



Harmonic Announces Intent to Acquire Thomson Video Networks: Creating a Global Video Powerhouse



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Forward Looking Statements



This presentation 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, including statements related to the proposed acquisition of TVN, the timing of the proposed transaction and anticipated benefits of the proposed transaction. Our expectations and beliefs regarding these matters may not materialize and are subject to risks and uncertainties, including the possibility that the selling shareholders of TVN do not elect to exercise the put option, Harmonic terminates the put option agreement because it is unable to secure adequate financing for the proposed transaction, the proposed transaction does not close due to regulatory approvals not being obtained or other closing conditions not being fulfilled, the works council consultation process is lengthier than anticipated, the proposed transaction encounters unanticipated delays or is postponed or canceled due to a material adverse event or change, anticipated business opportunities for the combined company do not fully materialize, and acceleration of innovation and operational efficiencies for the combined company are not fully realized. The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, such as those more fully described in Harmonic's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended Dec.31, 2014, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. The forward-looking statements in this presentation are based on information available to Harmonic as of the date hereof, and Harmonic disclaims any obligation to update any forward-looking statements.

Thomson Video Networks at a Glance



Strong brand name & global reputation

Revenue

- €71 Million, CY14*
- ~95% of revenue outside the U.S.

Products

- Video compression & delivery leader
- #3 global market share in encoding**

Customers

- 800+ customers: Astro, BBC, Canal+, DIRECTV, Foxtel, SkySports, Telefonica, Televisa, Vodafone...

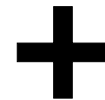
Internationally focused video innovator

*Thomson revenue based on French GAAP

**Source: Infonetics, HLIT estimates

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Creates a Global Video Powerhouse



Global Scale

- >5,000 leading content and service provider customers
- >500 sales, service and support personnel
- >300 channel partners and resellers

Industry-leading Innovation Capability

- >600 expert video engineers globally
- 6 major global R&D centers
- Complementary skill sets accelerate innovation

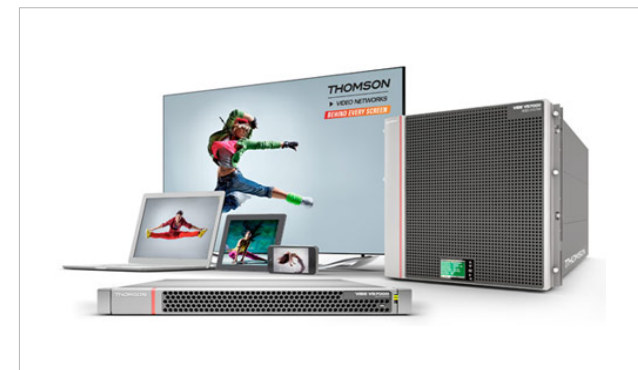
Operating Efficiencies

- Go-to-market
- Supply chain
- Core technology and infrastructure leverage

Accelerating Harmonic's Video Agenda



- Accelerate key product development programs
 - Data center and cloud platforms
 - OTT and mobile solutions
 - 4K / UHD
- Drive near term market share and revenue
 - Leverage >500 sales, service & support organization
 - Cross-selling opportunities into combined >5000 customers
 - Key account focus



High Confidence in Execution Plan

Financial Scale and Accretion



2014 TVN revenue of €71 Million*

Significant opportunities for cost of revenue & operating synergies

Consolidates a core well understood market for Harmonic

Favorable French R&D tax credits and pro-forma non-GAAP tax rate impact

Accretive to non-GAAP EPS in first twelve months after close

Transaction Overview



Consideration

- \$75 Million
- Purchase adjustments up to \$15 Million at Close

Financing

- Announced \$125 Million convertible bond issuance

Share Buy-back

- Anticipated concurrent \$25 Million buy-back with bond offering

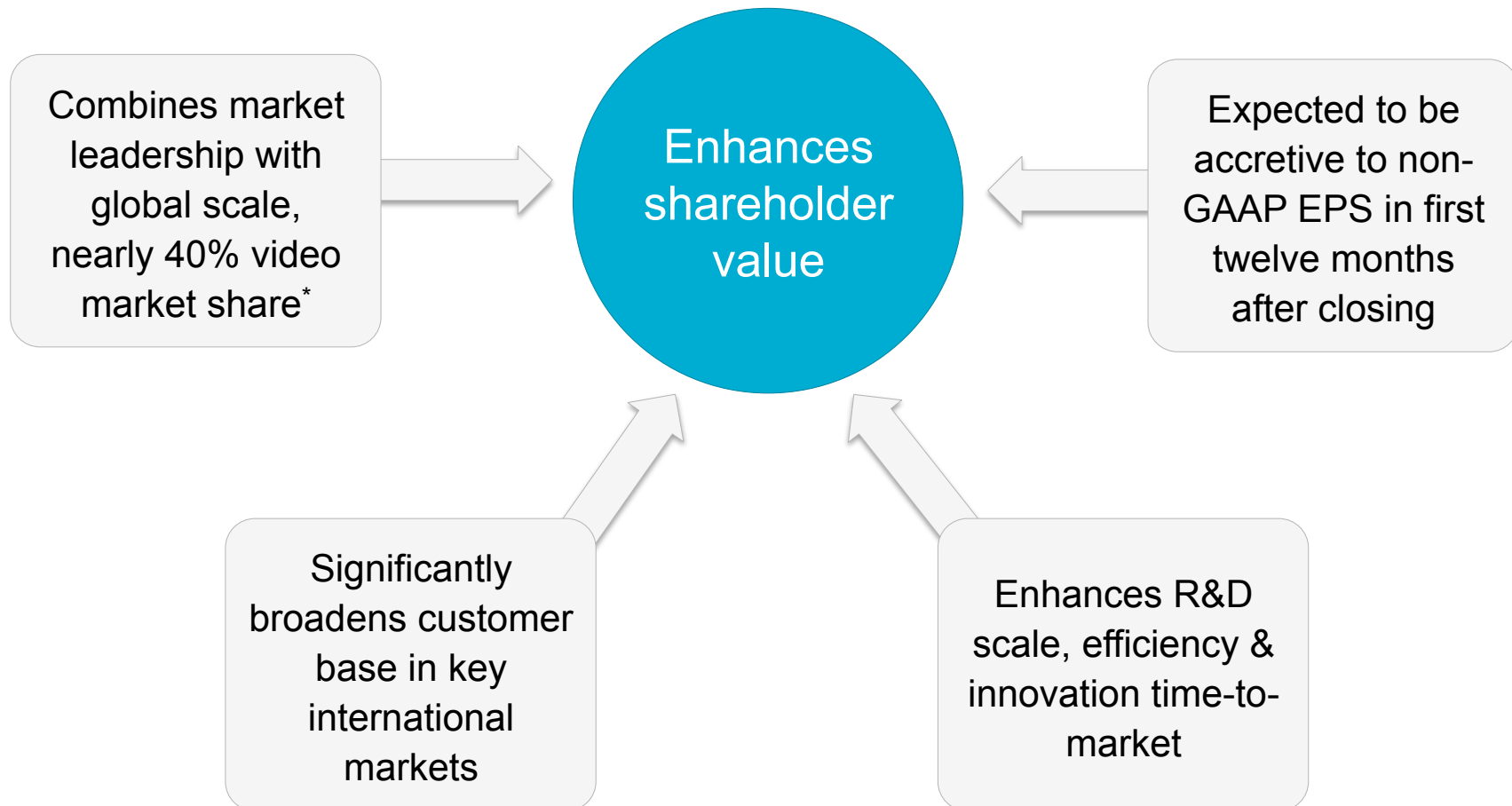
Transaction Process

- French Works Council consultation
- Execute Purchase Agreement
- Certain regulatory approvals

Expected Closing Timetable

- By the end of first calendar quarter of 2016, subject to customary closing conditions

Compelling Strategic Transaction



*Source: Infonetics, HLIT estimates

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Creating a Global Video Powerhouse



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