

FOR IMMEDIATE RELEASE
August 17, 2005

***Veritec Inc. Licenses
Multi-Dimensional Bar Code Technology
To Adidas***

Golden Valley, MN-August 17, 2005 – Veritec Inc., (OTC Bulletin Board: VRTC), a pioneer in two-dimensional bar code technology, thru VCode Holdings, Inc., its wholly owned subsidiary along with VData LLC, has entered into a license with Adidas-Salomon AG, Adidas America, Inc. and Paxar Corporation regarding covering a portfolio of patents that apply to certain multi-dimensional bar codes. The license to Adidas resolves a patent infringement lawsuit against Adidas and its related companies, which was pending in the District Court for the District of Minnesota. The terms of the agreement are confidential.

VCode Holdings, Inc. is a wholly owned subsidiary of Veritec, Inc., of Golden Valley, Minnesota. Veritec manufactures and sells data matrix software and systems under the VeriCode® trademark.

VData LLC is an Illinois company that has an exclusive license under the patents. Together, VCode and VData are offering licenses to the patents.

The '524 patent relates to a data matrix, an array of data cells with a border. The patent also concerns tools for reading and making a data matrix. The patent describes several varieties of matrix; a square array of cells permits creation of up to 248 different matrices. A data matrix has much higher information density and therefore can contain far more data than a bar code. Unlike a bar code, a data matrix does not have a preferred scanning direction, and is readable at various orientations.

About Veritec, Inc.

Veritec Inc. is the pioneer and patent holder of two-dimensional (2D) matrix coding technology. The company is engaged in developing, marketing, and selling encoding (writing) and decoding (reading) software and system products that utilize its patented technology. The Veritec codes allow end-users to produce and interpret secure coded data for identification, and verification purposes. The technology is applicable in nearly all environments that require security, tracking and identify people and live stock as well as products and services from design and manufacturing to shipping and delivery. Veritec developed a 2D matrix symbology, during the late 80's, which was endorsed by NASA as the code of choice for their vendors. The 2-D code symbol is a small, checkerboard-like matrix and has the highest data capacity and density.

Statements in this press release that are not statements of historical or current fact constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other unknown factors that could cause the actual results of the Company to be materially different from the historical

results or from any future results expressed or implied by such forward-looking statements. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission.

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