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ION NETWORKS RENEWS OEM RELATIONSHIP WITH AVAYA

South Plainfield, New Jersey – August 9, 2004 – ION Networks, Inc. (OTC: IONN.OB), a provider of security solutions to control, monitor and manage external and internal administrative access to networks – today announced that it has renewed its Original Equipment Manufacturer (OEM) agreement with Avaya, a leading global provider of business communications software, systems and services. Under the new three-year agreement, ION will continue to supply the ASG Guard family of network security appliances and centralized management software.

Based on the ION Security Solution, the Avaya ASG product family secures administrative interfaces of Avaya's range of products such as Avaya's suite of IP-based MultiVantage™ Communications Applications. This includes Avaya Communication Manager – the company's award-winning IP telephony software – as well as Modular Messaging and Avaya Dialer, providing secure remote access, multi-factor authentication, 3DES encryption and authorization for network administrators.

“We are pleased that Avaya continues to see the value in our relationship as it remains one of our most significant channels,” said Norman Corn, CEO of ION Networks. “We recognize the importance of partnering with industry leaders and look forward to expanding our work with Avaya as they address the growing security needs of their global customer base.”

In addition to the ASG Guard and Guard II, Avaya will also market ION's PRIISMS Secure Management System as ASG Guardian.

"I am pleased that we have extended our OEM agreement," said Mehrdad Nadooshan, Chief Technology Officer of Avaya Global Services. "Combined with our secure remote access technologies, the ASG solution satisfies the critical security needs of our customers in terms of authentication, authorization, and scalability. Infrastructure security and protecting against administrative level threats is an extremely critical issue for our customers, and I look forward to further collaboration with ION to meet the wide range of our customers' security needs."

About ION Networks

Since 1984, ION Networks has delivered proven security solutions for enterprises, service providers and government agencies. With more than 50,000 devices deployed

worldwide, ION solves a fundamental secure access problem for some of the world's largest companies including Avaya, AT&T, American Express, MCI, Intel, Wachovia, Citigroup and Cogent. More information can be obtained from www.ion-networks.com.

This press release contains forward-looking statements that involve a number of risks and uncertainties. Forward-looking statements may be identified by the use of forward-looking terminology such as "may," "will," "expect," "believe," "estimate," "anticipate," "continue," or similar terms, variations of those terms or the negative of those terms. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are set forth in the Company's filings with the Securities and Exchange Commission (SEC), including the Company's Annual Report on Form 10-KSB, the Company's Quarterly Reports on Forms 10-QSB, and other filings and releases. These include uncertainties relating to technological changes, product development, competition, protection of our intellectual property, our working capital balance and our reliance on several key customers and members of our management.