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**For Immediate Release**

**Telenetics® Reports Change in Independent Accountants  
and Revisions to Announced Third Quarter 2002 Results**

LAKE FOREST, California – November 20, 2002 – Telenetics Corporation (OTC-BB: TLNT), a provider of wired and wireless data communications products for customers worldwide, reported a change in independent accountants yesterday and filed financial results for the three and nine months ended September 30, 2002.

On November 12, 2002, BDO Seidman, LLP resigned as the Company's independent accounting firm. On November 13, 2002, the Company engaged the firm of Haskell & White LLP to replace BDO Seidman as principal accountants to audit the financial statements of Telenetics Corporation. On November 19, 2002, the Company filed a Form 8-K discussing the circumstances surrounding the change in independent accountants, including the facts that the Company did not have any disagreements with BDO Seidman over accounting principles, and that BDO Seidman is withdrawing its previously issued review reports on the Company's Form 10-QSBs for the quarters ended March 31, 2002 and June 30, 2002.

Also on November 19, 2002, the Company filed its Form 10-QSB for the three and nine months ended September 30, 2002. The results reported in the Form 10-QSB reflected adjustments made subsequent to the Company's October 28, 2002 earnings release. Those adjustments resulted in an increase in income from operations, a decrease in net loss, an increase in earnings before interest, taxes, depreciation and amortization ("EBITDA"), and a decrease in gross profit over the results previously reported.

*Summary of Results for Three and Nine Months Ended September 30, 2002*

As announced October 28, 2002, net sales were approximately \$4.5 million and \$12.6 million for the three and nine months ended September 30, 2002, respectively.

EBITDA was approximately \$398,000, or \$0.01 per share, and \$1.0 million, or \$0.03 per share, for the three and nine months ended September 30, 2002, respectively, which reflected a \$50,000 increase over the Company's previously announced results.

Gross profit was approximately \$1.2 million and \$3.7 million for the three and nine months ended September 30, 2002, respectively. These figures reflected a \$191,000 decrease from the gross profit figures announced on October 28, 2002 and resulted primarily from additional reserves recorded relating to transactions between the Company and its subcontract

manufacturer. Gross margin for the quarter ended September 30, 2002 was 26.4%, a decrease of 4.2 percentage points from the 30.6% previously announced, and gross margin for the nine months ended September 30, 2002 was 29.5%, a decrease of 1.5 percentage points from the 31.0% previously announced.

Income from operations was \$187,000 and \$290,000 for the three and nine months ended September 30, 2002, respectively. These figures reflected a \$50,000 increase in income from operations over the figures announced on October 28, 2002. The \$50,000 improvement resulted from the recordation of \$241,000 income on extinguishment of debt as offset by the \$191,000 in additional reserves recorded relating to transactions between the Company and its subcontract manufacturer.

Net loss was (\$278,000) and (\$1.2 million) for the three and nine months ended September 30, 2002, respectively. These figures reflected a \$50,000 decrease in net loss over the figures announced on October 28, 2002. The \$50,000 improvement in net loss also results from the recordation of \$241,000 income on extinguishment of debt as offset by the \$191,000 in additional reserves relating to subcontract manufacturer transactions.

Net loss per share was (\$0.01) and (\$0.05) per share for the three and nine months ended September 30, 2002, respectively, as previously announced in the Company's October 28, 2002 press release.

#### *Selection and Use of EBITDA as Measure of Financial Performance*

The Company's management has selected and standardized its selection of EBITDA as a measure of Company financial performance for several reasons. The Company believes that a discussion of EBITDA is relevant because it can provide the reader and Company management with a more accurate and understandable picture of period-to-period changes in the Company's operating performance by eliminating the effects of the Company's unusually heavy amortization and non-cash expense burdens. The Company's management believes these burdens generally have little contemporaneous relevance to financial reporting periods. The Company's management also selected EBITDA as a measure of Company financial performance because EBITDA is a common and widely recognized measure used by financial institutions to evaluate a company's financial performance under various circumstances. Each of the elements the Company used in determining EBITDA have been taken from financial statement information prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The tables below outline these elements.

#### **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](http://www.telenetics.com).

## FINANCIAL HIGHLIGHTS

	Quarter Ended (Unaudited)	
	September 30, 2002	September 30, 2001
Net Sales	\$ 4,513,480	\$ 6,607,803
Gross Profit	1,190,385	2,085,461
Income from Operations	187,483	480,961
Net Loss	(277,734)	(251,662)
Loss Per Common Share		
Basic and Diluted	\$ (0.01) =====	\$ (0.01) =====
Common shares used in computing loss per common share		
Basic and Diluted	28,462,176 =====	26,986,858 =====

	Nine Months Ended (Unaudited)	
	September 30, 2002	September 30, 2001
Net Sales	\$ 12,644,610	\$ 15,712,187
Gross Profit	3,729,138	4,108,281
Income (loss) from operations	290,442	(2,568,051)
Net Loss	(1,189,592)	(4,158,265)
Loss Per Common Share		
Basic and Diluted	\$ (0.05) =====	\$ (0.33) =====
Common shares used in computing loss per common share		
Basic and Diluted	28,023,394 =====	20,877,452 =====

## CALCULATION OF EBITDA

	Quarter Ended (Unaudited)	
	September 30, 2002	September 30, 2001
Net Loss	\$ (277,734)	\$ (251,662)
Interest	468,994	468,734
Depreciation	83,011	69,853
Amortization	124,151	233,032
Taxes	--	--
EBITDA	\$ 398,422 =====	\$ 519,957 =====
EBITDA per common share		
Basic and Diluted	\$ 0.01 =====	\$ 0.02 =====
Common shares used in computing loss per common share		
Basic and Diluted	28,462,176 =====	26,986,858 =====

	Nine Months Ended (Unaudited)	
	September 30, 2002	September 30, 2001
Net Loss	\$ (1,189,592)	\$ (4,158,265)
Interest	1,518,126	1,325,525
Depreciation	244,599	220,133
Amortization	475,205	706,040
Taxes	800	800
EBITDA	\$ 1,049,138 =====	\$ (1,905,768) =====
EBITDA per common share		
Basic and Diluted	\$ 0.03 =====	\$ (0.22) =====
Common shares used in computing loss per common share		
Basic and Diluted	28,023,394 =====	20,877,452 =====

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

This release may contain forward-looking statements that involve risks and uncertainties. Various risks are detailed in filings with the Securities and Exchange Commission made from time to time by Telenetics, including the Company's Form 10-KSB for the year ended December 31, 2001 and the Company's Form 10-QSB for the quarter ended September 30, 2002. The Company 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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