Contact:
Andrew Hammond
MagiQ Technologies, Inc.
617/ 661-8300 x201

MagiQ and Verizon Smash Distance and Cost Barriers with World's Longest Cascaded Network for Practical Quantum Cryptography; New Technology Enables Ultra Secure Communications

Presentation at OFC will Describe Field Tests Demonstrating World Records in Distance, Cascading, and Interoperability with WDM Networks

ANAHEIM, CA –March 8, 2006 – MagiQ Technologies, Inc., the quantum information processing (QIP) company, today announced a quantum leap toward the adoption of quantum cryptography in service providers' networks. In collaboration with Verizon Communications Inc. (NYSE:VZ), MagiQ has successfully demonstrated breakthroughs, which overcome the remaining obstacles to wide deployment of quantum cryptography.

The first breakthrough demonstrates there are no distance limitations to MagiQ's quantum cryptography solution. Utilizing Verizon's commercial fiber infrastructure, MagiQ successfully bridged two separate spans of 80km by cascading a number of MagiQ's QPN 7505 devices. The commercial fiber network is made up of spans, typically 80km, linked together to complete metro area networks and long haul networks. Cascading of quantum cryptography devices enables the deployment of quantum cryptography throughout the telecommunications network.

The second breakthrough demonstrates that quantum keys can be mixed with other optical signals on one strand of fiber. Previously, quantum cryptography devices required a dedicated dark fiber strand, which is costly and not always available, for the transmission of quantum keys. The multiplexing of quantum

keys with data on one strand significantly reduces the cost of deploying quantum cryptography.

The breakthroughs in distance and cost mean that practical deployments of quantum cryptography are now feasible for highly secure communications for service providers, banks, and the military.
"We and our partners have shown that quantum cryptography is ready for prime time with our Quantum Key Infrastructure (QKI) platform, "said Bob Gelfond, CEO and founder of MagiQ. "Distance and cost have been the obstacles for the commercialization of quantum cryptography. QKI overcomes these hurdles so we expect widespread commercial deployments of our platform in the near future."

Leveraging MagiQ's QPN product line, MagiQ's Quantum Key Infrastructure (QKI) is a new initiative to deploy quantum cryptography in complex and real world networks. Improving dramatically on Public Key Infrastructure (PKI), QKI is a platform for distribution of quantum keys across all the nodes of a network providing uncompromising and continuous security. Quantum keys are deployed throughout campus settings, metro area networks, and long haul networks by fiber, free space, and satellite transmission. The end result is complete privacy for all users of the network.

The joint paper, entitled "In-Band Quantum Key Distribution (QKD) on Fiber Populated by High-Speed Classical Data Channels." was presented at the OFC/NFOEC conference in Anaheim, CA on Tuesday, March 7th at 6:15p.m.

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 & development laboratories in Somerville, Mass.

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