

Bitfone Secures Series C Funding Of Over \$21 Million, Led By Prism Venture Partners

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Flextronics Joins Bitfone Investors; Total Funding More Than \$57 Million to Date

Laguna Niguel, Calif., March 16, 2004 - Bitfone Corporation (www.bitfone.com), the company that pioneered over-the-air (OTA) firmware update technology for mobile phones, today announced that the company has closed a Series C funding round and secured over \$21 million, bringing the company's total investment to more than \$57 million. Prism Venture Partners led the round, with existing partners Nokia Venture Partners, Nexit Ventures, St. Paul Venture Capital, 3i, CIR Ventures, and KTB Ventures all contributing. Flextronics also joined the round as a new investor in Bitfone. Additionally David W. Baum, general partner at Prism Venture Partners, becomes the newest member of Bitfone's Board of Directors.

"We are very excited about adding Prism Venture Partners and Flextronics to our top notch list of investors," said Gene Wang, chairman and CEO, Bitfone. "The investment allows Bitfone to expand worldwide sales, customer support and engineering resources to meet the overwhelming demand for Bitfone's industry leading solution, mProve™, and will accelerate our efforts to deliver the next generation in OTA technology."

"Handset manufacturers and wireless operators now recognize the tremendous cost savings and customer service improvements associated with OTA update solutions," said Baum. "As handsets become more sophisticated, there is a strong need to upgrade phones in a manner that is efficient for both the operator and the customer. Bitfone has led the industry in OTA technology and commercial deployments, and we fully expect the company to continue driving the industry with next-generation development of OTA solutions."

Bitfone's market-leading mProve solution is the first product to update a wireless phone's entire firmware image over the air, with complete security and fault tolerance. With mProve, manufacturers and operators can avoid product recalls, phone replacements and retail center servicing to update the phone's embedded operating system, resulting in significant cost savings. In February, Bitfone launched mProve 3.1, which raises the bar on performance and efficiency of update solutions, adds the ability to update firmware images in both NOR and NAND memory with full fault-tolerance, advanced techniques for compression of Update Packages; version control between mProve Update Agents and the mProve Generator; and a multilingual graphical user interface.

About Prism Venture Partners

Prism Venture Partners, Westwood, MA, is a leading venture capital firm with early-stage investments in communications, business infrastructure software and systems and healthcare. Founded in 1996, Prism has earned industry recognition through the firm's depth of entrepreneurial experience and active role with portfolio companies. With over \$1 billion in capital under management, Prism's access to an established pool of seasoned entrepreneurs, collaborative approach to working with portfolio companies and integrated network of investors contribute to the firm's investment success. Additional information on Prism Venture Partners can be found at <http://www.prismventure.com>.

About Bitfone Corporation

Bitfone Corporation provides innovative software solutions for mobile device management. Bitfone's mProve is the wireless industry's leading technology that updates a mobile phone's core embedded software over the air, in a secure and fault-tolerant manner. mProve delivers significant cost savings in the areas of customer service and warranty, provides insurance against software-related device recalls, and accelerates adoption of wireless services. Bitfone is a global company headquartered in Laguna Niguel, California, with offices in China, Finland, Japan and Korea. Bitfone's investors include Nokia Venture Partners, Prism Venture Partners, St. Paul Venture Capital, 3i, Nexit Ventures, Motorola, Inc., Orange Ventures, KTB Ventures, CIR Ventures and Flextronics. For more information, please visit www.bitfone.com.