

BENEFON ACCEPTS SUBSCRIPTIONS AND EXTENDS 7TH TRANCHE OF COMMITTED FINANCING

1. Acceptance of received subscriptions and extension of 7th tranche

Benefon announced on February 27th that the Board of Directors has called the seventh tranche of committed financing amounting to a maximum of EUR 1,400,000. The company has now received subscription for the amount of EUR 1,290,000 corresponding 92.14% of the offered maximum amount. Due to investors' interest to invest more than the offered maximum amount the Board of Directors has decided to accept the received subscription and at the same extend the seventh tranche by a maximum of EUR 561,000 as follows.

The Board of Directors decided on February 27, 2007 to offer at maximum 5,104,167 new investment series shares and convertible bond loan of at maximum EUR 328,125 for subscription by Villiers Securities Limited in a directed offering. The maximum total subscription price of the shares and convertible bond loan was EUR 1,400,000. Villiers Securities Limited has subscribed for approximately 92.14% of the offered shares and convertible bond loan. The number of subscribed shares is 4,703,125 and amount of convertible bond loan EUR 302,343.75 entitling to a subscription of at maximum 6,046,875 new investment series shares. The total amount of received subscriptions is EUR 1,290,000. The subscriptions have been paid according to terms of the offering and the Board of Directors has accepted the subscriptions.

As a result of the above share subscription the company's share capital is increased by EUR 47,031.25. The remainder of EUR 940,625.00 of the share subscriptions is booked to invested unrestricted equity fund. The convertible bond loan entitles its holder to subscribe for a maximum of 6,046,875 new investment series shares by December 31, 2012. Listing of the shares subscribed for in the directed offering of shares is estimated to take place approximately on March 27, 2007.

In addition to the above, due to investors' interest to make some additional investment to tranche 7 the Board of Directors has decided to extend the seventh tranche of committed financing and decided to issue shares and convertible bond loan for a total amount of EUR 561,000 to Ashland Partners LP and Killarney Partners in an extended directed offering ("extended directed offering"). Accordingly the total maximum amount of the seventh tranche is increased to EUR 1,851,000 including the already received and accepted subscription. The maximum number of new investment series shares offered for subscription in the extended directed offering is 2,045,313 and the subscription price EUR 0.21 (approximately) per share. The principal amount of convertible bond loan, which includes a specific right to use the loan to set off subscription price of shares as according to Chapter 10, Clause 1 of the Finnish Companies Act, is EUR 131,484.35 and each EUR 0.05 of the loan principal entitles its holder to subscribe for one new investment series share. The maximum number of shares that can be subscribed for by virtue of the loan is 2,629,687.

Of the shares offered for subscription in the extended directed offering 1,352,605 are offered for subscription to Ashland Partners LP and 692,708 to Killarney Partners and of the convertible bond loan EUR 86,953.10 to Ashland Partners and EUR 44,531.25 to Killarney Partners LP. Of the share subscription price EUR 0.01 is booked to share capital and the remainder in invested unrestricted equity fund. As a result of share issue company's share capital may increase by a maximum of EUR 20,453.13 and as a result of convertible bond loan by a maximum of EUR 26,296.87.

Subscription period for the extended directed offering begins on March 15, 2007 and ends on March 29, 2007. The shares offered for subscription in the extended directed offering represent at maximum 0.77 % and the convertible bond loan at maximum 0.99 % of the company's registered shares. The new shares subscribed for are equivalent of their right with company's existing investment series shares and will be applied for listing as soon as the respective share subscriptions have been made and shares registered in trade register. Listing of the shares subscribed for in the extended directed offering of shares is estimated to take place approximately on April 10, 2007.

2. Accepting subscriptions of convertible bond loan

Benefon Oyj's Board of Directors decided on February 27, 2007 to change the terms of loans granted by Luben Limited on November 22nd 2006 and December 15th 2006 in connection with the fourth and fifth tranches of the committed financing by attaching to these loans a specific right to use the principal of the loan to set off the subscription price of the company shares according to Chapter 10, Clause 1 of the Finnish Companies Act. The principal of the above-mentioned convertible bond loan is EUR 2,950,000 and the maximum number of shares that can be subscribed for by virtue of the loan 21,071,429. Of the share subscription price 0.01 is booked to share capital and the remainder in invested unrestricted equity fund. As a result of convertible bond loan the company's share capital may increase by a maximum of EUR 210,714.29. Luben Limited has subscribed the convertible bond loan according to its terms in full and the Board of Directors has decided to accept the subscription.

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BENEFON OYJ

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