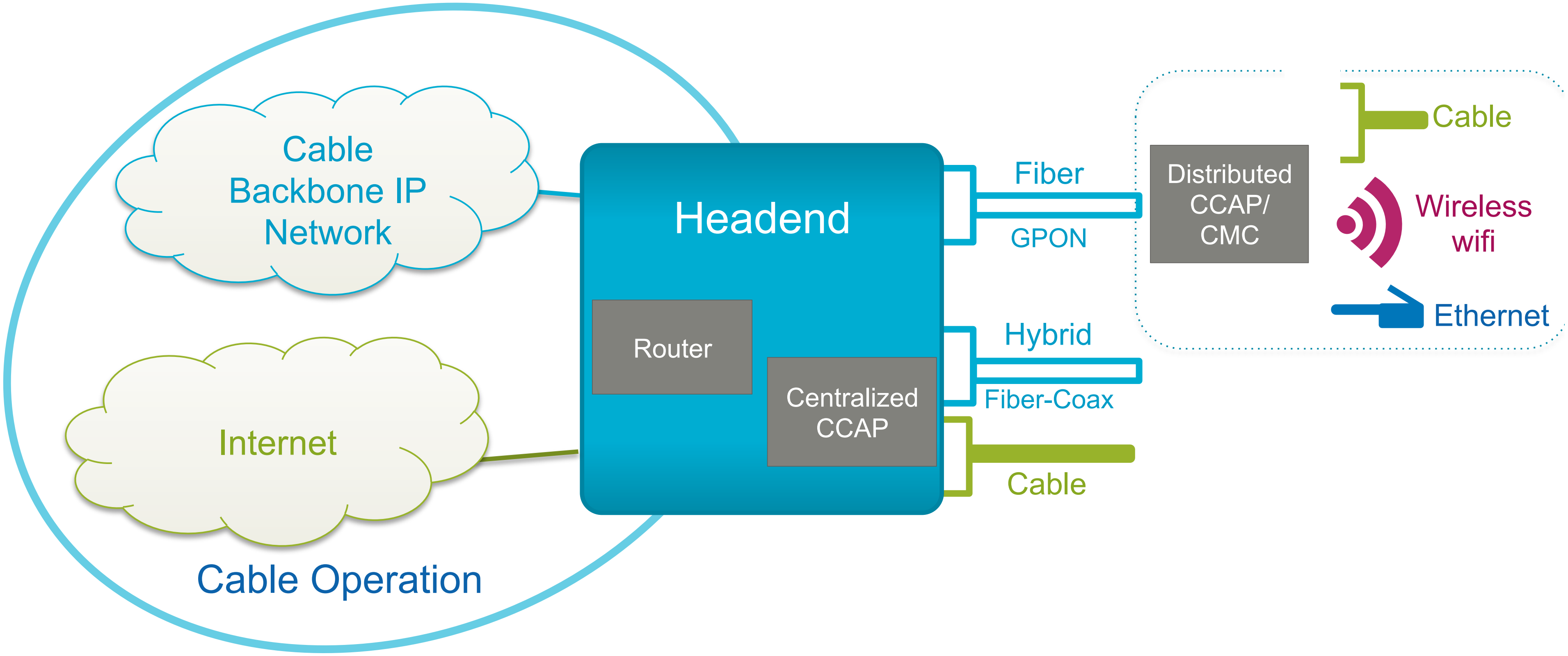
Changing the Profile of Cable



Changing the Profile of Cable

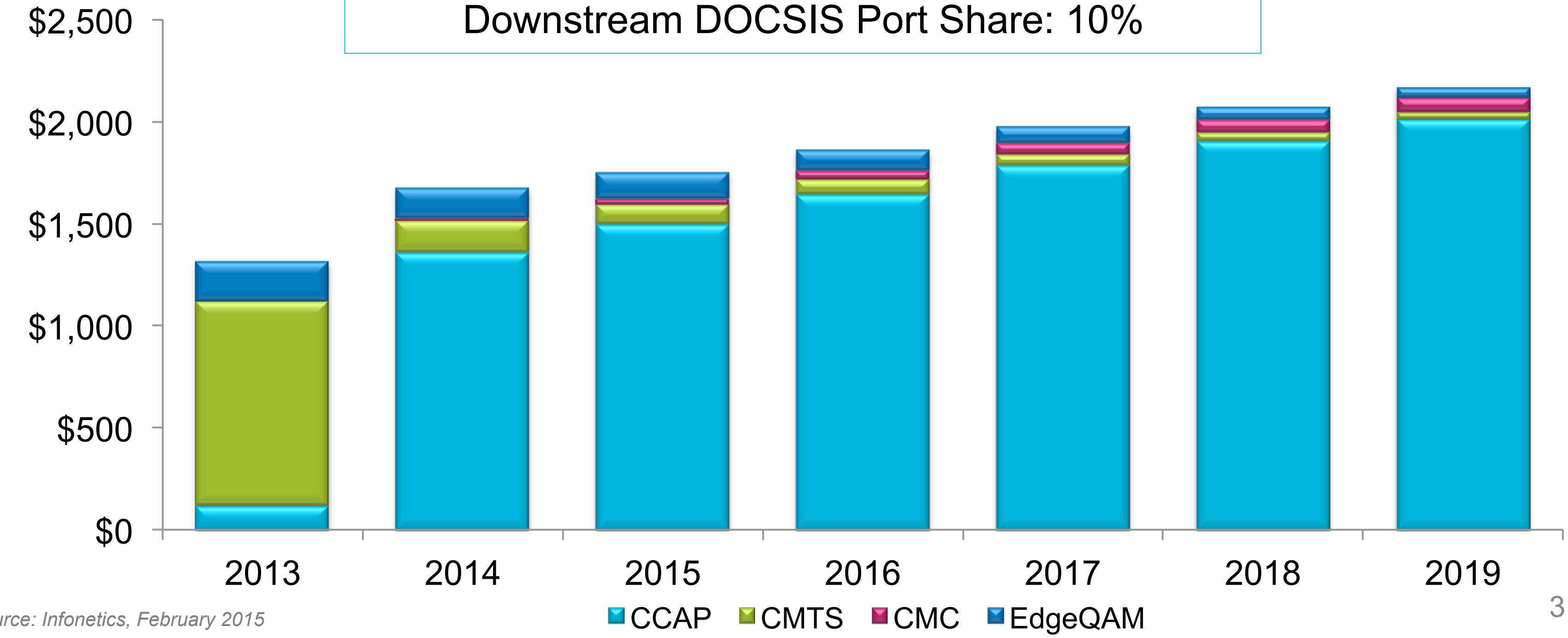


The New Cable Network



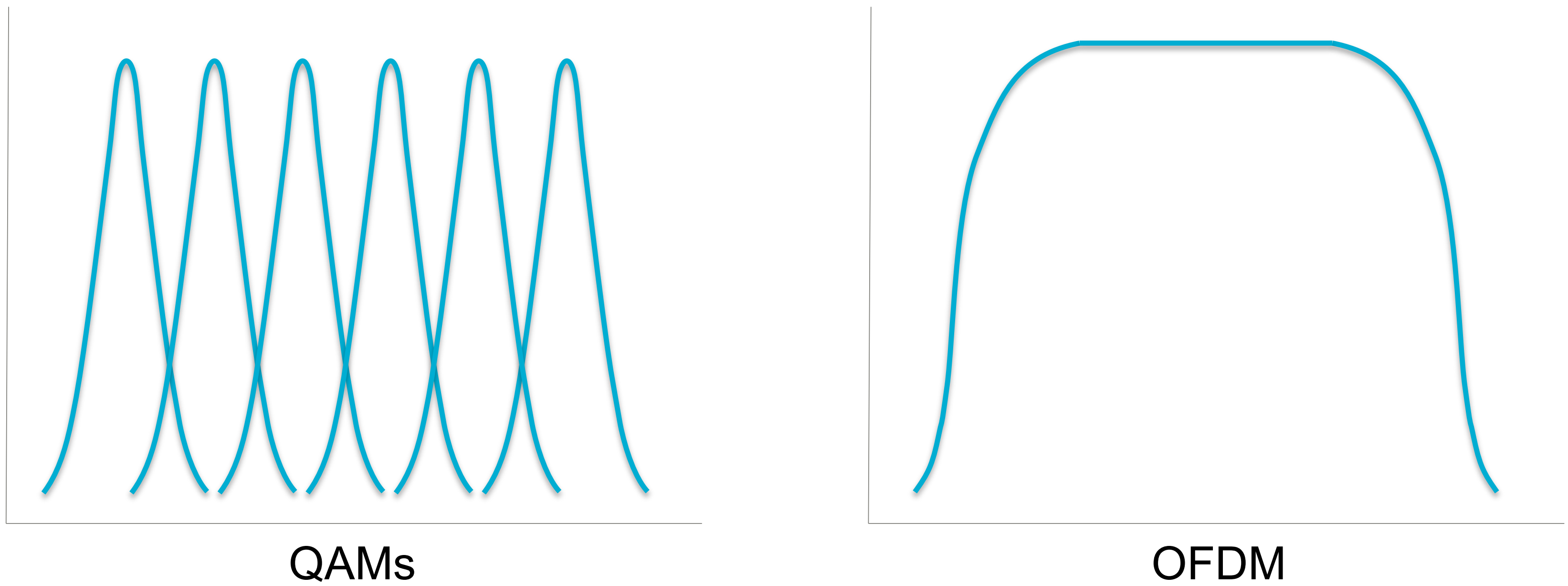
Cable Edge Market Outlook

Harmonic Market Share Today:
EdgeQAM: 33%
CCAP: 3.2%
Downstream DOCSIS Port Share: 10%



Source: Infonetics, February 2015

DOCSIS 3.1



DOCSIS 3.1 fundamentally increases throughput

Harmonic's Cable Edge Leadership

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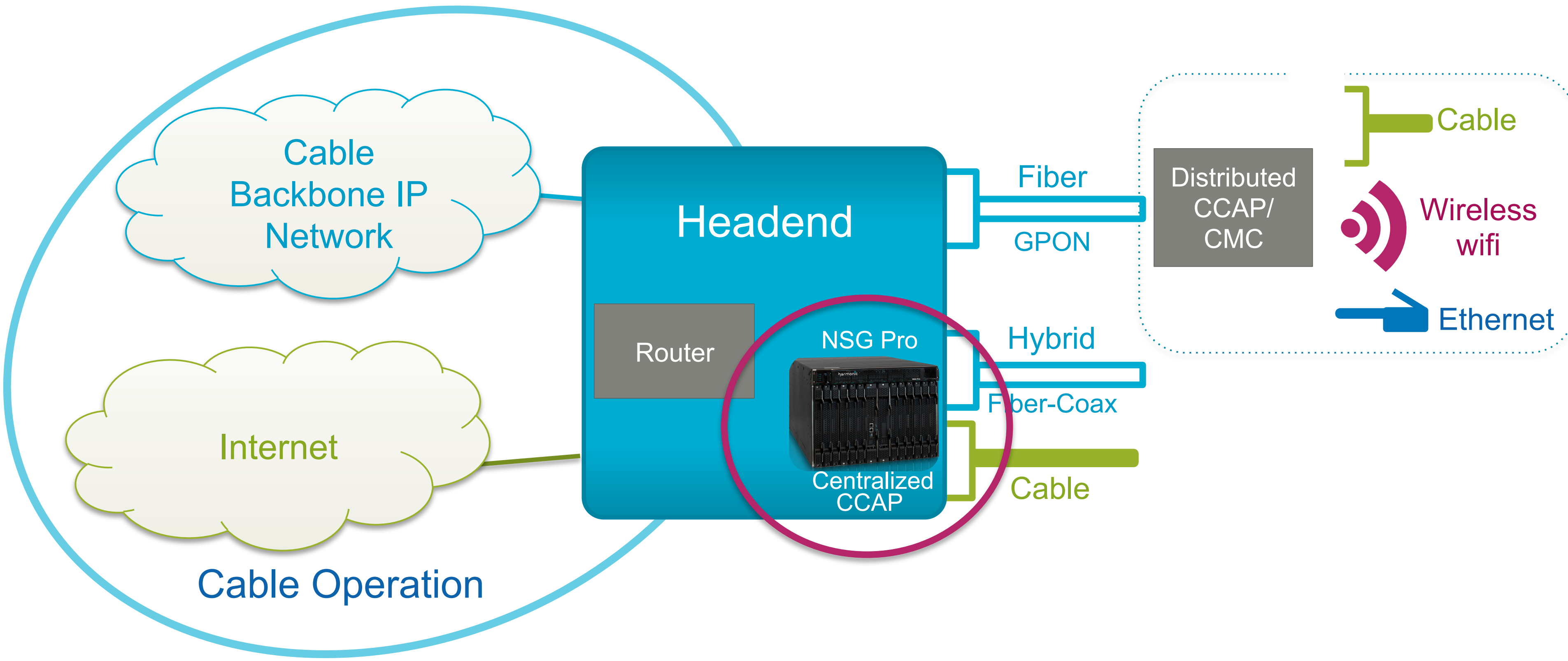
- Marketshare leadership, more than 3 million QAMs deployed
- 12 out of 15 top cable operators
- Pioneered QAM licensing model enabling gross margin expansion

2000	1st EdgeQAM solution for cable
2000	1st all IP head-end
2004	1st to deploy VOD encryption in volume
2007	NSG 9000 universal edgeQAM system announced
2010	1M QAMs shipped
2010	Highest QAM density: NSG 9000-40G delivered
2011	2M QAMs shipped
2012	1st CCAP-compliant platform: NSG Pro announced
2013	1st orders & shipment NSG Pro
2014	NSG Exo announced

Viewed in industry as clear innovator

Harmonic and The New Cable Network



NSG Pro Milestones

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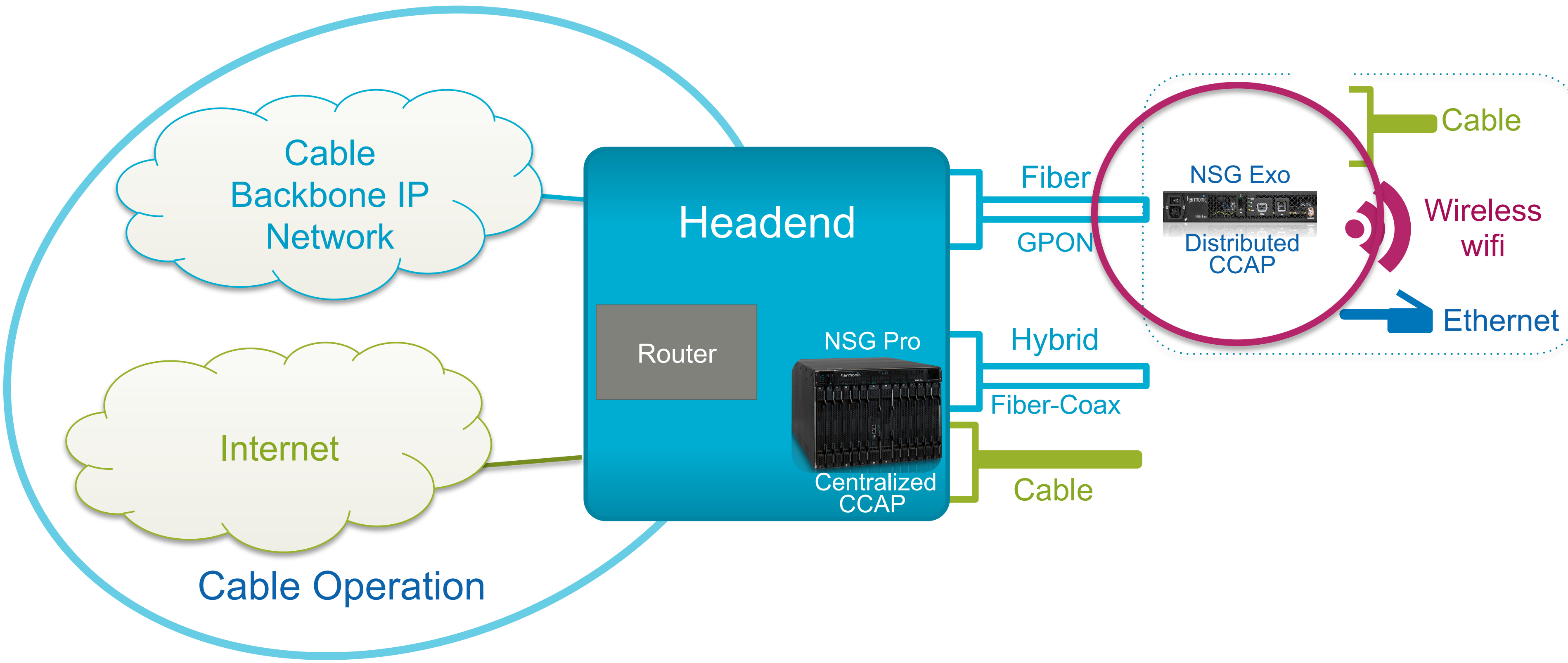
- October 2012 – NSG Pro announced
- Q2 2013
  - NSG Pro first customer approval
  - First order
- Q3 2013 – First production shipment
- Q4 2013
  - First revenue recognized
  - First multi-million dollar order
- Q2 2014 – Deployed to 1 million subscribers
- Q4 2014 – First lab demos of 2-way

NSGPro
Centralized CCAP

Harmonic and The New Cable Network



NSG Exo Capabilities

Distributed CCAP Solution
CMTS today

Flexible Gigabit throughput
GPON • EPON • GigE

High throughput
960 Mbps downstream
160 Mbps upstream

Indoor or Outdoor Enclosures

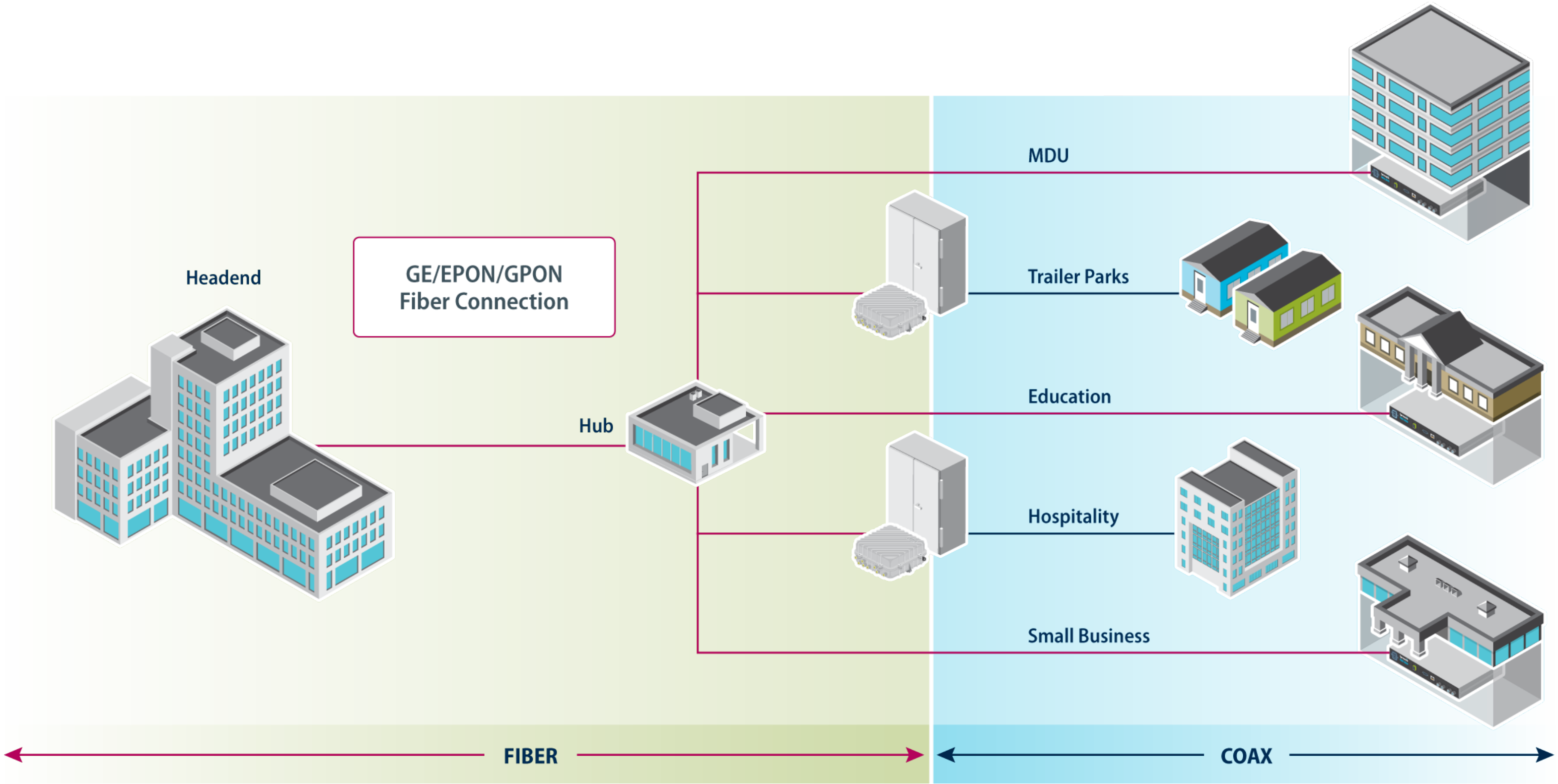
QOS for Data, IP Video, Voice Applications

Supports up to 200 cable modems

OUTDOOR

INDOOR

NSG Exo - Deep Fiber Applications



Harmonic Competitive Differentiation

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- Centralized CCAP
  - Industry’s densest platform
  - Large and growing footprint
- Distributed CCAP
  - Early to market for deep-fiber applications
- Unified Cable Architecture
  - Common technology for centralized and distributed CCAP
  - Layer 2, router independent
  - CableOS software across all platforms

Business grew 38% in 2014

Business Model

Harmonic Business Lines

Video

- Media Co's and Service Providers
- $2.0B-$2.5B 2018 TAM
- $327M 2014 revenue
- Unified software-based platform; playout through multiscreen delivery
- Innovation: first in video compression / quality, function collapse, content customization, virtualization
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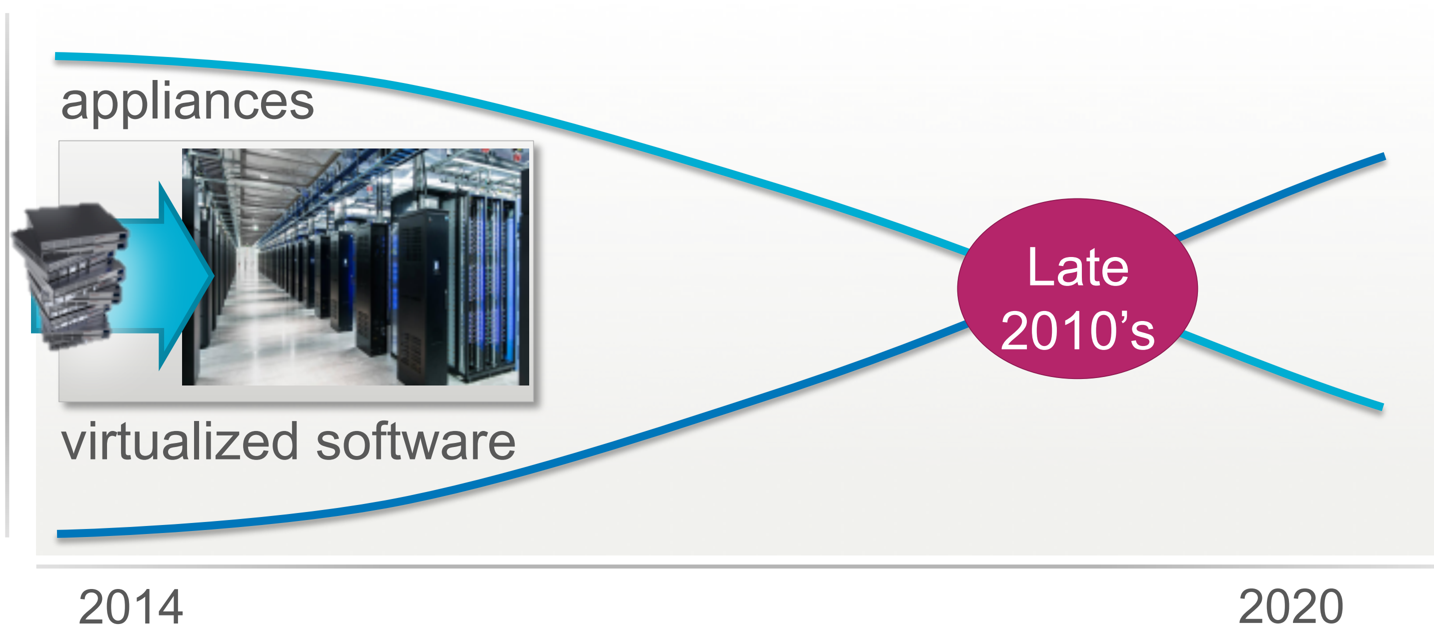
Cable Edge

- Cable and Broadband Service Providers
- $1.5B - $2.0B 2018 TAM
- $107M 2014 revenue
- Virtualized CCAP platform that enables flexible migration to all-IP
- Innovation: first in unified distributed & centralized architecture, video & data, virtualization
- Service / TCO: flexible capacity licensing, reliability, pro-services

Solidly positioned to accelerate earnings growth

Software, an Evolution… Not a Revolution…



Harmonic will have leading products for both deployment methods

One Platform – Multiple Pricing Models

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Customer: Software in the future, Appliance today

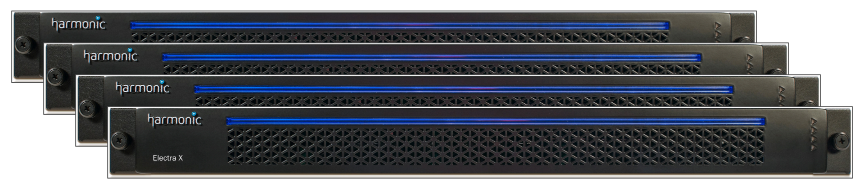
Solution: Electra X, Mobility SLA

VOS

Customer: Ready for Software

Solution: Electra XVM

Electra X



Customer: Appliance Ready

Solution: Electra X

Video Business Target Model

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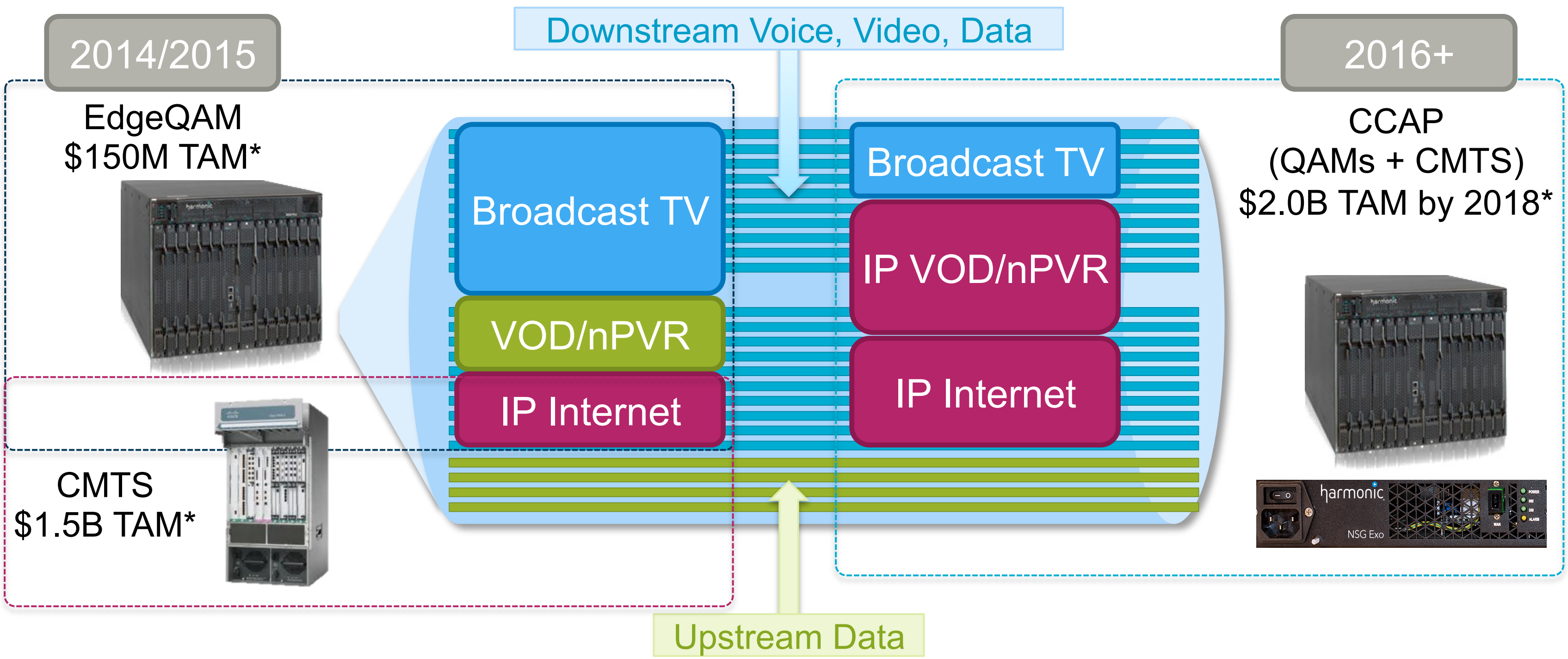
Video	2014	2015	Target
Revenue	$327M	Low single digit growth	Faster than market growth
Operating Margin	6%	10 – 15%	15%+

Cloud and Virtualization

- Accretive to gross margin dollars and as a % of sales
- Drives R&D efficiencies
- Opens the door to recurring revenue models (SaaS, IaaS, etc.)

Changing the Profile of Cable Edge



Transition to CCAP will evolve over time

**Source: Infonetics, February 2015, Harmonic estimates*

Cable Edge Business Target Model

Cable Edge	2014	2015	Target
Revenue	$107M	Mid-to-high single Digit growth	Faster than market growth
Operating Margin	1%	Break even - 5%	10% – 15%

CCAP

- Enabling disruptive economics
- Large TAM expansion by a factor of 13x*
- ASP and gross margin improvements to traditional Edge QAM sale

Source: Infonetics, February 2015, Harmonic estimates

Harmonic Target Model

	2015	Target
Long Term Growth Rate	Low single digit	Faster than market
Gross Margin	53% - 55%	56% - 60%
Operating Margin	8% - 10%	15%+

Significant Share Repurchase

- Q4 2014, repurchased 1.0 million shares for $6.7M
- Cumulative repurchases of 37.3 million shares for $231M since 2Q 2012
- Shares outstanding on Dec. 31, 2014 approximately 87.7 million
- $69M authorized for future purchases as of Dec. 31, 2014

Returned over 140% of cash from operations to shareholders since 2Q'12

Building Shareholder Value

- Continued focus on growth opportunities
- Accelerate core market share leadership
- Enhance margin profile
- Optimize balance sheet
- Drive long-term earnings accretion

Thank You

Use of Non-GAAP Financial Measures

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In establishing operating budgets, managing its business performance, and setting internal measurement targets, the Company excludes a number of items required by GAAP. Management believes that these accounting charges and credits, most of which are non-cash or non-recurring in nature, are not useful in managing its operations and business. Historically, the Company has also publicly presented these supplemental non-GAAP measures in order to assist the investment community to see the Company "through the eyes of management," and thereby enhance understanding of its operating performance. The non-GAAP measures presented here are gross margin, operating expenses, income (loss) from operations and net income (loss) (including those amounts as a percentage of revenue), and net income (loss) per diluted share. The presentation of non-GAAP information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP, and is not necessarily comparable to non-GAAP results published by other companies. A reconciliation of the historical non-GAAP financial measures discussed in this presentation to the most directly comparable historical GAAP financial measures is included with the financial information contained in this presentation. The non-GAAP adjustments described below have historically been excluded from our GAAP financial measures. These adjustments are restructuring and related charges and non-cash items, such as stock-based compensation expense, amortization of intangibles, 2013 proxy contest-related expenses and adjustments that normalize the tax rate.

Q4 2014 GAAP to Non-GAAP Reconciliations

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	Three months ended December 31, 2014			
	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Net Income (Loss)
GAAP from continuing operations	$ 56,791	$ 58,953	$ (2,162)	$ (4,854)
Stock-based compensation in cost of revenue	608	-	608	608
Stock-based compensation in research and development	-	(1,255)	1,255	1,255
Stock-based compensation in selling, general and administrative	-	(2,704)	2,704	2,704
Amortization of intangibles	696	(1,446)	2,142	2,142
Restructuring and asset impairment charges	220	(1,941)	2,161	2,161
Discrete tax items and tax effect of non-GAAP adjustments	-	-	-	1,251
Non-GAAP from continuing operations	$ 58,315	$ 51,607	$ 6,708	$ 5,267
As a % of revenue (GAAP)	*52.6%*	*54.6%*	*-2.0%*	*-4.5%*
As a % of revenue (Non-GAAP)	*54.1%*	*47.8%*	*6.2%*	*4.9%*
Diluted net income(loss) per share from continuing operations:				
Diluted net loss per share from continuing operations-GAAP				$ (0.06)
Diluted net income per share from continuing operations-Non-GAAP				$ 0.06
Shares used to compute diluted net income (loss) per share from continuing operations:				
GAAP				88,012
Non-GAAP				89,342

Q3 2014 GAAP to Non-GAAP Reconciliations

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	Three months ended September 26, 2014			
	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Net Income
GAAP from continuing operations	$ 53,428	$ 56,966	$ (3,538)	$ 1,078
Stock-based compensation in cost of revenue	612	-	612	612
Stock-based compensation in research and development	-	(1,219)	1,219	1,219
Stock-based compensation in selling, general and administrative	-	(2,521)	2,521	2,521
Amortization of intangibles	3,851	(1,661)	5,512	5,512
Restructuring and related charges	15	(388)	403	403
Discrete tax items and tax effect of non-GAAP adjustments	-	-	-	(6,198)
Non-GAAP from continuing operations	$ 57,906	$ 51,177	$ 6,729	$ 5,147
As a % of revenue (GAAP)	*49.4%*	*52.7%*	*-3.3%*	*1.0%*
As a % of revenue (Non-GAAP)	*53.6%*	*47.4%*	*6.2%*	*4.8%*
Diluted net income per share from continuing operations:				
Diluted net income per share from continuing operations-GAAP				$ 0.01
Diluted net income per share from continuing operations-Non-GAAP				$ 0.06
Shares used to compute diluted net income per share from continuing operations:				
GAAP				91,800
Non-GAAP				91,800

Q4 2013 GAAP to Non-GAAP Reconciliations

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	Three months ended December 31, 2013			
	Gross Profit	**Total Operating Expense**	**Income (Loss) from Operations**	**Net Income (Loss)**
GAAP from continuing operations	$ 59,596	$ 60,594	$ (998)	$ (2,179)
Stock-based compensation in cost of revenue	574	-	574	574
Stock-based compensation in research and development	-	(1,031)	1,031	1,031
Stock-based compensation in selling, general and administrative	-	(2,531)	2,531	2,531
Amortization of intangibles	4,763	(1,997)	6,760	6,760
Restructuring and related charges	293	(496)	789	789
Discrete tax items and tax effect of non-GAAP adjustments	-	-	-	(1,220)
Non-GAAP from continuing operations	$ 65,226	$ 54,539	$ 10,687	$ 8,286
As a % of revenue (GAAP)	*49.6%*	*50.4%*	*-0.8%*	*-1.8%*
As a % of revenue (Non-GAAP)	*54.3%*	*45.4%*	*8.9%*	*6.9%*
Diluted net income (loss) per share from continuing operations:				
Diluted net loss per share from continuing operations-GAAP				$ (0.02)
Diluted net income per share from continuing operations-Non-GAAP				$ 0.08
Shares used to compute diluted net income (loss) per share from continuing operations:				
GAAP				100,372
Non-GAAP				101,937

2014 GAAP to Non-GAAP Reconciliations

	Year ended December 31, 2014			
	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Net Income (Loss)
GAAP from continuing operations	$ 212,348	$ 233,919	$ (21,571)	$ (46,248)
Stock-based compensation in cost of revenue	2,359	-	2,359	2,359
Stock-based compensation in research and development	-	(4,844)	4,844	4,844
Stock-based compensation in selling, general and administrative	-	(10,084)	10,084	10,084
Amortization of intangibles	13,745	(6,775)	20,520	20,520
Restructuring and asset impairment charges	314	(2,762)	3,076	3,076
Discrete tax items and tax effect of non-GAAP adjustments	-	-	-	20,445
Non-GAAP from continuing operations	$ 228,766	$ 209,454	$ 19,312	$ 15,080
As a % of revenue (GAAP)	*49.0%*	*54.0%*	*-5.0%*	*-10.7%*
As a % of revenue (Non-GAAP)	*52.8%*	*48.3%*	*4.5%*	*3.5%*
Diluted net income(loss) per share from continuing operations:				
Diluted net loss per share from continuing operations-GAAP				$ (0.50)
Diluted net income per share from continuing operations-Non-GAAP				$ 0.16
Shares used to compute diluted net income (loss) per share from continuing operations:				
GAAP				92,508
Non-GAAP				93,802

2013 GAAP to Non-GAAP Reconciliations

	Year ended December 31, 2013			
	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Net Income
GAAP from continuing operations	$ 220,445	$ 243,469	$ (23,024)	$ 21,589
Stock-based compensation in cost of revenue	2,412	-	2,412	2,412
Stock-based compensation in research and development	-	(4,431)	4,431	4,431
Stock-based compensation in selling, general and administrative	-	(9,159)	9,159	9,159
Proxy contest consultant expenses in selling, general and administrative	-	(750)	750	750
Amortization of intangibles	19,233	(8,096)	27,329	27,329
Restructuring and related charges	823	(1,421)	2,244	2,244
Discrete tax items and tax effect of non-GAAP adjustments	-	-	-	(49,607)
Non-GAAP from continuing operations	$ 242,913	$ 219,612	$ 23,301	$ 18,307
As a % of revenue (GAAP)	*47.7%*	*52.7%*	*-5.0%*	*4.7%*
As a % of revenue (Non-GAAP)	*52.6%*	*47.5%*	*5.0%*	*4.0%*
Diluted net income per share from continuing operations:				
Diluted net income per share from continuing operations-GAAP				$ 0.20
Diluted net income per share from continuing operations-Non-GAAP				$ 0.17
Shares used to compute diluted net income (loss) per share from continuing operations:				
GAAP				107,808
Non-GAAP				107,808