

Contact: Sue Hansen, Datakey Electronics; Phone: 952-746-4066 x323;
Fax: 952-746-4061; E-mail: sueh@datakeyelectronics.com
Web Site: www.datakeyelectronics.com

NEWS FOR IMMEDIATE RELEASE

Datakey Electronics, Inc. Issues Clarification Regarding SafeNet, Inc. Tender for Shares of Datakey, Inc.

October 11, 2004. Savage, MN – – The announced tender offer by SafeNet, Inc. (NASDAQ: [SFNT](#)) for the stock of Datakey, Inc. (OTC BB: [DKEY.OB](#)) has triggered numerous inquiries to Datakey Electronics, Inc. (privately held) by its government and OEM customers. Datakey Electronics, Inc. is issuing clarification that:

- **Datakey Electronics, Inc. is not being sold.**
- Datakey Electronics, Inc. is NOT the subject of SafeNet's tender for the shares of Datakey, Inc. (<http://www2.safenet-inc.com/news/viewstory.asp?ID=324>)
- Datakey Electronics, Inc. is an entirely separate entity from Datakey, Inc.

Datakey Electronics was formed in August of 2001 when Datakey, Inc. sold the assets of its former Electronics Products division. Since then, Datakey Electronics, Inc. has been owned and operated completely independently of Datakey, Inc. Datakey Electronics manufactures rugged keys and tokens containing reprogrammable memory. These keys/tokens and their mating receptacles are used by Original Equipment Manufacturers (OEMs) for data transport and access control in rugged environments.

“Our customers will not be affected by any changes occurring at Datakey, Inc. Datakey Electronics is a privately-held corporation that is focusing on leveraging its 28-year heritage in portable memory products to achieve strong growth,” commented Adriana Jennings, CEO, Datakey Electronics. *“As a matter of fact, we have just moved into our new factory. This purpose-built facility gives us the necessary room to continue to grow and expand – and because we own the facility, we will not have to move until we outgrow it.”*

“We have grown consistently over the past three years by focusing on our core products, keys and tokens, and our core markets of data transport and access control for OEM manufacturers of electronics. We have introduced quite a few new products addressing those applications,” commented

Datakey Electronics' President, Eric Jennings. *"In addition we are working with a large number of new design-ins in both our existing customer base and with new customers, giving us confidence in continuing growth."*



Datakey Electronics new facility at 12730 Creek View Avenue, Savage, MN 55378-2618.

The move to the new building occurred during the week of September 20, 2004 and normal manufacturing operations resumed the week of September 27, 2004.

About Datakey Electronics, Inc.

Datakey Electronics offers a complete catalog of fully-engineered data transport solutions. The product line consists of proprietary memory keys and other custom-shaped tokens containing non-volatile memory, mating receptacles, reader/writers and development kits. These products are used world-wide in hundreds of military and industrial applications, providing a cost-effective and reliable way of storing and transporting electronic information where conventional methods would not survive. In addition, Original Equipment Manufacturers (OEMs) choose Datakey Electronics because, unlike consumer products, they offer life-of-product support.

Datakey Electronics, Inc. has a world-wide base of customers including General Dynamics, Raytheon, Siemens, New York Health and Hospital Corporation, Gasboy (a division of Gilbarco), governments and other multi-national corporations.

Datakey Electronics, Inc., based in Savage, MN, is a minority woman-owned business with a complete manufacturing facility and substantial capacity for production growth.

For more information about Datakey Electronics, Inc.: www.datakeyelectronics.com

All trademarks are property of respective companies.