

UTSTARCOM, INC.  
RECONCILIATION OF GAAP REVENUE TO PRO FORMA NON-GAAP REVENUE  
(\$ in millions)  
(Unaudited)

To supplement our condensed consolidated financial statements presented on a GAAP basis, UTStarcom uses certain pro forma non-GAAP measures which are adjusted to present those metrics as if PCD had been divested prior to each time period reflected below. We believe this enables year over year comparisons to our current financial results. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of UTStarcom's underlying results and trends. In addition, these adjusted pro forma non-GAAP results are among the information management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for results prepared in accordance with generally accepted accounting principles in the United States.

Q3 Earnings Release Conference Call - November 6, 2008  
Reconciliation of 2007, Q1 2008 and Q2 2008 pro forma non-GAAP Information  
\$ in millions

	Consolidated Revenue as Reported in Q1 2007 Form 10Q	Consolidated Revenue as Reported in Q2 2007 Form 10Q	Consolidated Revenue as Reported in Q3 2007 Form 10Q	Consolidated Revenue as Derived from 10Qs & 10K	Consolidated Revenue as Reported in Full Year 2007 Form 10K	Consolidated Revenue as Reported in Q1 2008 Form 10Q	Consolidated Revenue as Reported in Q2 2008 Form 10Q	Consolidated Revenue as Reported in Q3 2008
GAAP Revenue	\$476	\$538	\$646	\$806	\$2,466	\$586	\$633	\$181
Less: PCD Segment (a)	288	358	458	560	1,664	431	449	0
Add: Handset Sales to PCD (b)	77	70	60	53	260	35	56	0
Total Non-GAAP Revenue	\$265	\$250	\$248	\$299	\$1,062	\$190	\$240	\$181

(a) Effective July 1, 2008 the PCD segment was divested by the Company

(b) The pro forma adjustment reflects estimated revenue from products sold to PCD, as if PCD was a third party entity. For consolidated reporting purposes these sales were considered intercompany sales and eliminated in consolidation.

UTSTARCOM, INC.  
RECONCILIATION OF GAAP GROSS MARGIN TO PRO FORMA NON-GAAP GROSS MARGIN  
(\$ in millions)  
(Unaudited)

To supplement our condensed consolidated financial statements presented on a GAAP basis, UTStarcom uses certain pro forma non-GAAP measures which are adjusted to present those metrics as if PCD had been divested prior to each time period reflected below. We believe this enables year over year comparisons to our current financial results. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of UTStarcom's underlying results and trends. In addition, these adjusted pro forma non-GAAP results are among the information management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for results prepared in accordance with generally accepted accounting principles in the United States.

Q3 Earnings Release Conference Call - November 6, 2008  
Reconciliation of 2007, Q1 2008 and Q2 2008 pro forma non GAAP Information  
\$ in millions

	Consolidated GM as Reported in Q1 2007 Form 10Q	Consolidated GM as Reported in Q2 2007 Form 10Q	Consolidated GM as Reported in Q3 2007 Form 10Q	Consolidated as Derived from 10Qs & 10K	Consolidated GM as Reported in Full Year 2007 Form 10K	Consolidated GM as Reported in Q1 2008 Form 10Q	Consolidated GM as Reported in Q2 2008 Form 10Q	Consolidated GM as Reported in Q3 2008
GAAP Gross Profit	\$75	\$80	\$64	\$102	\$321	\$92	\$82	\$57
GAAP Gross Margin %	16%	15%	10%	13%	13%	16%	13%	32%
Less: PCD Segment Gross Profit (a)	17	16	27	36	95	33	36	0
Add: Handsets Gross Profit from sales to PCD (b)	1	2	2	1	7	2	0	0
Total Non-GAAP Gross Profit	\$59	\$66	\$39	\$71	\$233	\$61	\$46	\$57
Non-GAAP Gross Margin %	22%	26%	16%	24%	22%	32%	19%	32%

(a) Effective July 1, 2008 the PCD segment was divested by the Company

(b) The pro forma adjustment reflects estimated gross profit from products sold to PCD, as if PCD was a third party entity. For consolidated reporting purposes these sales were considered intercompany sales and eliminated in consolidation.

UTSTARCOM, INC.  
RECONCILIATION OF GAAP OPERATING EXPENSES TO PRO FORMA NON-GAAP OPERATING EXPENSES  
(\$ in millions)  
(Unaudited)

To supplement our condensed consolidated financial statements presented on a GAAP basis, UTStarcom uses certain pro forma non-GAAP measures which are adjusted to present those metrics as if PCD had been divested prior to each time period reflected below. We believe this enables year over year comparisons to our current financial results. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of UTStarcom's underlying results and trends. In addition, these adjusted pro forma non-GAAP results are among the information management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for results prepared in accordance with generally accepted accounting principles in the United States.

Q3 Earnings Release Conference Call - November 6, 2008  
Reconciliation of 2007, Q1 2008 and Q2 2008 pro forma non-GAAP Information  
\$ in millions

	Consolidated OPEX as Reported in Q1 2007 Form 10Q	Consolidated OPEX as Reported in Q2 2007 Form 10Q	Consolidated OPEX as Reported in Q3 2007 Form 10Q	Consolidated as Derived from 10Qs & 10K	Consolidated OPEX as Reported in Full Year 2007 Form 10K	Consolidated OPEX as Reported in Q1 2008 Form 10Q	Consolidated OPEX as Reported in Q2 2008 Form 10Q	Consolidated OPEX as Reported in Q3 2008
GAAP Operating Expenses	\$128	\$135	\$116	\$155	\$534	\$123	\$113	\$92
Less: PCD Operating Expense (a)	9	8	7	7	31	8	8	0
Non-GAAP Operating Expense	\$119	\$127	\$109	\$148	\$503	\$115	\$105	\$92

(a) Effective July 1, 2008 the PCD segment was divested by the Company

UTSTARCOM, INC.  
RECONCILIATION OF GAAP OPERATING LOSS TO PRO FORMA NON-GAAP OPERATING LOSS  
(\$ in millions)  
(Unaudited)

To supplement our condensed consolidated financial statements presented on a GAAP basis, UTStarcom uses certain pro forma non-GAAP measures which are adjusted to present those metrics as if PCD had been divested prior to each time period reflected below. We believe this enables year over year comparisons to our current financial results. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of UTStarcom's underlying results and trends. In addition, these adjusted pro forma non-GAAP results are among the information management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for results prepared in accordance with generally accepted accounting principles in the United States.

Q3 Earnings Release Conference Call - November 6, 2008

Reconciliation of 2007, Q1 2008 and Q2 2008 pro forma non-GAAP Information

\$ in millions

	Consolidated Operating Loss From Q1 2007 Form 10Q	Consolidated Operating Loss From Q2 2007 Form 10Q	Consolidated Operating Loss From Q3 2007 Form 10Q	Consolidated as Derived from 10Qs & 10K	Consolidated Operating Loss From Full Year 2007 Form 10K	Consolidated Operating Loss From Q1 2008 Form 10Q	Consolidated Operating Loss From Q2 2008 Form 10Q	Consolidated Operating Loss From Q2 2008
GAAP Operating Loss	(\$52)	(\$55)	(\$52)	(\$53)	(\$212)	(\$31)	(\$31)	(\$35)
Less: PCD Segment Gross Profit (a)	17	16	27	36	95	33	36	0
Add: Handsets Gross Profit from sales to PCD (b)	1	2	2	1	7	2	0	0
Add: PCD Operating Expense (a)	9	8	7	7	31	8	8	0
Non-GAAP Operating Loss	(\$59)	(\$61)	(\$70)	(\$79)	(\$269)	(\$54)	(\$59)	(\$35)

(a) Effective July 1, 2008 the PCD segment was divested by the Company

(b) The pro forma adjustment reflects estimates from activities with PCD, as if PCD was a third party entity. For consolidated reporting purposes these activities were considered intercompany and eliminated in consolidation.