

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

January 5, 1998

HARMONIC LIGHTWAVES, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or other jurisdiction of incorporation)

0-25826

77-0201147

(Commission File No.)-----
(IRS Employer Identification Number)

549 Baltic Way
Sunnyvale, California 94089

(Address of Principal Executive Offices)

(408) 542-2500

(Registrant's Telephone Number, Including Area Code)

Item 2. Acquisition or Disposition of Assets

On January 5, 1998, pursuant to a Stock Purchase Agreement (the "Purchase Agreement") dated as of September 16, 1997, as amended on November 25, 1997 among Harmonic Lightwaves, Inc., a Delaware corporation (the "Registrant"), N.M. New Media Communication Ltd., a corporation organized under the laws of Israel ("NMC"), and each shareholder of NMC (collectively, the "Sellers"), the Sellers sold, and the Registrant purchased, all of the issued and outstanding securities of NMC (the "Acquisition") and NMC became a wholly-owned subsidiary of the Registrant. The Acquisition will be accounted for under the purchase method of accounting. NMC will continue to operate out of its headquarters in Israel.

In connection with the Acquisition, each outstanding Ordinary Share of NMC ("NMC Ordinary Share"), was exchanged for approximately 693.8 shares of Common Stock of the Registrant ("Registrant Common Stock"), and cash in the amount of approximately \$0.6684, resulting in the issuance of an aggregate of 1,037,911 shares of Registrant Common Stock and the payment by Registrant of an aggregate of \$1,000. In addition, each outstanding option to purchase an NMC Ordinary Share was assumed by the Registrant and substituted with an option to purchase 693.8 shares of Registrant Common Stock, with the exercise price adjusted accordingly.

NMC develops broadband data communications technologies, offering commercially available, high-speed solutions on all broadband platforms. In 1996, NMC began deployment of its systems in the United States, Europe, Asia and the Middle East.

Harmonic 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. Harmonic 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.

Item 7. Financial Statements

(a) Financial Statements of NMC

It is impracticable for the Registrant to provide financial statements for the business acquired at this time. Such financial statements shall be filed as soon as practicable, but not later than sixty (60) days after the date hereof.

(b) Pro Forma Financial Information

It is impracticable for the Registrant to provide Pro Forma financial information assuming a business combination between the Registrant and NMC at this time. Such Pro Forma financial information shall be filed as soon as practicable, but not later than sixty (60) days after the date hereof.

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(c) Exhibits

- 2.1 Stock Purchase Agreement dated as of September 16, 1997 among Registrant, NMC and the Sellers, including Exhibit 2.4(a)(iv) attached thereto.(1)
- 2.2 First Amendment to Stock Purchase Agreement dated November 25, 1997 among Registrant, NMC and the Sellers.

(1) Incorporated by reference to the Registrant's Current Report on 8-K filed with the Securities and Exchange Commission on September 29, 1997.

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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 hereunto duly authorized.

HARMONIC LIGHTWAVES, INC.

Dated: January 6, 1998

By: /s/ Anthony J. Ley

Anthony J. Ley
President and Chief Executive Officer

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HARMONIC LIGHTWAVES

CURRENT REPORT ON FORM 8-K

INDEX TO EXHIBITS

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2.2	First Amendment to Stock Purchase Agreement dated November 25, 1997 among Registrant, NMC and each shareholder of NMC.

(1) Incorporated by reference to the Registrant's Current Report on 8-K filed with the Securities and Exchange Commission on September 29, 1997.

FIRST AMENDMENT TO
STOCK PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO STOCK PURCHASE AGREEMENT ("Amendment") is being executed and delivered as of November 25, 1997.

RECITALS

A. The parties executing this Amendment (the "Parties") have entered into a Stock Purchase Agreement dated as of September 16, 1997 (the "Purchase Agreement").

B. The Parties wish to amend the Purchase Agreement as set forth herein.

AMENDMENT

In accordance with Section 11.9 of the Purchase Agreement, and for good and valuable consideration, the Parties agree as follows:

1. Adjustment to Closing Date. Section 2.3 of the Purchase Agreement is hereby amended to read in its entirety as follows:

"2.3. Closing. The purchase and sale (the "Closing") provided for in this Agreement will take place at the offices of the Company at 5:00 p.m. (local time) on January 5, 1998, or at such other time and place as the parties may agree. Subject to the provisions of Section 9, failure to consummate the purchase and sale provided for in this Agreement on the date and time and at the place determined pursuant to this Section 2.3 will not result in the termination of this Agreement and will not relieve any party of any obligation under this Agreement. All transactions taking place at the Closing will be deemed to have taken place simultaneously."

2. Parties to the Escrow Agreement. Section 2.4(c) of the Purchase Agreement is hereby amended to read in its entirety as follows:

"(c) Buyer and N.M. New Media Entertainment Ltd. will enter into an escrow agreement in substantially the form of Exhibit 2.4(c) (the "Escrow Agreement") with Chase Trust Company of California (or an affiliate thereof) (the "Escrow Agent")."

3. Elimination of Condition Precedent to Sellers' Obligation to Close. The Purchase Agreement is hereby amended to eliminate Section 8.6 of the Purchase Agreement in its entirety.

4. Adjustment to Date of Termination. Section 9.1(d) of the Purchase Agreement is hereby amended to read in its entirety as follows:

"(d) by any of Buyer, the Company or all Sellers if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply

fully with its obligations under this Agreement) on or before January 31, 1998, or such later date as the parties may agree upon."

5. Maximum Liability. The last sentence of Section 10.5(a) is

hereby amended to read in full as follows:

"The maximum liability (for indemnification or otherwise, or for claims of negligence in connection with the Contemplated Transactions) of each Seller with respect to the matters set forth in Section 10.2, other than with respect to a claim brought pursuant to clause (a) or clause (b) of Section 10.2 solely as a result of a Breach of a representation or warranty set forth in Section 3.20(h), shall be the product obtained by multiplying the Maximum Section 10.5(a) Liability (as defined in Section 10.5(c) below) by the percentage set forth opposite the name of such Seller on the Schedule of Sellers."

6. Section 10.5(c). The Purchase Agreement is hereby amended to add a new Section 10.5(c) to the Purchase Agreement, which shall read in its entirety as follows:

"(c) For purposes of this Section 10.5, the "Maximum Section 10.5(a) Liability" shall mean the product obtained by multiplying (x) 1,037,911 by (y) sixty-four percent (64%) by (z) the average of the eight (8) last reported sales prices of Buyer's Common Stock on the Nasdaq National Market for the eight (8) trading days ending December 24, 1997."

7. Schedule of Sellers. The Schedule of Sellers to the Purchase Agreement (the "Schedule of Sellers") is hereby amended to read in its entirety as set forth in the Schedule of Sellers attached to this Amendment.

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The Parties have caused this Amendment to be executed and delivered as of the date first written above.

HARMONIC LIGHTWAVES, INC.
LTD.

N.M. NEW MEDIA COMMUNICATION

By: _____
Robin N. Dickson
Chief Financial Officer

By: _____
Efraim Atad
President and Chief Executive Officer

N.M. NEW MEDIA ENTERTAINMENT LTD.

By: -----

Name: -----

Title: -----

I.E.S. ELECTRONICS INDUSTRIES LTD.

By: -----

Name: -----

Title: -----

CRM PARTNERS L.P.

By: -----
Gerald B. Cramer
Title: General Partner

CRM RETIREMENT PARTNERS L.P.

By: -----
Gerald B. Cramer
Title: General Partner

CRM MADISON PARTNERS L.P.

By:

Gerald B. Cramer
Title: General Partner

CRM EURYCLAIM PARTNERS L.P.

By:

Gerald B. Cramer
Title: General Partner

CRM U.S. VALUE FUND LTD

By:

Gerald B. Cramer
Title: General Partner

CRAMER ROSENTHAL MCGLYNN INC.

By:

Gerald B. Cramer
Title: General Partner

Martina Neustadt

Joelit Bachrach

COTEX ENTERPRISES LTD.

By:

Name:

Title:

