

From the CEO's desk...

Dear reader,

Greetings to you!

Spreading its wings across continents, MagnaQuest concludes one more successful year 2005 as an accomplished Convergent Customer Management and Billing Solution Provider - with major customer wins in Triple play services, ISP and Pay TV domains. On the Enterprise security front, two prestigious contracts in Malaysia and the Productisation initiative for MQAssure™ bolsters MagnaQuest's strength in that domain as well.

Moving ahead with a new set of product initiatives we have laid an aggressive roadmap for MQSubscribe™ and MQAssure™ coupled with the launch of a smart and light Subscriber Management System, MQSMS. The guiding thought – greater focus on evolving customer needs.

Now, MagnaQuest has established its global reach with major customer wins like that of Intelvision, a leading Triple play services provider in Africa; Real Media, a Dubai based media and entertainment conglomerate providing Pay TV services in the Middle East and HTV, a major DTH operator in South East Asia. MagnaQuest consolidates its position in the Indian Sub continent with prestigious customer wins like that of Walt Disney, world's leading Media Company and ETV, a leading broadcaster in India. We have been successful in exploring newer opportunities with extended capabilities of MQSubscribe™ in managing Prepaid Cards, Video on Demand, VoIP billing, Pay Per View, IPTV billing whilst keeping pace with the emerging trends and customer needs.

I extend my sincere thanks to all our customers for contributing to our success. We are glad to claim that we have kept the poise and credibility to deliver on our clients' emerging needs and we desire to do it every time. I welcome you to read through our News Letter - Quest News - to know it all...

Best regards,

Vijay Debbad.,
CEO, MagnaQuest

Inside...

Customer Wins

- Intelvision, a prestigious Triple-play services provider in Seychelles
- HTVC, A leading DTH operator in South East Asia
- A major customer; Real Media in the Middle East
- Afsat, a major ISP from Kenya
- ETV, a prestigious customer in India
- Mesiniaga, a leading Systems Integrator in Malaysia, chooses MQAssure™
- National Registration Department (NRD), Malaysia's MyKad Security Review Project

Product Enhancements

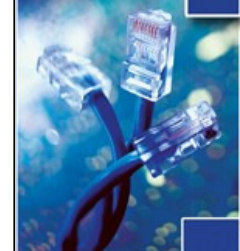
- New CAS Integrations
- MQSubscribe™ – even more user friendly with enhanced GUI

Events & Exhibitions

- Participates in IBC 2005
- Launch of MQSMS: Subscriber Management System for Small Pay TV Operators
- Participated in Broadcast Asia 2005
- Participated in 13th Convergence India Expo

Internal Initiatives

- New office premises
- MQAssure™ Productisation



Customer wins

MagnaQuest wins a prestigious Triple-play services provider in Seychelles:

Intelvision Ltd, a Seychelles based Triple-play operator providing Pay TV, Broadband and VoIP services has selected MQSubscribe™, a globally proven Convergent Customer Management & Billing (CMB) solution by MagnaQuest, to handle its requirements of billing and customer management for all the services offered to its subscribers. As part of the deployment, MQSubscribe™ will be integrated with Middleware for Broadband services, VoIP Soft-switch, SIP server for VoIP services and a CA System for Pay TV services.

MagnaQuest wins another Customer in South East Asia:

MagnaQuest has been chosen to deploy MQSubscribe™, its globally proven Customer Management and Billing Solution by Hanoi Television, Vietnam. HoChiMinh City Television (HTVC) is a DTH platform with coverage across 30 cities in Vietnam. HTVC is planning to scale up its subscriber base to 1 million in the next five years. MQSubscribe™ will be integrated with both Viaccess and Philips CryptoWorks CA Systems during this deployment. After Destiny Cable, Philippines, this is MagnaQuest's second significant customer win in South East Asia

MagnaQuest wins a major customer; Real Media in the Middle East:

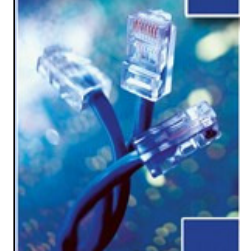
Real Media FZ LLC, a Dubai based media and entertainment conglomerate providing Pay TV services in the Middle East, Levant & North Africa and Pakistan chose MQSubscribe™, a globally proven Customer Management & Billing (CMB) Solution of MagnaQuest. In this deployment, MQSubscribe™ will be integrated with Conax CA System and an SMS gateway for Pay TV services and SMS based Prepaid Card top up and activation.

One more win for MagnaQuest in ISP Domain:

MagnaQuest has won the prestigious SMS and Billing system deployment contract from Afsat Communications Ltd (Afsat), Kenya. With services spread across 22 countries, Afsat is a provider of high-end satellite data network solutions for corporate, banking and government organizations in East and Central Africa. Multi-tier billing model will be implemented in MQSubscribe™ to fulfill AfSat's unique business requirements. This implementation includes, integration with Packeteer (Provisioning Equipment), a Mediation equipment and SAP Business One.

Eenadu Television selects MQSubscribe™ of MagnaQuest to manage its Affiliate operations:

Eenadu Television (ETV), a venture of the Multi Billion Dollar Romaji Rao group has chosen MQSubscribe™ of MagnaQuest, to manage its growing affiliate operations across the country. MagnaQuest will deploy MQSubscribe™, its globally proven Customer Management and Billing Solution. ETV is a leading South Indian regional language platform with 12 satellite channels and with plans to launch Pay TV services across the country.



World's leading Media Company, Walt Disney Television Singapore Pte. Ltd. has chosen MQSubscribe™:

Walt Disney Television Singapore Pte. Ltd. has chosen MQSubscribe™ for their Affiliate Management Operations to facilitate distributor management of decoders, manage subscriptions, billing and contract information of cable operators. MQSubscribe™ will be integrated with Scientific Atlanta's PowerVU Plus Conditional Access System. This project is currently in implementation initiation stage.

MagnaQuest bags MyKad Security Review Project

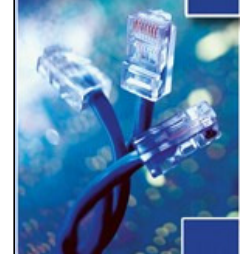
MagnaQuest was appointed as security consultants By Multimedia Development Corporation (MDC), Malaysia for reviewing the security compliance of their National ID Card (MyKad) scheme with industry standards. This assignment was jointly taken by MSC TC, JPN (customer) and MagnaQuest.

As part of driving the implementation of the flagship applications, the Multi-Application Smart Card flagship application was successfully implemented through the **Government Multipurpose Smart Card (GMPC)** and **Payment Multipurpose Smart Card (PMPC)** projects. Malaysia's Multi-Application Smart Card, branded as **MyKad**, incorporates identity (ID) as the anchor application, driving license, passport information, health information, electronic cash (MEPS Cash), transit application (Touch 'n Go), ATM and Public Key Infrastructure (PKI).

Malaysian government (the issuer of MyKad), intends to leverage the strengths of MyKad as an effective authentication vehicle for handling various realms of identity of the citizens towards achieving higher levels of effectiveness in their e-Governance initiatives.

Recognising and realising the criticality of the need to create higher level of Trust in citizens, **Multimedia Development Corporation (MDC)** and JPN, along with MagnaQuest, jointly took up this exercise of reviewing the level of security of MyKad scheme by benchmarking with standards like Global Platform and ISO 7816.

The project is presently is at its final stage of execution.



Product Enhancements

New CAS Integrations: MagnaQuest, known for delivering flexible and open solutions to the Pay TV businesses, has extended its integration options with Philips Cryptoworks and MIH Group's Irdeto Access in the latest implementations. MagnaQuest has already integrated MQSubscribe™ with leading Conditional Access Systems like Conax, NewsCorp's NDS, Kudelski's NagraVision and France Telecom's Viaccess.

Enhanced GUI:

MQSubscribe™ is based on leading-cutting edge technology that creates open and scalable system architecture. It is now with .Net Framework and advanced Graphical User Interfaces (GUI) running on an Oracle Relational Database.

MQSubscribe™ – Even more user friendly:

Being a global player in the domain it operates in, MagnaQuest has been delivering customized solutions to suit certain very specific requirements of globally distributed clients. In one of our recent installations we have taken up Arabisation (translating labels into Arabic language) and translation of labels into Bulgarian language and also into Vietnamese as a part of localizing the solution, MQSubscribe™. The browser based application makes it more user- friendly.

Internal Initiatives

New office premises:

In continuum with our growth plans and eight golden years of success in serving our esteemed clients across the globe, we at MagnaQuest are delighted to share with you that we have moved in to a new, spacious (15000 Sq.Ft.), modern and centrally located facility in Hyderabad, India. It's pleasure to have ourselves re-dedicated to the tradition of providing Quality solutions to our clients, who partnered and will be partnering our growth in to future from this NEW facility.

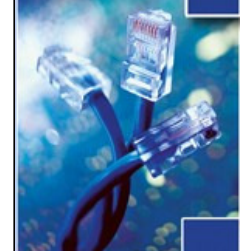


MQAssure™: Productisation

Globally, due to inherent weaknesses in user ID and password based authentication, organisations have realised the importance of multi-factor authentication for providing the secure access to their networks and business applications, by leveraging the strengths of the technologies like Smart Cards, biometrics, and PKI in an effective manner. Also, the industry consortiums (like Liberty Alliance) started working on interoperability of stronger multi-factor authentication systems.

To address these needs of the markets, MagnaQuest initiated developing MQAssure™, an **A**uthentication, **A**uthorisation, **A**uditing and **A**dministration (AAAA) security framework, consisting of a suite of products/solutions that assures foolproof Authentication, Authorization, and Auditing. MQAssure™ will offer security framework that enables organisations to deploy digital identities, such as user ID & passwords, fingerprints and digital certificates (PKI), using smart card and/or USB tokens, and integrate the same tightly with their business applications.

MQAssure™ would be developed on JAVA technologies and would be available on Windows and LINUX (or any UNIX) operating systems. The first version of the products would be available during Q2 of the year 2006.



Events & Exhibitions

MagnaQuest has showcased the latest version of its Flagship product, MQSubscribe™ and launched a scaled down version MQSMS at IBC 2005, Amsterdam, The Netherlands.

At IBC2005, MagnaQuest

- Demonstrated its proven convergent subscriber management and billing solution, MQSubscribe™.
- Launched its scaled down subscriber management system, MQSMS.
- Demonstrated PPV ordering and prepaid card top-up through mobile



Launch of MQSMS: Subscriber Management System for Small Pay TV Operators

Innovatively responding to the increasing demand for a lighter Subscriber Management System, MagnaQuest launches MQSMS for small Pay TV operators, to help ramp-up their operations quickly, easily and cost effectively and ensuring operational efficiency and profitable business growth. MQSMS is designed exclusively for broadcasters, DTH and cable operators, as a smart, light and right solution with flexibility to handle their unique business concerns. MQSMS is cost effective, easy to implement, flexible, scalable solution that can be integrated with any leading Conditional Access Systems (CAS) of choice.



MagnaQuest had participated in Broadcast Asia 2005 during 14 - 17 June 2005 in Singapore. MagnaQuest showcased MQSubscribe along with Philips CryptoWorks' CAS.



MagnaQuest demonstrated VoD and PPV billing support in its flagship product – MQSubscribe™, during the 13th Convergence India exhibition, New Delhi, India. The highlights of the demonstration were metering and billing of VoD and PPV services with billing functionalities, generating a single bill for all the basic services and value-added services provided and topping up individual accounts with mobile SMS. This year MagnaQuest is participating in the 14th Convergence India 2006 International Exhibition & Conference at B37-Hall 10; 21 - 23 March 2006, Pragati Maidan, New Delhi, India.

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