



PALTEK CORPORATION

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PALTEK Corporation announces agreement on termination of the sales representation agreement with Infineon Technologies Japan.

PALTEK Corporation reached the agreement with Infineon Technologies Japan K.K. on termination of the sales representation agreement as by January 31, 2003.

1. Reasons of Termination

Strategic modification of product offering and distribution of resources are the major reasons why Paltek has agreed to terminate the agreement with Infineon Technologies Japan while Infineon Technologies Japan has the opportunity to re-organize its customer support structures in Japan.

2. Termination Schedule

Termination of agreement: January 31, 2003

Last day to ship: March 31, 2003

3. Projections

PALTEK Corporation continues to aim at delivering the total solutions to our customers by aggressively developing and expanding the product offerings, technical consulting capabilities and other value-added services. By pursuing such strategy, we expect to be able to control the impact for the fiscal year 2003.

Press Release

1. Questions concerning this press release:

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2. Questions concerning products & services:

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