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BITFONE ACQUIRES MOBILE DIAGNOSTIX

Adds Automated Diagnostic Capabilities to Resolve Mobile Phone Problems Over the Air

Laguna Niguel, Calif., Aug. 16, 2004 — Bitfone Corporation (www.bitfone.com), the company that pioneered over-the-air (OTA) software upgrade technology for mobile phones, today announced the acquisition of Mobile Diagnostix, Inc. (MDI), a Toronto-based software company providing customer care automation solutions for mobile devices.

MDI's flagship product, SmartCare™, detects device configuration errors and other software problems via an automated handset analysis system, and uses a sophisticated rules engine to automatically advise customer service representatives on corrective actions. SmartCare reduces average call-handling time, increases first-call resolution of support issues and minimizes support escalations resulting in dramatic cost savings for wireless operators. SmartCare supports a wide variety of open platform devices, including Symbian, Microsoft Smartphone, and Java powered handsets.

The acquisition allows Bitfone to expand its value proposition to operators, who can now use SmartCare to diagnose mobile device problems, and use Bitfone's mProve™ solution to resolve them by upgrading device software over the air. The combination of SmartCare and mProve will maximize savings associated with servicing customers wirelessly and will provide the most thorough solution available to operators. Together, Bitfone and MDI deliver solutions for such global wireless leaders as LG, Motorola, PalmSource, Research In Motion, Sony Ericsson, SK Telecom, and Symbian.

"This acquisition combines Bitfone's expertise in handset architectures and software management with MDI's expertise in automated customer care and diagnostics, offering an unparalleled OTA solution for ensuring device quality and usability," said Gene Wang, chairman and CEO, Bitfone Corporation. "SmartCare complements mProve perfectly, helping mobile service providers find and fix device software and configuration problems quickly and easily."

"As the leader in standards-based firmware update technology, Bitfone lays the foundation for deploying broader device management solutions that will reduce customer care costs and create an engaging mobile experience for subscribers," said Ian Collins, CEO of Mobile Diagnostix. "Adding SmartCare to the Bitfone portfolio allows us to provide the first complete software management platform to operators, which will reduce churn, increase brand value, and maximize revenue from subscribers."

As a result of the acquisition, Ian Collins, former CEO of Mobile Diagnostix, will become senior vice president and general manager of Bitfone's customer care solutions; and Jeff Brunet, former CTO for Mobile Diagnostix, will become Bitfone's chief technology officer. Bitfone will maintain the former MDI office in Toronto.

About Bitfone Corporation

Bitfone Corporation provides unparalleled expertise and innovative software solutions for mobile device management and customer care automation to wireless operators and handset providers. Bitfone's mProve and SmartCare solutions improve usability of mobile devices by diagnosing and repairing software problems and delivering software updates and configuration settings over the air, safely and efficiently. Bitfone's customers benefit from significant cost savings in the areas of customer service and warranty, improved device quality and customer satisfaction, and broader adoption of advanced wireless services. Bitfone is a global company headquartered in Laguna Niguel, California, with offices in Canada, China, Japan, Korea, and the U.K. For more information, please visit www.bitfone.com.