

16 July, 2001

PALTEK CORPORATION

2-3-12 Shin-Yokohama, Kouhoku-ku
Yokohama 222-0033 Japan

**PALTEK, Cygnet Technologies Inc., Introduce Broadband Products
Designed for Asian Markets**

**Edge communications systems use VDSL, HPNA for immediate delivery of
broadband services over existing copper wire infrastructure.**

Shin-Yokohama, Japan (July 16, 2001) - Paltek Corporation (JASDAQ: 7587), a leading silicon and electronic components distributor in Asia, and Cygnet Technologies Inc., (Lewisville, Texas, USA) a leading developer of edge communications systems using Gigabit Ethernet, VDSL and HPNA technologies, today introduced edge communications systems specifically designed for the Asian markets. The products, which include an enabling software architecture called UMA, will speed deployment of broadband services offered by service providers, telephone companies, system integrators and OEMs to the multi-dwelling unit (MDU), multi-tenant unit (MTU) and hospitality markets in Japan, Korea and other Asian markets. The products will be displayed at the Novell BrainShare Conference at Keio Plaza Inter-Continental on July 24.

Older apartment buildings in Asia often cannot string fiber or Ethernet cables from the fiber terminal to each apartment. Paltek and Cygnet VDSL products will enable apartment dwellers in older buildings to enjoy full speed Internet video over the existing telephone lines in their buildings at the same quality as direct fiber and at the lowest monthly charges.

The three Paltek-Cygnet technology solutions are: VDSL (Very High Bit-Rate Digital Subscriber Line); HPNA 2.0 (Home Phoneline Networking Alliance); and Gigabit Ethernet. VDSL will operate at speeds of over 10Mbps symmetrical, and HPNA 2.0 at up to 10Mbps.

"We are very pleased that through our investment and partnership with Cygnet, Paltek can offer Cygnet's products," said Tadahito Takahashi, president of Paltek Corporation. "They are the first edge communication system products specifically designed for the needs of Asian markets, both in features and at the lowest per port price."

"Cygnet Technologies is committed to immediately bringing the educational and entertainment benefits of high-speed Internet access to end-users in Japan, Korea, and the rest of Asia, " said Charles Schmidt, president and CEO of Cygnet Technologies.

The current Cygnet Technologies product lines distributed by Paltek are:

Reduced-size 8-port Sojourner™ VDSL access concentrators (CT-3410);

Reduced-size Enabler™ VDSL bridge remotes (CT-3302);

19-inch rack-mount 8-port Sojourner™ VDSL access concentrators (CT-3411);

Enabler™ VDSL bridge remotes for customer premises (CT-3301);

19-inch rack-mount 8-port Sojourner™ HPNA 2.0 access concentrator (CT-3208) and bridge remotes (CT-3101);

19-inch rack-mount 8-port Enterprise™ Gigabit Ethernet switches with full 10/100/1000 auto negotiation (CT-1610)

The Paltek-Cygnet partnership combines the design and distribution knowledge of the two companies. The Cygnet Asia Division operates out of Yokohama, Japan.

About Cygnet Technologies

Cygnet Technologies Inc. develops and markets edge communications systems to enable the broadband needs of the hotel, multi-dwelling unit (MDU), multi-tenant unit (MTU), single-family residential, campus and high-speed office markets. Cygnet Technologies' edge communications systems consist of access concentrators, bridge remote units and switches using VDSL, HPNA and Gigabit Ethernet technologies, and are sold to OEMs, service providers and system integrators globally. The systems operate over existing copper wire infrastructure. Cygnet Technologies' feature-rich core software improves time to market for its products, and Unified Management Access™ provides the ability to reduce administrative and equipment costs.

About Paltek Corporation

Paltek is a Japanese company located in Yokohama. Paltek has almost 20 years of distribution expertise. It offers a range of products to meet the needs of telecommunications equipment manufacturers and service providers. Products range from network access equipment to semiconductors, complemented by design services. Paltek is recognized for helping customers in understanding market trends and providing integrated solutions through its systematic and comprehensive design services.

1 : Questions concerning the products and services of the Cygnet Technologies Inc., :

Paltek Corporation

Cygnet Division General Manager : Dave Brauer
Cygnet Division Media Contact : Keiko Tokunaga
Phone(Direct) : 045-477-2017
Fax : 045-477-2012
e-mail address : dave@paltek.co.jp
: Keiko_Tokunaga@paltek.co.jp
URL : <http://www.paltek.co.jp>

Cygnet Technologies Inc., USA

Public Relations : Cate Brennan Lisak
Phone : 1-972-242-0372 ext. 1109
Fax : 1-972-245-3272
e-mail address : cate.lisak@cygnetinc.com
URL : <http://www.CygnetTechnologies.com>

2 : Questions concerning this Press Release :

Paltek Corporation

Investor Relations : Daniel Brandt
Public Relations : Yoriko Sugimoto
Phone(Direct) : 045-477-2016
Fax : 045-477-2012
e-mail address : daniel@paltek.co.jp
: yoriko_sugimoto@paltek.co.jp
URL : <http://www.paltek.co.jp>