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MagiQ Technologies Solves Quantum Cryptography Geomagnetic Interference Problem in Tests With AT&T

Unanticipated Issues with Earth's Magnetic Field Disturb Some Quantum Key Distribution Devices; MagiQ's QPN 7505 Proves Error-Free

NEW YORK, NY - OCTOBER 4, 2005 – MagiQ Technologies, Inc., the quantum information processing (QIP) company, recently discovered in testing with AT&T Labs (NYSE: T) that the Earth's magnetic field can introduce errors in quantum cryptography setups when running long spans parallel to the Earth's magnetic field. MagiQ announced that its newest quantum cryptography product, the QPN 7505, is the only commercial quantum key distribution (QKD) product not vulnerable to this effect. AT&T Labs issued a paper at last week's European Conference on Optical Communication about this effect entitled "Effect of a Weak Magnetic Field on Quantum Cryptography Links" that includes more in-depth information about these tests.

The intrinsic security of quantum cryptography remains solid, as is MagiQ's QPN product line. Many currently implemented commercial QKD systems other than MagiQ's could be impacted when used on long-range north-south routes.

"While this effect was unexpected, such discoveries are the precise goal of our ongoing field tests with leaders such as AT&T, and we've been able to verify that our QPN 7505 is free of this problem," said Dr. Michael LaGasse, VP engineering of MagiQ Technologies. "The world of quantum information processing is a world that we are just beginning to understand and apply practically. Such discoveries not only help us improve our existing products, but they prepare us for our next generation of quantum-based products as well."

MagiQ's QPN 7505, commercially-available in the fourth quarter of this year, is a next-generation QKD system. It 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 criminals and corporate and foreign government espionage. The system supports secure key exchange at distances up to 100 km, a major technical accomplishment that makes very long secure spans possible via cascading devices.

About MagiQ Technologies, Inc.

MagiQ Technologies (<http://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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