

BENEFON EXTENDS THE FINANCING AGREEMENT AND RAISES SIXTH TRANCHE OF FINANCING

Benefon today announced that the company and Octagon Solutions Limited have agreed to extend the Financing Agreement concluded with Octagon Solutions Limited and disclosed on September 28th 2006 to cover also such additional financing as separately agreed to between the parties. The Board of Directors has accordingly decided to call the sixth tranche of financing according to amendment to Financing Agreement. For enabling continuance of the financing plan, if required, the company shall also call an extraordinary general meeting as to be separately announced.

The Board decided to issue shares and convertible bond loan for a total amount of EUR 400,000 to Ashland Partners LP ("directed offering"). The maximum number of new investment series shares offered for subscription is 1,666,667 and subscription price is 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 50.000 and each EUR 0.09 (approximately) 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 555,556.

All of the 1,666,667 shares are offered for subscription by Ashland Partners LP as well as the entire convertible bond loan of EUR 50,000. 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 16,666.67 and as a result of convertible bond loan by a maximum of EUR 5,555.56.

Subscription period for the directed offering begins on January 12, 2007 and ends on January 26, 2007. The shares offered for subscription in the directed offering represent at maximum 0.63 % and the convertible bond loan at maximum 0.21 % 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 directed offering of shares is estimated to take place approximately on February 8, 2007.

January 12th 2007

BENEFON OYJ

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