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For Immediate Release

**Telenetics[®] Announces Settlement of
Lawsuit with Corlund Electronics
Liability to be Reduced Approximately \$3.5 Million**

LAKE FOREST, California — June 23, 2003 — Telenetics Corporation (OTC-BB: TLNT), a provider of wired and wireless data communications products for customers worldwide, today announced the settlement of its lawsuit against Corlund Electronics and Corlund's counter-suit against Telenetics.

The terms of the Settlement Agreement will result in an immediate decrease of approximately \$1.4 million in Telenetics' reported liability to Corlund Electronics and a subsequent reduction of a minimum of an additional \$2.2 million during the remainder of 2003, subject to Telenetics making the three additional required payments under the terms of the Agreement.

Commenting on the settlement, David Stone, President of Telenetics, said "I believe this is a fair settlement of this dispute and I am very pleased that we have put the very time-consuming litigation process behind us. This settlement will substantially strengthen our balance sheet and have a positive effect on both gross and operating margins. I am optimistic that Telenetics is now well positioned to achieve improved results in the coming quarters."

Under the specific terms of the Settlement Agreement, the Company has stipulated to a judgment in the amount of \$5.2 million which has been deemed satisfied by one-third when the Company made a payment of \$500 thousand at close, and shall be deemed satisfied by one-sixth for each of two payments of \$250 thousand on July 20, 2003 and August 20, 2003, and by one-third upon the final payment due November 23, 2003. The difference between the

carrying value of the liability to Corlund Electronics and the stipulated judgment amount is approximately \$257 thousand which has been recognized as an immediate gain on settlement. An additional benefit of approximately \$1.1 million was recognized at closing due to the satisfaction of one-third of the stipulated judgment, with the remaining benefit of \$2.2 million recorded as a deferred gain on settlement that will be recognized as the remaining payments are made.

ABOUT TELENETICS

Based in Lake Forest, California, Telenetics designs, manufactures and distributes wired and wireless data communications products for customers worldwide. Telenetics offers a wide range of industrial grade modems and wireless products, systems and services for connecting its customers to end-point devices such as meters, remote terminal units, traffic and industrial controllers and remote sensors. Telenetics also provides high-speed communications products for complex data networks used by financial institutions, air traffic control systems and public and private wireless network operators. Additional information is available at www.telenetics.com.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

With the exception of historical information, the matters discussed in this press release contain forward-looking statements that involve a number of risks and uncertainties. Actual future results of Telenetics could differ from those statements. These risks include but are not limited to Telenetics' ability to make additional payments required under the terms of the Settlement Agreement, financial constraints that may affect Telenetics' ability to increase its revenues in 2003, the ability to ship current backlog, the continued demand for Telenetics products despite worldwide economic conditions, the ability to have satisfactory deliveries of products from Telenetics' contract manufacturers, changes in governmental regulations and policies, the emergence of competitive products and unforeseen technical issues. Other risks are detailed in filings with the Securities and Exchange Commission made from time to time by Telenetics, and Telenetics' Form 10-KSB for the year ended December 31, 2002 and Form 10-QSB for the quarter ended March 31, 2003. Telenetics undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances occurring after the date hereof

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