



Harmonic Digital Headend Systems to Power Korea's First Satellite Broadcast Service; SKYLIFE Relies on Bandwidth Efficiency and Video Quality of DiviCom Encoders

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SUNNYVALE, Calif.--(BUSINESS WIRE)--Oct. 23, 2001--Harmonic(TM) Inc. (Nasdaq:HLIT) today announced that its headend systems have been selected by SKYLIFE to power Korea's first, fully interactive digital satellite television system. Harmonic's DiviCom(R) encoders, which form the core of a headend facility, maximize bandwidth efficiency and enable SKYLIFE to deliver a wide range of digital television programming and services.

SKYLIFE's new satellite initiative will offer Korean consumers almost 150 channels of digital video and music programming. SKYLIFE expects to be on air by the end of 2001, with a plan to grow to approximately 3 million subscribers by 2005.

"We are changing the dynamics of the Korean television market by offering consumers an entirely new way to receive high quality video entertainment," said Dr. Seon-kyu Park, Managing Director of System Integration Center from SKYLIFE. "In addition to video and audio programming, we will offer interactive services, such as home banking and online gaming, so we must make the best use of our bandwidth. Harmonic's proven compression and multiplexing technology is the critical component that will enable us to deliver so many channels of video, music and interactive services."

SKYLIFE's main investors are composed of public telecommunication and broadcasting companies including Korea Telecom, KBS, MBC, and KT Freetel. Harmonic's distributor, Acetel, will provide systems to Ssang Yong Information and Communications (SICC), the prime integrator. This project is one of the largest of its kind in Asia.

"In the highly competitive broadband market, effective encoding technology is paramount to the success of satellite broadcast system providers," said Dr. Yaron Simler, President of Harmonic's Convergent Systems Division. "Our award-winning DiviCom encoders offer high performance features -- including bandwidth efficiency, noise reduction, and visibly superior video quality -- that enable SKYLIFE to build a robust platform for accomplishing their plan."

To date, over 10,000 Harmonic digital encoders are installed for use in DTH, cable, telecommunications and broadcast networks. Harmonic has the largest installed base of digital video encoders worldwide.

About SKYLIFE

SKYLIFE, founded in January 2001, will be the sole provider of satellite broadcasting services in Korea, when the service is launched later this year. A public company, its shareholders include major broadcasting and communications service carriers such as Korea Telecom (15%), KBS (10%), MBC (6%), and KT Freetel (3%). SKYLIFE has KRW 300 billion paid-in capital. SKYLIFE had an initial public offering in Seoul on May 29, offering a 24.7 percent stake worth KRW 81.6 billion to the public. The service is planning to go live with 150 different channels. The channel line-up will include Korean and international channels, with services such as home banking and on-line gaming services. SKYLIFE expects to be on air by the end of 2001 with a plan to grow their subscribers to almost 3 million by 2005.

About Harmonic Inc.

Harmonic is a leading provider of innovative broadband solutions that deliver video, voice and data to communications providers around the world. Harmonic's technically advanced fiber optic, digital video and IP data delivery systems enable network operators to provide a range of interactive and advanced digital services that include high-speed Internet access, telephony, digital video, HDTV, video & audio streaming, and video-on-demand.

Harmonic (Nasdaq:HLIT) is headquartered in Sunnyvale, California with R&D, sales, and system integration centers worldwide. The Company has customers in over 40 countries on six continents, including many of the world's largest communications providers. For more information, visit www.harmonicinc.com.

This press release contains forward-looking statements, including, but not limited to, SKYLIFE's new satellite initiative, an on-air date at the end of 2001, SKYLIFE's plan to grow to 3 million subscribers by 2005, SKYLIFE's offering of interactive services, the capabilities of Harmonic's technology, the provision of systems to SSIC, and the role of SKYLIFE as sole provider of satellite broadcasting services in Korea, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In addition, actual results could differ materially from those projected in the forward-looking statements as a result of the risk factors set forth in documents that Harmonic files with the SEC, including reports on Form 10-K and 10-Q.

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