

BENEFON OYJ BULLETIN July 24, 2007 at 10.30

PREVIOUSLY NON-DISCLOSED MATERIAL INFORMATION CONTAINED IN PROSPECTUS

Benefon Oyj's prospectus that is going to be published at 12:00 today on Tuesday, July 24th 2007 contains certain material information that has not been published before. This bulletin contains a summary of such information. Further information can be found in the respective sections of the prospectus.

The essential previously non-disclosed information contained in the prospectus is as follows:

1) Information relating to purchase of GeoSolutions

a) Mechanism for calculating the number of GeoSolutions bonus shares

According to Share Exchange Agreement there is an opportunity to issue bonus shares to the sellers as follows:

According to Share Exchange Agreement GeoHolding is entitled to bonus shares amount of which depends on gross sales of GeoSolutions, operating as a business unit of Benefon, during the first year as follows:

1. If the gross sales of GeoSolutions during the 365 period beginning from April 17th 2007 is less than 10,000,000 euros, GeoHolding is not entitled to any bonus shares.
2. If the gross sales of GeoSolutions during the 365 period beginning from April 17th 2007 is more than 10,000,000 euros but less than 14,000,000 euros, GeoHolding is entitled to approximately 1,07 bonus share for each euro of gross sales. In the lower threshold the number of bonus shares is approximately 10,700,000 and in the upper threshold approximately 15,000,000.
3. If the gross sales of GeoSolutions during the 365 period beginning from April 17th 2007 is more than 14,000,000 euros, GeoHolding is entitled to approximately 1,29 bonus share for each euro of gross sales. In the minimum threshold the number of bonus shares is approximately 18,000,000.

Possible bonus shares are issued by the decision of Benefon's Board of Directors on the basis of authorization granted by the Annual General Meeting of April 16th 2007, which authorized the Board to decide on increase of share capital and issuances of new shares, option rights and specific rights such that the maximum share capital increase amount is 1,902,500 euros and the maximum number of issued new investment series shares 190,250,000. The authorization is valid for two (2) years from the date of the Annual General Meeting.

The above-mentioned possible bonus shares have not been included in purchase costs of GeoSolutions.

b) Calculation of GeoSolutions B.V. purchase costs and financial effects of the acquisition to company's balance sheet

<u>Assets</u>	<u>teuros</u>
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Acquired IPRs at fair value	6 000
Received goodwill	227
Total	6 227
<u>Shareholders' equity and liabilities</u>	
Share capital increase	4 200
Paid transaction costs	497
Imputed tax liability	1 530
Total	6 227

c) Background of GeoSolutions

GeoSolutions has been established and registered in January 2007. The founders and other key persons had started developing company's products as private persons even before founding the company. In connection with the founding they transferred the results of this work to the company as a contribution in kind to pay subscriptions of company shares. The work results of the founders in question, further transferred as contribution in kind to the company, are booked to company's balance sheet as IPRs, which at the time of purchase of the company by Benefon basically formed the whole balance sheet. These IPRs relate to software owned by the company and used in its business and their value in GeoSolutions balance sheet has been defined in negotiations in connection with founding the company, which has further been taken into account in the negotiations between Benefon and GeoHolding about the purchase price.

GeoSolutions is a start-up company whose goal is to develop and sell software solutions for utilizing location based information. Company's software products have approximately 50,000 users that have downloaded the software for free. GeoSolutions' software supports currently Microsoft Windows Mobile 5.0 operating system and all major Internet browsers used in computers (Internet Explorer and Firefox) and it is expected to support Java based J2ME mobile phones and BREW based mobile phones in the future. GeoSolutions products include navigation technology, community platform and location based multimedia content. GeoSolutions has significant know-how, patent application portfolio and top talented personnel knowing the industry. Until now the company has not generated revenues.

d) GeoSolutions revenue model and costs relating to generating revenue

GeoSolutions is planning to develop major part of its revenues from selling online advertising services and direct license sales.

e) Strategy after the transaction

Personal navigation markets have during the past three years been in accelerating growth and the increase of unit numbers sold are expected to continue strong until year 2010. The company expects that combined Benefon and GeoSolutions will benefit from the strong increase of demand of the products in this area.

The company is also entering into a new business area through the purchase of GeoSolutions and continuing developing of "Twigworld" tracking service. However, the company does not believe that these new business areas would generate significant revenues yet in 2007.

2. Financing and liabilities

The company has no unused financing limits and the liquidity has been and continues to be restrained. For the moment the financing plan is based on equity financing, next round of which is being arranged by company's main shareholder.

Report on sufficiency of liquid funds for the period 04/2007-06/2008

The cash flow calculation below has been prepared assuming that the sales targets set in financial projections for the years 2007 and 2008 are met. These projections depend highly on correct timing of delivery and sales success of company's new TWIG products.

Cash flow statement for 04/2007-06/2008	million euros
Cash flow from operations	0.0
Share subscription payments	2.2
Investments (mostly R&D activations)	-3.0
Change in cash	-0.8
Cash in the beginning of the period	2.5
Cash at the end of the period	1.7

3) Other material information

a) Convertible Bond Loans and Option Rights

The company has received a conversion request for Convertible Bond Loan 2007D and the loan will be converted into company's investment series shares in the first convenience.

In connection with the termination of Peter Bamford's membership in the Board of Directors the Board has decided to cancel the option rights issued to him.

b) Development of and investments to company's business

Strengthening company's competitiveness and development opportunities requires continuous investments, proportion to scope of the business operations, especially in equipment and marketing, into which investments the company has budgeted significant amounts to be used during the coming years.

The company aims at increasing deliveries of TWIG Locator tracking device to new user groups, for example to security solutions and animal tracking. Total sales volume of TWIG Locator will still remain fairly modest since the product is targeted to a narrow segment of security business.

Specific target for 2007 is especially bringing the new products to the markets according to company's product roadmap. Success in timing and increasing the sales volume generated by the new business has a significant impact on company's revenue and profit in year 2007.

c) Magitel patent claim

Magi.tel company brought a claim against Benefon in Italy in 2001 in which it claimed that company's TWIN DS product was infringing an utility model registered in Italy and damages of 15 million euros to be paid. In December

2002 the company was informed of a preliminary ruling by the court confirming that Magi.tel's utility model wasn't probably valid.

The case was brought back to table in 2005 when the court was delivered new material supporting the validity of the utility model in question. The company's view is still that Magi.tel's claim is completely groundless on part of both claimed infringement of their utility model and damages. In the latest handling held in October 2006 the matter was postponed to be handled in November 2007.

BENEFON OYJ

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