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MagiQ's Quantum Cryptography Platform becomes Best of Breed Solution to Meet Compliance Regulations

Solution with Decoy State Architecture (DSA) and Integrated Hardware Based Encryption Set the Standard for the Competition

NEW YORK, NY –June 25, 2007 – MagiQ Technologies, Inc., the quantum information processing (QIP) company, today announced the availability of its QPN 8505 quantum encryption solution. The QPN 8505 leverages breakthroughs in the underlying quantum cryptography architecture to provide customers with greater distances, higher key rates, and more reliable deployment through utilization of decoy state architecture (DSA). MagiQ's QPN 8505 also delivers the only integrated quantum key distribution and industry standard encryption provided by the award winning Nitrox II Security Processor from Cavium Networks, Inc. (NASDAQ: CAVM)

Companies and other organizations are being inundated with a tangled web of changing security regulations tied to data privacy. Pressure is being applied by government regulations, industry specific rules, and security policies from customers. Non compliance can be expensive and even yield jail time for company executives. As a result, decision makers are constantly upgrading information technology strategies to deploy best of breed solutions in order to maintain compliance.

“Security risk management, and the underlying mandates for compliance to regulations, is a major driving consideration for CISOs needing to protect sensitive/private corporate information in government and enterprises today,” said George L. Heron, Vice President, and Chief Scientist at McAfee, Inc. “The need to properly contain confidential data of its employees, customers and corporate intellectual property has never been greater, and MagiQ's quantum cryptography solution provides a future proof approach to the network security used to safeguard that information.”

MagiQ's quantum cryptography solution, the QPN 8505, supplies the only form of network security guaranteed by the laws of physics and can provide solutions for the following data privacy regulations:

Commercial Compliance

- Sarbanes-Oxley
- Gramm-Leach-Bliley Act (GLBA)
- California Security Breach Information Act (CA SB1386)
- North American Electric Reliability Council (NERC) Cyber Security
- Visa Payment Card Industry (PCI) Data Security Standard
- Regulation of Investigatory Powers Act (RIPA)
- Family Educational Rights and Privacy Act of 1974 (FERPA)
- Federal Financial Institutions Examination Council (FFIEC)
- ISO 17799
- Basel II Accord
- Health Insurance Portability and Accountability Act (HIPAA)

Government Compliance

- Director of Central Intelligence Directive 6/3 (DCID 6/3)
- Federal Information Security Management Act of 2002 (FISMA)
- Department of Defense Directive 8100.2 (DoD 8100.2)
- National Industrial Security Program Operating Manual (NISPOM)

"Our QPN 8505 provides the only future proof network security platform," said Bob Gelfond, CEO of MagiQ Technologies. "MagiQ can meet existing and forthcoming data privacy regulations thereby providing the highest level of security at the lowest cost."

Decoy state architecture, using signals of different intensities, increases the distance and key generation rate of MagiQ's quantum cryptography solution. Distance of transmission and the underlying key rate are the most important variables in defining the quality of implementation for quantum cryptography products. The commercial fiber network is made up of spans, typically 80km to 120km, linked together to complete metro area networks and long haul networks. The utilization of DSA provides for single spans of up to 140 km. For example, Telcos can bridge three separate spans of 100km by cascading MagiQ's QPN devices - a total distance of 300 km. Cascading of quantum cryptography devices enables the deployment of quantum cryptography throughout the telecommunications network. Additionally, MagiQ's QPN 8505 architecture protects our customers from attacks investigated at MIT and other institutions.

The QPN 8505 is a next-generation quantum cryptography system that relies on the laws of physics rather than computational difficulty for safeguarding keys. It is easily integrated into existing digital computing network infrastructures and incorporates real-time key generation with quantum distribution for absolute certainty in detecting compromised keys and in providing real time intrusion detection. MagiQ's QPN delivers always-on industry standard IPsec based VPN protection while providing an additional layer of security via quantum cryptography. The system offers cost-effective protection from both internal threats, such as disgruntled employees, and from external threats. MagiQ's QPN 8505 is targeted at government applications including military, intelligence gathering and homeland defense. Commercial applications include financial services, Telco carriers and disaster recovery. Organizations interested in a test drive of the QPN 8505 should apply at www.magiqtech.com.

About MagiQ Technologies, Inc.

MagiQ Technologies (www.magiqtech.com) is *the* quantum information processing (QIP) company and has been recognized as such through its many awards. 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 and development laboratories in Somerville, Massachusetts.

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