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MagiQ Technologies Named Technology Pioneer of 2004 by World Economic Forum

*Company's Cutting Edge Quantum Cryptography Work Recognized by World's Premier Organization
for Social and Economic Progress*

NEW YORK, NY and GENEVA, SWITZERLAND – December 11, 2003 – MagiQ Technologies, Inc., *the* quantum information processing (QIP) company, today announced that The World Economic Forum has designated it one of the 30 Technology Pioneers for 2004.

World Economic Forum Technology Pioneers are companies that are developing and applying the most innovative and transformational technologies. Their cutting-edge work in fields such as nanotechnology, renewable energy and biotechnology represents an enormous resource of entrepreneurial talent. This dynamic group is at the forefront of change in a variety of technology sectors and ranges from large, publicly-traded companies to exceptional startups.

MagiQ Technologies, one of the 2004 Technology Pioneers, is the first company to offer a working quantum cryptography solution. The product, recently renamed MagiQ QPN 350, is the world's first commercially available quantum key distribution (QKD) system. Relying on the laws of physics rather than the computational difficulty of breaking keys, and easily integrated into existing digital computing infrastructures, QKD solves key distribution problems that have been the bane of cryptographers for centuries. Bob Gelfond, MagiQ's founder and CEO, will speak at the WEF event in New York today.

"I really can't exaggerate how honored we all are to have been selected by the Forum," said Gelfond. "We knew we were turning things upside down by delivering unbreakable encryption, but to receive this level of global recognition and validation is truly humbling."

MagiQ's QKD system incorporates real-time key generation with quantum distribution and offers cost-effective protection from both internal threats, such as disgruntled employees, and external threats including corporate, government, and other sources of exposure. The system supports secure key exchange at distances up to 120 km, a major technical accomplishment that makes very long secure spans possible *via* cascading devices.

The field in which MagiQ is working, quantum information processing (QIP,) is the intersection of quantum physics and computer science, moving beyond classical computers and previously unsolvable problems by making use of quantum mechanical phenomena. MagiQ Technologies has built a portfolio of intellectual property around QIP and plans to continue bringing to market commercial implementations of field-tested quantum information devices.

In line with the Forum's commitment to improving the state of the world, the Technology Pioneers program was established in 2000 to provide a new perspective on technological change. The Technology Pioneers program identifies and integrates those companies around the world that are involved in the design and development of new technologies. Each innovation, whether it has large or small consequences, is another step in society's attempt to harness, adapt and utilize technology to change and improve the way business and society operates. The World Economic Forum is invested in monitoring and highlighting these innovations and exploring possible societal repercussions.

Each year members, constituents and collaborators of the World Economic Forum nominate Technology Pioneers. The criteria for selection include:

1. *Innovation.* The company's technology must be truly innovative and must be recent – not more than two years old. The company should invest significantly in R&D.
2. *Potential Impact.* This company's technology must have the potential to have a substantial long-term impact on business and society in the future.
3. *Growth and Sustainability.* The company should have all the signs of a long-term market leader and should have well-formulated plans for future development and growth.
4. *Proof of Concept.* The company must have a product on the market or have proven practical applications of the technology. Companies in "stealth" mode and companies with untested ideas or models do not qualify.
5. *Leadership.* The company must have visionary leadership that plays a critical role in driving the company towards reaching its goals.
6. *Status.* The company must not currently be a Member of the World Economic Forum. This criterion applies to the parent company – thus wholly-owned subsidiaries of large firms are not eligible.

Nominees are evaluated by an external review committee comprised of technology experts with respect to the criteria above.

The uniqueness of the Technology Pioneer network ensures that companies involved in the development of new technologies are engaged in an integrated and interdisciplinary way. The Technology Pioneers community will provide the Foundation and its members with in-depth knowledge of some of the key technology issues facing society.

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.

About The World Economic Forum

The **World Economic Forum** (www.weforum.org), based in Geneva, Switzerland, is an independent organization committed to improving the state of the world. Funded by the contributions of 1,000 of the world's foremost corporations, the Forum acts in the spirit of

entrepreneurship in the global public interest to further economic growth and social progress. The Forum serves its members and society by creating partnerships between and among business, political, intellectual and other leaders of society to define, discuss and advance key issues on the global agenda. Incorporated in 1971 as a foundation, the World Economic Forum is impartial and not-for-profit, and is tied to no political, partisan or national interests. In 1995 the Forum was awarded NGO consultative status with the Economic and Social Council of the United Nations.

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