



Contact:

David Stone
Telenetics Corporation
949/455-4000 ext. 791
d_stone@telenetics.com

For Immediate Release

**Telenetics[®] Announces Settlement of Lawsuit
with Michael Armani**

LAKE FOREST, California – August 19, 2003 – Telenetics Corporation (OTC-BB: TLNT), a provider of wired and wireless data communications products for customers worldwide, today announced that it reached a mutual settlement with Michael Armani, a former director and President of Telenetics.

According to the terms of the settlement, Mr. Armani will pay \$20 thousand to Telenetics and has dismissed his \$15 million lawsuit against Telenetics, and Telenetics has dismissed its counter-suit of approximately \$212 thousand against Mr. Armani.

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 Forms 10-QSB for the quarters ended March 31, 2003, and June 30, 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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