UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended September 26, 1997

OR

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from __________ to ___________

Commission File No. 0-25826

HARMONIC LIGHTWAVES, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE	77-0201147
(State of incorporation)	(I.R.S. Employer Identification No.)

549 Baltic Way
Sunnyvale, CA 94089
(408) 542-2500

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No

As of September 26, 1997 there were 10,407,503 shares of the Registrant's Common Stock outstanding.

HARMONIC LIGHTWAVES, INC.

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PART I - FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

HARMONIC LIGHTWAVES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

	SEPTEMBER 26, 1997	DECEMBER 31, 1996
	(UNAUDITED)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 9,938	$ 16,410
Accounts receivable, net	21,995	12,643
Inventories	14,360	14,782
Prepaid expenses and other assets	2,419	1,315
Total current assets	48,712	45,150

Property and equipment, net	10,416	8,751
Other assets	122	732
	$ 59,250	$ 54,633
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,725	$ 5,604
Accrued liabilities	5,236	5,388
Total current liabilities	9,961	10,992
Stockholders' equity (deficit)		
Preferred stock, $.001 par value, 5,000,000 shares authorized; no shares issued or outstanding	--	--
Common Stock, $.001 par value, 50,000,000 shares authorized; 10,407,503 and 10,040,036 shares issued and outstanding	10	10
Capital in excess of par value	55,869	54,579
Accumulated deficit	(6,599)	(10,948)
Currency translation	9	--
Total stockholders' equity	49,289	43,641
	$ 59,250	$ 54,633

The accompanying notes are integral part of these financial statements.

HARMONIC LIGHTWAVES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 26, 1997	SEPTEMBER 27, 1996	SEPTEMBER 26, 1997	SEPTEMBER 27, 1996
Net sales	$17,545	$16,670	$57,092	$41,397
Cost of sales	9,646	8,846	30,466	22,602
Gross profit	7,899	7,824	26,626	18,795
Operating expenses:				
Research and development	2,852	2,617	8,519	6,548
Sales and marketing	3,332	2,732	9,907	6,968
General and administrative	1,355	865	3,597	2,325
Total operating expenses	7,539	6,214	22,023	15,841

Income from operations	360	1,610	4,603	2,954
Interest and other income (expense), net	126	223	514	744
Income before income taxes	486	1,833	5,117	3,698
Provision for income taxes	73	92	768	185
Net income	$ 413	$ 1,741	$ 4,349	$ 3,513
Net income per share	$ 0.04	$ 0.15	$ 0.38	$ 0.31
Weighted average common shares and equivalents	11,588	11,577	11,573	11,427

The accompanying notes are an integral part of these financial statements.

HARMONIC LIGHTWAVES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	NINE MONTHS ENDED	
	SEPTEMBER 26, 1997	SEPTEMBER 27, 1996
Cash flows from operating activities:		
Net income	$ 4,349	$ 3,513
Adjustments to reconcile net income to cash used in operating activities:		
Depreciation and amortization	2,496	1,803
Changes in assets and liabilities:		
Accounts receivable	(9,352)	(6,891)
Inventories	422	(1,221)
Prepaid expenses and other assets	(494)	(2,221)
Accounts payable	(879)	3,403
Accrued liabilities	(152)	1,576
Net cash used in operating activities	(3,610)	(38)
Cash flows used in investing activities for the acquisition of property and equipment	(4,161)	(5,017)
Cash flows provided by financing activities from issuance of common stock, net	1,290	629
Effect of exchange rate changes on cash and equivalents	9	--
Net decrease in cash and cash equivalents	(6,472)	(4,426)
Cash and cash equivalents at beginning of period	16,410	22,126

Cash and cash equivalents at end of period	$ 9,938	$ 17,700
Supplemental schedule of cash flow information and noncash financing activities		
Income taxes paid during the period	$ 288	$ 134

The accompanying notes are an integral part of these financial statements.

HARMONIC LIGHTWAVES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The accompanying financial statements include all adjustments (consisting only of normal recurring adjustments) which Harmonic Lightwaves, Inc. (the "Company") considers necessary for a fair presentation of the results of operations for the interim periods covered and the financial condition of the Company at the date of the balance sheets. The quarterly financial information is unaudited. This Quarterly Report on Form 10-Q should be read in conjunction with the Company's audited consolidated financial statements contained in the Company's Annual Report on Form 10-K which was filed with the Securities and Exchange Commission on March 28, 1997. The interim results presented herein are not necessarily indicative of the results of operations that may be expected for the full fiscal year ending December 31, 1997, or any other future period.

NOTE 2 - INVENTORIES (IN THOUSANDS)

	SEPTEMBER 26, 1997	DECEMBER 31, 1996
	(UNAUDITED)	
Raw materials......................	$ 2,981	$ 3,104
Work-in-process....................	4,307	4,704
Finished goods.....................	7,072	6,974
	$14,360	$14,782

NOTE 3 - NET INCOME PER SHARE

Net income per share is computed using the weighted average number of common and common equivalent shares outstanding during the period. Common equivalent shares consist of stock options and warrants (using the treasury stock method). Common equivalent shares are excluded from the computation if their effect is antidilutive.

NOTE 4 - RECENT ACCOUNTING STANDARDS

In February 1997, the Financial Accounting Standards Board issued Statement No. 128 (SFAS 128), "Earnings Per Share." SFAS 128 replaces the presentation of primary EPS with a presentation of basic EPS. It also requires dual presentation of basic and diluted EPS on the face of the financial statements for all entities with complex capital structures. SFAS 128 requires adoption for fiscal periods ending after December 15, 1997. Pro forma disclosure

of basic EPS and diluted EPS for the current reporting and comparable period in the prior year is as follows:

NET INCOME PER SHARE - PRO FORMA	THREE MONTHS ENDED SEPTEMBER 26, 1997	THREE MONTHS ENDED SEPTEMBER 27, 1996	NINE MONTHS ENDED SEPTEMBER 26, 1997	NINE MONTHS ENDED SEPTEMBER 27, 1996
(UNAUDITED)				
Basic net income per share........	$ 0.04	$ 0.17	$ 0.42	$ 0.35
Diluted net income per share......	$ 0.04	$ 0.15	$ 0.38	$ 0.31

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Harmonic Lightwaves, Inc. ("Harmonic" or the "Company") is a worldwide supplier of highly integrated fiber optic transmission, digital headend and element management systems for the delivery of interactive services over broadband networks. The Company designs, manufactures and markets optical transmitters, nodes, receivers, digital video compression and modulation equipment and element management hardware and software. These products are used by major communications providers, such as cable television operators, in bi-directional networks.

In September 1997, the Company announced that it had entered into an agreement to acquire N. M. New Media Communication Ltd. ("New Media"). In connection with the acquisition, Harmonic will issue 1,037,911 shares of its Common Stock to the shareholders of New Media, and will assume all of New Media's outstanding stock options. [See "Factors That May Affect Results of Operations - Risks Associated with New Media Acquisition."] The acquisition will be accounted for under the purchase method of accounting, and Harmonic expects to recognize a substantial portion of the acquisition cost as a one-time charge for in-process technology in the quarter in which the transaction is completed. The transaction is currently expected to be completed in the last week of December 1997 or the first week of January 1998.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements include expectations as to future operating results, future expenditures, future cash requirements, future industry conditions and new product development. Actual results could differ materially from those projected in the forward-looking statements as a result of a number of factors, including those set forth under "Factors That May Affect Future Results Of Operations" below and elsewhere in this Form 10-Q.

RESULTS OF OPERATIONS

Net Sales

The Company's net sales increased 5% from $16.7 million in the third quarter of 1996 to $17.5 million in the third quarter of 1997. For the nine month periods, net sales increased 38% from $41.4 million in the first nine months of 1996 to $57.1 million in the first nine months of 1997. The growth in net sales in both periods was attributable to higher unit sales of the Company's receiver and return path products and sales of the 1550 nm MAXLink transmission system, which began shipment during the second quarter of 1996. These factors were partially offset by lower unit sales of the PWRLink and YAGLink transmitters. The lower sales of YAGLink transmitters was due in part to the increasing acceptance of 1550 nm transmitters among cable operators for broadcast transmission.

In the third quarter of 1997, both domestic and international sales increased over the levels achieved in the third quarter of 1996, but were lower than sales in the second quarter of 1997. The lower domestic and international sales in the

third quarter compared to the second quarter of 1997 were due principally to a slow-down in capital spending in the industry. These factors include consolidation and system exchanges by domestic cable customers, which generally has the effect of delaying certain system upgrades, uncertainty related to development of industry standards for digital transmission, evaluation by many cable customers as to which advanced services and system architectures to provide and use, and emphasis on marketing and customer service strategies by certain international customers to increase their subscriber base instead of continued construction of networks. International sales represented 54% of net sales in the third quarter of 1997 compared to 55% of net sales in the third quarter of 1996.

Gross Profit

Gross profit increased from $7.8 million (47% of net sales) in the third quarter of 1996 to $7.9 million (45% of net sales) in the third quarter of 1997 and from $18.8 million (45% of net sales) in the first nine months of 1996 to $26.6 million (47% of net sales) in the first nine months of 1997. The decrease in gross profit percentage during the third quarter of 1997 compared to the third quarter of 1996 was principally due to lower production

volumes, start-up costs for the new digital products and higher manufacturing period expenses. The increase in gross profit percentage during the first nine months of 1997 compared to the first nine months of 1996 was due primarily to lower manufacturing costs of the Company's MAXLink products, which commenced shipment during the second quarter of 1996, and improved margins on return path products resulting from product design changes. These factors were partially offset by lower selling prices of certain products.

Research and Development

Research and development expenses increased from $2.6 million in the third quarter of 1996 to $2.9 million in the third quarter of 1997 but remained constant as a percentage of sales at 16%, reflecting higher sales. For the nine month periods, research and development expenses increased from $6.5 million in 1996 (16% of net sales) to $8.5 million in 1997 (15% of net sales). The increases in research and development expenses in absolute dollars in both periods were principally attributable to increased headcount, particularly at the Company's Israeli subsidiary, which is developing Harmonic's digital headend products. The Company anticipates that research and development expenses will continue to increase substantially in absolute dollars, although such expenses may vary as a percentage of net sales.

Sales and Marketing

Sales and marketing expenses increased from $2.7 million (16% of net sales) in the third quarter of 1996 to $3.3 million (19% of net sales) in the third quarter of 1997. For the nine month periods, sales and marketing expenses increased from $7.0 million to $9.9 million, but remained constant as a percentage of net sales at 17%, reflecting higher sales levels. The increases in expenses in absolute dollars in both periods were primarily due to higher headcount associated with expansion of the direct sales force and the customer service and technical support organizations, as well as higher promotional expenses. The Company anticipates that sales and marketing expenses will continue to increase substantially in absolute dollars, although such expenses may vary as a percentage of net sales.

General and Administrative

General and administrative expenses increased from $0.9 million (5% of net sales) in the third quarter of 1996 to $1.4 million (8% of net sales) in the third quarter of 1997. For the nine month periods, general and administrative expenses increased from $2.3 million to $3.6 million, but remained constant as a percentage of net sales at 6%. The increases in expenses in absolute dollars in both periods were principally attributable to costs of supporting the Company's growth in headcount and operations and providing for a higher accounts receivable reserve. The Company expects to incur higher levels of general and

administrative costs in the future, although such expenses may vary as a percentage of net sales.

Other Income (Expense)

Other income (expense), consisting principally of interest income, was $0.1 million and $0.5 million in the three and nine month periods respectively, ended September 26, 1997, compared to $0.2 million and $0.7 million in the corresponding periods of 1996. The decreases in both periods in 1997 were principally due to less interest earned on lower average cash balances.

Income Taxes

The provisions for income taxes for both periods of 1996 and 1997 are based on an estimated effective annual tax rate of 5% and 15%, respectively. The increase in effective rate in 1997 compared to 1996 is due primarily to the expectation that the Company's net operating loss carryovers will be fully utilized during 1997. The Company's effective tax rate for 1996 resulted from federal and state alternative minimum taxes.

LIQUIDITY AND CAPITAL RESOURCES

Cash used in operations was approximately $0.0 million and $3.6 million for the nine months ended September 27, 1996 and September 26, 1997, respectively. The increase in cash used in operations was primarily due to higher accounts receivable, partially offset by higher net income and cash generated from reduction in inventory. The increase in accounts receivable during the first nine months of 1997 was attributable principally to the pattern of sales in the third quarter of 1997, which were concentrated in the latter part of the quarter compared to the fourth quarter of 1996, in which sales were concentrated in the first part of the quarter, and slower collections from certain customers.

Additions to property, plant and equipment were approximately $5.0 million and $4.2 million in the first nine months of 1996 and 1997, respectively. The decrease in capital expenditures in 1997 compared to 1996 was due principally to leasehold improvements and the acquisition of furniture and fixtures in 1996 in connection with the new corporate headquarters in Sunnyvale, California which the Company occupied in August 1996. The Company expects to spend a total of approximately $5.0 million on capital expenditures in 1997, primarily for manufacturing and test equipment.

As of September 26, 1997, the Company had cash and cash equivalents of $9.9 million. During the third quarter, the Company renegotiated its bank line of credit, which now provides for up to $12.0 million in borrowings, and entered into a $3.0 million equipment term loan facility. The bank line and equipment term loan expire in October 1998. There were no outstanding borrowings during the third quarter of 1997.

The Company believes that its existing liquidity sources and anticipated funds from operations will satisfy its cash requirements for at least the next twelve months.

FACTORS THAT MAY AFFECT FUTURE RESULTS OF OPERATIONS

Potential Fluctuations in Future Operating Results

The Company's operating results have fluctuated and may continue to fluctuate in the future, on an annual and a quarterly basis, as a result of a number of factors, many of which are outside of the Company's control, including the level of capital spending in the cable television industry, changes in the regulatory environment, changes in market demand, the timing of customer orders, competitive market conditions, lengthy sales cycles, new product introductions by the Company or its competitors, market acceptance of new or existing products, the cost and availability of components, the mix of the Company's customer base and sales channels, the mix of products sold, development of custom products, the level of international sales and general economic conditions. In addition, in each of the first three quarters of 1997, the

Company has recognized a substantial portion of its revenues in the last month of the quarter. The Company establishes its expenditure levels for product development and other operating expenses based on projected sales levels, and expenses are relatively fixed in the short term. Accordingly, variations in timing of sales has caused, and may in the future cause, significant fluctuations in operating results. In addition, because a significant portion of the Company's business is derived from orders placed by a limited number of large customers, the timing of such orders can also cause significant fluctuations in the Company's operating results. If sales are below expectations in any given quarter, the adverse impact of the shortfall on the Company's operating results may be magnified by the Company's inability to adjust spending to compensate for the shortfall.

Dependence on Key Customers and End Users

Historically, a substantial majority of the Company's sales have been to relatively few customers. Sales to the Company's ten largest customers in 1995, 1996 and the first nine months of 1997 accounted for approximately 80%, 72% and 59%, respectively, of its net sales. Due in part to the consolidation of ownership of domestic cable television systems, the Company expects that sales to relatively few customers will continue to account for a significant percentage of export sales for the foreseeable future. Harmonic has adopted a strategy to sell to major domestic customers through its own direct sales force and domestic OEM and distributor revenues were a smaller percentage of net sales in the first three quarters of 1997 than they have been in prior years. Substantially all of the Company's sales are made on a purchase order basis, and none of the Company's customers has entered into a long-term agreement requiring it to purchase the Company's products. The loss of, or any reduction in orders from, a significant customer would have a material adverse effect on the Company's business and operating results.

Dependence on Cable Television Industry Capital Spending

To date, substantially all of the Company's sales have been derived, directly or indirectly, from sales to cable television operators. Demand for the Company's products depends to a significant extent upon the magnitude and timing of capital spending by cable television operators for constructing, rebuilding or upgrading their systems. The capital spending patterns of cable television operators are dependent on a variety of factors, including access to financing, cable television operators' annual budget cycles, the status of federal, local and foreign government regulation of telecommunications and television broadcasting, overall demand for cable television services, competitive pressures (including the availability of alternative video delivery technologies such as satellite broadcasting), discretionary customer spending patterns and general economic conditions. The Company believes that the consolidation of ownership of domestic cable television systems, by acquisition and system exchanges, together with uncertainty over regulatory issues, particularly the debate over the provisions of the Telecommunications Act of 1996, caused delays in capital spending by major domestic MSOs during the second half of 1995 and first quarter of 1996. The Company's net sales in the third quarter of 1997 were adversely affected by a slow-down in spending by cable television operators. In addition, cable television capital spending can be subject to the effects of seasonality, with fewer construction and upgrade projects typically occurring in winter months and otherwise being affected by inclement weather.

Highly Competitive Industry

The market for cable television transmission equipment is extremely competitive and has been characterized by rapid technological change. Most of the Company's competitors are substantially larger and have greater financial, technical, marketing and other resources than the Company. Many of such large competitors are in a better position to withstand any significant reduction in capital spending by cable television operators. In addition, many of the Company's competitors have more long standing and established relationships with domestic and foreign cable television operators than does the Company. There can be no assurance that the Company will be able to compete successfully in the future or that competition will not have a material adverse effect on the Company's business and operating results.

Rapid Technological Change

The market for the Company's products is relatively new, making it difficult to accurately predict the market's future growth rate, size and technological direction. In view of the evolving nature of this market, there can be no assurance that cable television operators, telephone companies or other suppliers of broadband services will not decide to adopt alternative architectures or technologies that are incompatible with the Company's products, which would have a material adverse effect on the Company's business and operating results.

The broadband communications markets are characterized by continuing technological advancement. To compete successfully, the Company must design, develop, manufacture and sell new products that provide increasingly higher levels of performance and reliability. As new markets for broadband communications equipment continue to develop, the Company must successfully develop new products for these markets in order to remain competitive. For example, to compete successfully in the future, the Company believes that it must successfully develop and introduce products that will facilitate the processing and transmission of digital signals over optical networks. While the Company has announced and demonstrated initial products for digital applications, there can be no assurance that the Company will successfully complete development of, or successfully introduce, products for digital applications, or that such products will achieve commercial acceptance. In addition, in order to successfully develop and market its planned products for digital applications, the Company may be required to enter into technology development or licensing agreements with third parties. Although many companies are often willing to enter into such technology development or licensing agreements, there can be no assurance that such agreements will be negotiated on terms acceptable to the Company, or at all. The failure to enter into technology development or licensing agreements, when necessary, could limit the Company's ability to develop and market new products and could have a material adverse effect on the Company's business and operating results.

The failure of the Company to successfully develop and introduce new products that address the changing needs of the broadband communications market could have a material adverse effect on the Company's business and operating results. In addition, there can be no assurance that the successful introduction by the Company of new products will not have an adverse effect on the sales of the Company's existing products. For instance, an emerging trend in the domestic market toward narrowcasting (targeted delivery of advanced services to small groups of subscribers) is causing changes in the network architectures of some cable operators. This may have the effect of changing the Company's product mix toward lower price transmitters, which could adversely affect the Company's gross margins.

Sole or Limited Sources of Supply

Certain components and subassemblies necessary for the manufacture of the Company's products are obtained from a sole supplier or a limited group of suppliers. The reliance on sole or limited suppliers and the Company's increasing reliance on subcontractors involve several risks, including a potential inability to obtain an adequate supply of required components or subassemblies and reduced control over pricing, quality and timely delivery of components or subassemblies. The Company does not maintain long-term agreements with any of its suppliers or subcontractors. An inability to obtain adequate deliveries or any other circumstance that would require the Company to seek alternative sources of supply could affect the Company's ability to ship its products on a timely basis, which could damage relationships with current and prospective customers and could have a material adverse effect on the Company's business and operating results. The Company believes that investment in inventories will constitute a significant portion of its working capital in the future. As a result of such investment in inventories, the Company may be subject to an increasing risk of inventory obsolescence in the future, which would materially and adversely affect its business and operating results.

Risks of International Operations

Sales to customers outside of the United States in 1995, 1996 and the first nine months of 1997 represented 65%, 57% and 61% of net sales, respectively, and the Company expects that international sales will continue to represent a substantial portion of its net sales for the foreseeable future. In addition, the Company has an Israeli subsidiary that engages primarily in research and development. International operations are subject to a number of risks, including changes in foreign government regulations and telecommunications standards, export license requirements, tariffs and taxes, other trade barriers, fluctuations in currency exchange rates, difficulty in collecting accounts receivable, difficulty in staffing and managing foreign operations and political and economic instability. While international sales are typically denominated in U.S. dollars, fluctuations in currency exchange

rates could cause the Company's products to become relatively more expensive to customers in a particular country, leading to a reduction in sales or profitability in that country. Payment cycles for international customers are typically longer than those for customers in the United States. There can be no assurance that foreign markets will continue to develop or that the Company will receive additional orders to supply its products for use in foreign broadband systems.

Management of Growth

The growth in the Company's business has placed, and is expected to continue to place, a significant strain on the Company's limited personnel, management and other resources. The Company's ability to manage any future growth effectively will require it to attract, train, motivate and manage new employees successfully, to integrate new employees into its overall operations, to retain key employees and to continue to improve its operational, financial and management systems. Any failure by the Company to manage effectively its future growth could have a material adverse effect on the Company's business and operating results.

The growth in the Company's business has placed, and is expected to continue to place, a significant strain on the Company's limited personnel, management and other resources. The Company's ability to manage any future growth effectively will require it to attract, train and manage new employees successfully, to integrate new employees into its overall operations, to retain key employees and to continue to improve its operational, financial and management systems. Any failure by the Company to manage effectively its future growth could have an adverse effect on the Company's business and operating results.

Risks Associated with New Media Acquisition

In September 1997 the Company announced that it had entered into an agreement to acquire N.M. New Media Communication Ltd. ("New Media"), a provider of broadband high-speed data delivery software and hardware technology based in Tel Aviv, Israel. Pursuant to the agreement, the Company will issue 1,037,911 shares of Common Stock to the shareholders of New Media and will assume all of New Media's outstanding stock options. The consummation of the New Media acquisition is subject to a number of conditions, and there can be no assurance that the acquisition will be consummated. The acquisition of New Media is subject to a number of risks and uncertainties. These include, but are not limited to, difficulties in combining and integrating the two companies' operations, product lines and research and development efforts, the potential adverse effects of the acquisition on relationships with customers, distributors, suppliers and other business partners of the two companies, dependence on communications industry capital spending, New Media's dependence on the evolution of wireless and satellite broadband services, regulatory developments, rapid technological change, the highly competitive nature of the telecommunciations industry, and the Company's ability to successfully develop, manufacture and gain market acceptance of new products, in particular its digital TRANsend products and the products of New Media. Any failure on the part of the Company to successfully integrate the operations of New Media could have a material adverse effect on the Company's business and operating results.

PART II OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

A. Exhibits

Exhibit #	Description of Document
11.1	Computation of Net Income Per Share
27.1	Financial Data Schedule

B. Reports on Form 8-K

The Company did not file any reports on Form 8-K during the three months ended September 26, 1997.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 10, 1997

HARMONIC LIGHTWAVES, INC.
(Registrant)

By: /s/ Robin N. Dickson

Robin N. Dickson
Chief Financial Officer
(Principal Financial and Accounting Officer)

HARMONIC LIGHTWAVES, INC.

Index to Exhibits

EXHIBIT NO.	DESCRIPTION OF DOCUMENT
11.1	Computation of Net Income Per Share
27.1	Financial Data Schedule

EXHIBIT 11.1

HARMONIC LIGHTWAVES, INC.

COMPUTATION OF NET INCOME PER SHARE
(IN THOUSANDS)
(UNAUDITED)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 26, 1997	SEPTEMBER 27, 1996	SEPTEMBER 26, 1997	SEPTEMBER 27, 1996
Net Income	$ 413	$ 1,741	$ 4,349	$ 3,513
Weighted average shares outstanding:				
Common stock	10,384	10,150	10,321	10,072
Common stock issuable upon exercise of options and warrants	1,204	1,427	1,252	1,355
Weighted average common shares and equivalents	11,588	11,577	11,573	11,427
Net income per share (1)	$ 0.04	$ 0.15	$ 0.38	$ 0.31

(1) Computed in the manner described in Note 3 to Notes to Condensed Consolidated Financial Statements.

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