

UTSTARCOM, INC.
February 26, 2009 Conference Call

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 both PCD had been divested and Korea BU had been wound down prior to each time period reflected below. We believe this enables year over year comparisons to our recent 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.

	Qtr ended 31-Mar-07	Qtr ended 30-Jun-07	Qtr ended 30-Sep-07	Qtr ended 31-Dec-07	Year ended 31-Dec-07	Qtr ended 31-Mar-08	Qtr ended 30-Jun-08	Qtr ended 30-Sep-08	Qtr ended 31-Dec-08	Year ended 31-Dec-08
GAAP Revenue (a)	\$476	\$538	\$647	\$806	\$2,467	\$586	\$633	\$181	\$241	\$1,641
Less: PCD Segment Revenue (b)	288	358	458	560	1,664	431	449	-	-	880
Less: Korea BU Sales to PCD (c)	-	-	-	-	-	-	-	35	92	127
Non-GAAP Revenue	\$188	\$180	\$189	\$246	\$803	\$155	\$184	\$146	\$149	\$634

(a) GAAP Revenue for each period is the consolidated revenue as reported on Form 10-Q or Form 10-K, as applicable, for such period, except for the consolidated revenue for the quarter ended December 31, 2007, which is derived from the revenue reported in the Form 10-Qs and Form 10-K with respect to fiscal year 2007.

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

(c) Prior to the July 1, 2008 divestiture of PCD, Korea BU did not record revenue for units shipped to PCD as this activity was an intercompany transfer. After July 1, 2008 this activity was recorded as a third party sale in the Handset segment.

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RECONCILIATION OF GAAP GROSS PROFIT TO PRO FORMA NON-GAAP GROSS PROFIT
(\$ 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 both PCD had been divested and Korea BU had been wound down prior to each time period reflected below. We believe this enables year over year comparisons to our recent 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.

	Qtr ended 31-Mar-07	Qtr ended 30-Jun-07	Qtr ended 30-Sep-07	Qtr ended 31-Dec-07	Year ended 31-Dec-07	Qtr ended 31-Mar-08	Qtr ended 30-Jun-08	Qtr ended 30-Sep-08	Qtr ended 31-Dec-08	Year ended 31-Dec-08
GAAP Gross Profit (a)	\$75	\$80	\$64	\$102	\$321	\$92	\$82	\$57	\$30	\$261
GAAP Gross Margin %	16%	15%	10%	13%	13%	16%	13%	31%	12%	16%
Less: PCD Segment Gross Profit (b)	17	16	27	34	94	33	36	-	-	69
Less: Korea BU Gross Profit from Sales to PCD (c)	1	2	2	2	7	2	0	6	(4)	4
Non-GAAP Gross Profit	\$57	\$62	\$35	\$66	\$220	\$57	\$46	\$51	\$34	\$188
Non-GAAP Gross Margin %	30%	34%	19%	27%	27%	37%	25%	35%	23%	30%

(a) GAAP Gross Profit and GAAP Gross Margin % for each period is the consolidated gross profit and gross margin % as reported on Form 10-Q or Form 10-K, as applicable, for such period, except for the consolidated gross profit and gross margin % for the quarter ended December 31, 2007, which is derived from the gross profit and gross margin % reported in the Form 10-Qs and Form 10-K with respect to fiscal year 2007.

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

(c) Prior to the July 1, 2008 divestiture of PCD, Korea BU earned a gross profit on the intercompany transfer of inventory to PCD. This gross profit was recorded in the Handset segment. After July 1, 2008 this activity was recorded as a third party transaction.

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RECONCILIATION OF GAAP OPERATING EXPENSE TO PRO FORMA NON-GAAP OPERATING EXPENSE
(\$ 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 both PCD had been divested and Korea BU had been wound down prior to each time period reflected below. We believe this enables year over year comparisons to our recent 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.

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GAAP Operating Expense (a)	\$128	\$135	\$116	\$154	\$533	\$123	\$113	\$92	\$109	\$437
Less: PCD Operating Expense (b)	9	8	7	7	31	8	7	-	-	15
Less: Korea BU Operating Expense (c)	7	8	8	8	31	9	10	10	5	34
Non-GAAP Operating Expense	\$112	\$119	\$101	\$139	\$471	\$106	\$96	\$82	\$104	\$388

(a) GAAP Operating Expense for each period is the consolidated operating expense as reported on Form 10-Q or Form 10-K, as applicable, for such period, except for the consolidated operating expense for the quarter ended December 31, 2007, which is derived from the operating expenses reported in the Form 10-Qs and Form 10-K with respect to the fiscal year 2007.

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

(c) Both prior to and after the July 1, 2008 divestiture of PCD, all direct operating expense relating to Korea BU has been recorded in the Handset segment.

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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 both PCD had been divested and Korea BU had been wound down prior to each time period reflected below. We believe this enables year over year comparisons to our recent 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.

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GAAP Operating Loss (a)	(\$52)	(\$55)	(\$52)	(\$53)	(\$212)	(\$31)	(\$31)	(\$35)	(\$79)	(\$176)
Less: PCD Operating Profit (b)	8	8	20	27	63	25	28	-	-	53
Less: Korea BU Operating Loss (c)	(6)	(6)	(6)	(6)	(24)	(7)	(10)	(4)	(9)	(30)
Non-GAAP Operating Loss	(\$54)	(\$57)	(\$66)	(\$74)	(\$251)	(\$49)	(\$49)	(\$31)	(\$70)	(\$199)

(a) GAAP Operating Loss for each period is the consolidated operating loss as reported on Form 10-Q or Form 10-K, as applicable, for such period, except for the consolidated operating loss for the quarter ended December 31, 2007, which is derived from the operating loss reported in the Form 10-Qs and Form 10-K with respect to fiscal year 2007.

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

(c) Both prior to and after the July 1, 2008 divestiture of PCD, the operating loss relating to Korea BU has been recorded in the Handset segment.

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ABBREVIATED PRO FORMA NON-GAAP P&L STATEMENT (a)
(\$ 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 both PCD had been divested and Korea BU had been wound down prior to each time period reflected below. We believe this enables year over year comparisons to our recent 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.

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Non-GAAP Revenue	\$188	\$180	\$189	\$246	\$803	\$155	\$184	\$146	\$149	\$634
Non-GAAP Gross Profit	57	62	35	66	220	57	46	51	34	188
<i>Non-GAAP Gross Margin %</i>	30%	34%	19%	27%	27%	37%	25%	35%	23%	30%
Non-GAAP Operating Expense	112	119	101	139	471	106	96	82	104	388
Non-GAAP Operating Loss	(\$54)	(\$57)	(\$66)	(\$74)	(\$251)	(\$49)	(\$49)	(\$31)	(\$70)	(\$199)

(a) Please refer to the preceding reconciliation tables for the adjustments to GAAP Revenue, Gross Profit, Operating Expense and Operating Loss.