



NEWS RELEASE

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FOR IMMEDIATE RELEASE

ION NETWORKS UNVEILS 'DISPOSABLE' SECURITY TOKENS

INNOVATIVE HANDHELD APPLICATIONS AIM TO CONTRIBUTE TO BROADENED ENTERPRISE AND COEXISTENCE STRATEGIES

PISCATAWAY, N.J – SEPTEMBER 25, 2002—ION Networks, Inc. (Nasdaq: IONN), a leading provider of infrastructure security solutions that protect critical information and infrastructure from internal and external security threats, today announced the introduction of 'disposable' software-based authentication tokens into its ION Secure™ solutions suite, representing the first in a set of product announcements the Company expects to make in the coming weeks.

Based on 3DES encryption standards and available for PalmOS®, RIM Blackberry® and Microsoft Windows® platforms, ION Secure 520 Soft Tokens are software applications designed to replace physical authentication tokens found in the form of a smart card or key fob.

"ION Networks continues to execute on its strategy of securing enterprise networks through innovative solutions that offer coexistence and flexibility," said Kam Saifi, ION's President and Chief Executive Officer. "ION Secure Soft Tokens are specifically designed for companies who have outsourced maintenance and support of their IT infrastructure to third party organizations. These organizations routinely connect to a company's network devices and applications and thus have access to critical business data, representing a significant security concern. ION solutions, together with ION Secure Soft Tokens, are designed to provide a cost effective vendor management solution to address this potentially serious threat."

Numerous reports – including the recently available "National Strategy to Secure Cyberspace" - have estimated that approximately 70% of all corporate network attacks come from 'trusted users' or 'insiders.'

"We see immense value in the ability for corporations to mandate third party authentication via disposable tokens," commented Tom Loughran, Founder and General Manager of InfoPath Service Assurance, an Alpharetta, Georgia based IT service provider who recently completed successful beta-testing of the latest ION Secure solutions. "By employing ION solutions to define and enforce flexible - yet secure - vendor management policies, companies can further minimize threat to their critical data."

ION Networks also announced the most recent release of the ION Secure PRIISMS Administrator Portal that – as part of its administration functionality - distributes secret key information required to activate the soft tokens. PRIISMS can be configured so that upon completion of a session, a user is deactivated instantaneously, providing enhanced security by expiring specific keys, allowing one time only access.

"Soft tokens are less expensive, more easily managed, and 100% disposable," said David Thompson, Senior Research Analyst at METAGroup. "By implementing a soft token strategy for authentication of third party administrative users, enterprises can offer mobile flexibility, reduce costs and conform to the very highest security policies."

ION Secure 520 Soft Token licenses are available to participants of ION Networks' SecureCare maintenance program. Evaluation versions are available for download at www.ion-networks.com.

About ION Networks

ION Networks, Inc. is a leading provider of infrastructure security and management solutions. ION Secure solutions help customers protect critical infrastructure and maximize operational efficiency while lowering operational costs. ION Networks' customers include AT&T, Bank of America, British Telecom, Citigroup, Entergy, Fortis Bank, Oracle, Qwest, SBC, Sprint and the U.S. Government. Headquartered in Piscataway, New Jersey, the Company has installed tens of thousands of its products worldwide from its sales and operations facilities in the United States, Livingston, Scotland and Antwerp, Belgium, and its distribution channels on four continents. More information can be obtained from www.ion-networks.com.

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Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein are based on current expectations, but are subject to a number of risks and uncertainties. The factors that could cause actual future results to differ materially from the forward-looking statements include the following: the failure of the bid price of our common stock to close at \$1.00 or more for at least 10 consecutive trading days; our failure to satisfy continued listing requirements of the Nasdaq SmallCap Market; our inability to raise additional financing; fluctuations in customer demand; fluctuations in spending on technology generally and security solutions in particular; sufficiency of operating capital; general economic conditions (both domestic and abroad); the rapid technological change which characterizes the Company's markets, the risks associated with competition; the risks associated with the expansion of the Company's distribution channels; the risk of new product introductions and customer acceptance of new products; the risks associated with international sales as the Company expands its markets; and the ability of the Company to compete successfully in the future, as well as other risks identified in the Company's Securities and Exchange Commission Filings, including but not limited to those appearing within the Company's most recent Form 10-KSB and amendments thereto, filed with the Securities and Exchange Commission on July 10, 2002.