

BITFONE TO EXTEND IBM'S WEBSPHERE DEVICE MANAGEMENT SOFTWARE WITH OVER-THE-AIR UPDATES TO MOBILE PHONE FIRMWARE

LAS VEGAS, Oct. 21, 2003 - Bitfone Corporation (www.bitfone.com), a leader in over-the-air (OTA) firmware update technology for mobile phones, today announced it will integrate its mProve™ solution into IBM's Websphere device management software. The combined solution is aimed at helping service providers more efficiently update software on devices remotely - an increasingly important feature as the use of wireless devices rises. The two companies will jointly market the solution. Websphere device management software incorporates IBM Tivoli technology.

"Solutions such as Bitfone's mProve provide a convenient way for service providers to remotely resolve mobile phone software problems," said Jonathan Prial, vice president, sales and business development for IBM. "The integration of Websphere device management software with the mProve solution can help customers to avoid software-related recalls and reduce customer support costs - thus helping service providers deliver better and more cost-effective customer service in an increasingly competitive wireless landscape."

"OTA firmware update is a leading-edge technology, and working with a company like IBM will help to accelerate adoption by the leading wireless operators around the world," said Gene Wang, chairman and CEO of Bitfone. "mProve enhances the value proposition of device management software such as IBM's by providing the mechanism to update the core software on mobile phones down-to-the-metal™."

Bitfone and IBM will engage in cooperative sales and marketing activities, such as delivering integrated technology demonstrations, co-marketing the solution at industry events, developing co-branded collateral, and engaging in joint customer sales activities.

About IBM

IBM is the world's largest information technology company, with 80 years of leadership in helping businesses innovate. Drawing on resources from across IBM and key business partners, IBM offers a wide range of services, solutions and technologies that enable customers, large and small, to take full advantage of the new era of e-business. For more information about IBM, visit www.ibm.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 offers wireless manufacturers and carriers significant cost savings in the areas of warranty, recall and customer service, and expedites the time to market for mobile phones. 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, St. Paul Venture Capital, 3i, Nexit Ventures, Motorola, Inc., Orange Ventures, KTB Ventures and CIR Ventures. For more information, please visit www.bitfone.com.