



NEWS RELEASE

Contacts: BIO-key International, Inc.
Scott Mahnken
732-359-1113

BIO-Key International® Plans to Acquire S.I.C. Biometrics

*Aiming to Increase Capabilities with Complete end-to-end Solution for
Mobile Devices, Access Control and Consumer Security*

WALL, NJ, August 15, 2011 (GLOBE NEWSWIRE) -- BIO-key International, Inc. (OTCBB: BKYL.OB), a global leader in finger biometric identification technology solutions, today announced that the company has signed a letter of intent to acquire Montreal-based S.I.C. Biometrics Inc, manufacturers of biometric plug-in mobile fingerprint scanners, biometric proximity cards and access control solutions, through a combination of asset purchase and exclusive license arrangements. S.I.C. Biometrics is credited with developing the first fingerprint reader for Apple mobile devices. While the terms of the definitive acquisition agreements will be made public when signed, BIO-key anticipates that the acquisition would be accretive to the company in the fourth quarter of 2011. In addition to due diligence and definitive documentation, the transaction will be subject to customary closing conditions, including any necessary regulatory approvals.

Apple is the clear market leader in the tablet market and according to The Next Web; Apple's iPad is outselling the competition at a rate of 24-1. Apple states that 60% of the Fortune 100 are using the iPad and J.P. Morgan, forecasts iPad sales will reach 31 million units in 2011. Barron's predicts sales will reach 48 million units in 2012. Looking into the not too distant future Needham analyst Charlie Wolf is forecasting that the entire tablet market will be 233 million units in 2020 and Apple will own 60% of the market representing 140 million units sold.

The numbers for the iPhone are equally impressive. Apple states that 80% of the Fortune 500 have deployed or are testing the iPhone. Gartner forecasts 2011 iPhone sales to be over 90 million units.

BIO-key expects that combining with S.I.C. would strengthen BIO-key's overall market reach, expanding opportunities for new projects and partnerships that can be fully satisfied via complete solutions for mobility, access control and consumer security . S.I.C. founded in 1999, designs, manufactures and internationally commercializes biometrics security products. BIO-key is recognized for developing software which utilizes a patented algorithm to deliver the fastest and most accurate commercially viable finger biometric solutions available.

“Both the iPhone and iPad version of BIO-key’s enterprise application platform including the PIV-certified iFMID S.I.C.. snap-on fingerprint readers are available today and can be easily integrated into any existing application adding strong authentication and identification to replace or augment less secure passwords or pins”, stated Mike DePasquale, BIO-key CEO. “Later in the year, a consumer version of the S.I.C. device for the iPhone and iPad including a wrap-around case and integrated finger scanner is expected to become available for sale at popular retail locations. Also, we will now offer a complete line of access control products for entry as well as time and attendance. One notable option is a fully integrated industry standard proximity card that includes an onboard finger scanner eliminating the requirement for expensive card readers to be located at points of entry”.

Eric Talbot, President, S.I.C. Biometrics Inc, said “combining with BIO-key and their world class finger matching software used by many commercial and government entities worldwide would open an incredible opportunity to market our unique snap-on biometric reader for the iFamily of products. Also, it would rapidly expand the visibility and market reach for our other unique identity control solutions on a global basis. The S.I.C. European and Canadian operations will add to BIO-key’s sales and marketing footprint and we will now offer the highest quality full and complete solutions for mobility on the most popular platforms used by enterprise and consumers alike. At the initial introduction of the production version of the iFMID device last week, we received a sizeable order from one of Canada’s largest hospitals, to provide biometric capability for iPads and iPhones valued at \$1.5 million dollars. The integration will allow hospital staff members to access enterprise applications without the inconvenience of inputting lengthy passwords. Traditionally, physicians have to log in using their password 40-100 times per day. The transition to the biometric solution will vastly improve efficiency,” added Talbot.

“As we considered a potential acquisition it was vital to understand the size and scope of the marketplace moving forward. Upon reviewing the analysts’ reports it became clear that the market for advanced mobile devices, and the Apple iPhone and iPad in particular, are positioned to generate substantial revenue streams. Ultimately, if we can capture even a small segment of the Apple device market, we believe that the impact to BIO-key’s bottom line would be quite significant,” stated Cecilia Welch, Chief Financial Officer, BIO-key International Inc.

About BIO-key

BIO-key International, Inc., headquartered in Wall, New Jersey, develops and delivers advanced identification solutions to commercial and government enterprises, integrators, and custom application developers. BIO-key’s award winning, high performance, scalable, cost-effective and easy-to-deploy biometric finger identification technology accurately identifies and authenticates users of wireless and enterprise applications. Our solutions are used in local embedded OEM products as well as some of the world’s largest identification deployments to improve security, guarantee identity, and help reduce identity theft. BIO-key’s technology is offered directly or by market leading partners around the world. (<http://www.bio-key.com>)

About S.I.C. Biometrics

S.I.C. Biometrics Inc. located in Montreal Canada, develops and manufacturers biometric plug-in mobile fingerprint scanners, biometric proximity cards and access control solutions. S.I.C. Biometrics, through direct collaboration with Apple in 2009, is credited with developing the first fingerprint reader for the Apple iPad and iPhone. The S.I.C. platform of identification solutions is interoperable and can be utilized with most existing infrastructures providing an optimum return on your investment. The company model of manufacturing simple and convenient turn-key solutions enables secure access to any IT application using state of the art finger biometric technology and is championed by S.I.C.'s FMID mobile solution product line. (<http://www.sicbiometrics.com>)

BIO-key Safe Harbor Statement

Certain statements contained in this press release may be construed as "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 (the "Act"). The words "estimate," "project," "intends," "expects," "anticipates," "believes" and similar expressions are intended to identify forward-looking statements. Such forward-looking statements are made based on management's beliefs, as well as assumptions made by, and information currently available to, management pursuant to the "safe-harbor" provisions of the Act. These statements are subject to certain risks and uncertainties that may cause actual results to differ materially from those projected on the basis of these statements. These risks and uncertainties include, without limitation, our history of losses and limited revenue, our ability to develop new products and evolve existing ones, the impact on our business of the recent financial crisis in the global capital markets and negative global economic trends, our ability to attract and retain key personnel and our ability to complete the proposed acquisition of S.I.C.. Biometrics Inc. as currently planned. For a more complete description of these and other risk factors that may affect the future performance of BIO-key International, Inc., see "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2010 and its other filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. The Company also undertakes no obligation to disclose any revision to these forward-looking statements to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.