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MagiQ Technologies Celebrates Five Years of Progress with Demonstration of Quantum Private Network

Company Demos QPN and Announces Single-Photon Distance Record of 75km; Plans its Continued Lead in Quantum Information Processing

NEW YORK, NY and GLASGOW, UK – JULY 26, 2004 – MagiQ Technologies, Inc., *the* quantum information processing (QIP) company, demonstrated its recently-upgraded quantum cryptography system, the QPN 5505, at *The Seventh International Conference on Quantum Communication, Measurement and Computing* this week. Additionally, Alexei Trifonov, MagiQ's chief scientist, will announce that the Company has further extended the practical limits of quantum key distribution (QKD) by successfully completing a test of its 75km secure link using a single photon source, a significant technological accomplishment and an industry record. MagiQ plans to demonstrate a 100km distance later this year. Single photon sources are an important component in the next generation of one-way quantum cryptography systems that MagiQ is working on.

"We're here in Scotland to talk about what we've accomplished over the last five years, to find collaborators, and perhaps most important, to explore what lies ahead for quantum information processing," said Bob Gelfond, CEO of MagiQ Technologies. "Sharing our long-term corporate strategy with other leaders in this space will help us learn from one another and advance the industry as a whole. Today at MagiQ, we make unbreakable encryption possible through the magic of quantum physics. Tomorrow the possibilities will take us much further, with technologies that have applications beyond security to generalized communications, metrology and computing. These technologies will include small qubit processors and ultimately full-scale quantum computing."

Company Milestones
Over the recent past, MagiQ has reached a number of important milestones, including:

- Shipment of the first QKD devices in October 2003
- US Government approval for and shipping of QKD devices globally to all non-terrorist states
- Signing distribution agreements with Nissho Electronics in Japan and Duepigreco in Europe
- Winner of the World Economic Forum's 2004 Technology Pioneer Award

Intellectual Property (IP) & Scientific Collaboration Strategy

MagiQ has created a positive feedback loop from the cross-pollination among theoretical work, R&D, and the commercialization process, bringing new devices and other IP into the MagiQ portfolio. MagiQ currently has 34 patents issued or pending that span the quantum information processing field and has close to another 100 inventions in the pipeline. MagiQ has also been active in buying other entities' IP, further expanding its IP portfolio.

MagiQ currently collaborates with a number of academic and government institutions in order to continue its access to the best and brightest in the field. MagiQ is currently pursuing additional scientific collaborations in the following areas:

- Providing quantum cryptography products to aid research objectives; http://www.magiqtech.com/press/qpn-research.pdf
- Collaborating on application-oriented university research projects;
- Purchasing useful IP rights prior to their publication.

Product Strategy
MagiQ will continue to commercialize technologies that solve problems in the real world. For example, MagiQ currently leads the market with the most comprehensive implementation of quantum cryptography, the QPN 5505. MagiQ's QPN 5505 relies on the laws of physics rather than the computational difficulty of breaking keys, and is easily integrated into existing digital computing infrastructures. MagiQ's QKD system incorporates real-time key generation with quantum distribution for absolute certainty in detecting compromised keys. The system offers cost-effective protection from both internal threats such as disgruntled employees and external threats including corporate, government, and other sources of exposure.

The QPN 5505 is now in operation in several facilities with a need for unconditional, unbreakable security. Target markets include financial institutions, telecommunications companies, and government classified installations. The system is available immediately and more information is available from sales@magiqtech.com .

About MagiQ Technologies, Inc.
MagiQ Technologies (www.magiqtech.com) is *the* quantum information processing (QIP) company. Through its unique blend of science, business and engineering expertise, the Company is the first to commercialize the advancements in quantum information to benefit forward-looking organizations seeking competitive advantage through technology. Founded in 1999, MagiQ is a privately-held company headquartered in New York City with research & development laboratories in Somerville, Mass.

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