

# Investor Factsheet

## September 2009



### Company Overview

UTStarcom (NASDAQ:UTSI) is a global leader in IP – based network solutions including the manufacturing, integration and support services sold to telecommunications operators in both emerging and established markets around the world. UTStarcom enables its customers to rapidly deploy revenue-generating access services using their existing infrastructure, while providing a migration path to cost-efficient, end-to-end IP networks.

Proven IP technology experience and deep customer relationships make UTStarcom uniquely qualified to deliver next generation solutions in the world's fastest-growing economies.

### UTStarcom's Strategic Priorities

- **Focus on IP based technology**
  - IP-based solutions offer interactive user experiences, revenue generating opportunities & improved network efficiency.
- **Maintain presence in rapidly growing economies**
  - Market leader in China (IPTV) & India (IPTV, Broadband)
  - Significant growth potential in these & other markets
- **Cultivate strong telecom carrier relationships**
  - Customer-centric focus to enhance the economic model
  - Advanced technological capabilities to customize products & satisfy customer requirements
- **Execute announced restructuring actions (see below)**
  - Actions expected to be completed by year-end
  - Targeting annualized OPEX < \$100 million; headcount < 2,000
- **Achieve 2010 target financial model for profitability**
  - Annualized revenue > \$350 million
  - Gross Margins in the high 20%
  - Annualized operating expenses < \$100 million

### UTStarcom's Restructuring Actions

To be completed by year end 2009

- **Exit non-core businesses**
  - Very limited exposure to handset operation
- **Consolidate HQ functions in China**
  - Key functions to be moved to China
- **Outsource manufacturing operations in 4Q09**
  - Achieve variable cost model & improved cash flow cycles
- **Optimize R&D spending and Go-to-Market Strategy**
  - Reduce spending on legacy products
  - Focus spending on growth opportunities
  - Develop new partnerships
- **Rationalize facility locations**
  - Maintain strategic presence
- **Reduce employee headcount to < 2,000**

### Company Facts

**Ticker:** (NASDAQ: UTSI)

**Founded:** 1991

**IPO:** 2000

**Corporate Website:** [www.utstar.com](http://www.utstar.com)

**Investor Relations Website:**  
<http://investorrelations.utstar.com>

### Financial Snapshot

#### **Q2 2009 GAAP Financials**

- Revenue: \$80.2 million
- Gross Margins: (19.8%)<sup>1</sup>
- Net Loss: \$84.3 million<sup>2</sup>

**Cash and short-term investments:**  
\$276m (June 30, 2009)

**Debt:** \$0 (as of June 30, 2009)

**Stock Price:** \$2.05 (Sept. 25, 2009)

**Market Cap:** \$263.3m (Sept. 25, 2009)

**Shares Outstanding:** 128.5 million

**Average Daily Volume:** 696K shares

*1 Reflects charges of \$34.4M primarily related to the exited handset business*

*2 Reflects significant charges of \$50.3M net, including a \$27.8M charge*

# Investor Factsheet (cont.)

## September 2009



### Suite of IP-Based Products

Our suite of key IP based products can be sold independently or as a complementary package. Our ability to cross sale to our clients creates a deeper customer relationship with favorable gross margins.

### IPTV (Internet Protocol Television)

UTStarcom's IPTV solutions enable the delivery of broadcast quality TV and Video on Demand (VOD) services over an IP network along with a plethora of value added applications such as high-definition TV (HDTV), time-shift TV, video calling and conferencing, distance learning, IP Surveillance, digital signage and more.

#### **Highlights**

- 1st vendor to deploy an end-to-end IPTV solution
- Unified platform for IPTV, digital signage and interactive services for cable, satellite and terrestrial broadcasters
- IPTV market leader in Asia

### Broadband Access Solutions

UTStarcom's Broadband solutions enable deployment of IP-based, high-speed Internet, voice, data and multimedia services over wireline and optical networks. Our Broadband solutions offer the benefit of converged access, via the MSAN approach, with an integrated TDM migration, POTS termination, DSL, Media Gateway and GEPON access on the same platform, reducing operators' capital expenditure (CAPEX) and operating expenditure (OPEX) substantially.

#### **Highlights**

- 1st vendor to introduce and deploy IP-DSLAM worldwide
- 1st vendor to deploy GEPON network worldwide
- #1 Market Share Multi-Service Access Node
- Over 30 million Broadband ports deployed worldwide
- Market leader in India, entering China

### NGN

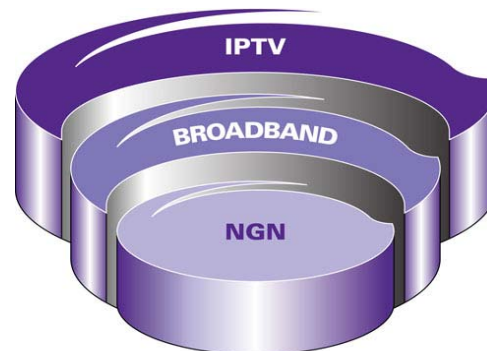
UTStarcom's Next Generation Network (NGN) solutions include IP telephony for next generation voice and data networks, ensuring a converged triple-play service delivery of voice, data and multimedia services.

#### **Highlights**

- #1 market share of Class 5 Local VOIP traffic globally
- Evolution to C5/C4 Replacement and FMC

### Forward-Looking Statements

This investor factsheet contains forward-looking statements, but actual results could differ materially from the company's current expectations. To understand the risks that could cause results to differ, please refer to the risk factors identified in the company's latest Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, which are filed with the Securities and Exchange Commission. This investor factsheet also includes financial guidance and information about the company previously disclosed during the company's 2009 earnings conference calls, restructuring announcements on December 18, 2008 and June 11, 2009 and other filings with the Securities and Exchange Commission. Such guidance and information reflects the company's information and expectations as of those dates and this presentation is not intended to confirm or update that information and expectations.



#### **Investor Relations Contact:**

Barry Hutton  
Senior Director, Investor Relations  
barry.hutton@utstar.com

#### **Corporate Headquarters:**

1275 Harbor Bay Parkway  
Alameda, CA 94502  
510-864-8800

#### **Transfer Agent:**

Computershare  
781-575-2879