Investor Presentation September 2009

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Forward Looking Statements

This presentation 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 presentation 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 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 or expectations.

Our Company

- **Corporate overview**
  - Founded in 1991
  - Headquartered in Silicon Valley (Alameda, CA)
  - IPO March 2000 (NASDAQ: UTSI)

- **Operational overview**
  - Customer base located primarily in China, India & Japan
  - Operations, employees, R&D based largely in China
  - Presence in rest of Asia, Latin America, Europe

- **Blend of Western & Eastern strengths**

Our Future

- **Enhance & capitalize on our Asian presence**
  - Add Board members with additional knowledge of China
  - Move key functions from Alameda HQ to China
  - Streamline and strengthen operations in China

Strategic Priorities for Success

- **Focus on IP based technology**
  - IPTV, NGN and Broadband products + related professional services
- **Maintain presence in rapidly growing economies**
  - Market leader in China (IPTV) & India (IPTV, Broadband)
  - Significant growth potential in China and India
- **Cultivate strong telecom carrier relationships**
  - Advanced technological problem solving capabilities
  - Customer-centric business model to enhance economics
- **Execute announced restructuring actions**
  - Exit non-core businesses; improve company focus
  - Streamline & consolidate operations & facilities
  - Reduce headcount to < 2,000 employees by year end
- **Achieve 2010 financial model driving profitability**
  - Annualized operating expenses < $100 million
  - Gross margins in the high 20's
  - Revenues > $350 million

Our IP Based Portfolio

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

- **NGN Leadership**
  - #1 market share of Class 5 local VOIP traffic globally
  - Evolution to C5/C4 replacement and fixed mobile convergence (FMC)

- **Broadband Leadership**
  - 1st vendor to introduce and deploy IP-DSLAM worldwide
  - 1st vendor to deploy GEPON network worldwide
  - #1 market share in Multi-Service Access Node (MSAN)
  - Over 30 million Broadband ports deployed worldwide
  - Market leader in India, entering China

Market Presence in Rapidly Growing Economies

- **China**
  - Leading IPTV market share, building Broadband
  - Key relationships with China Netcom, China Telecom, China Mobile
- **India**
  - Broadband market share leadership
  - IPTV market share leadership
  - Key customer relationships (MTNL, Reliance, Bharti, BSNL and Tata)
- **Japan**
  - Strong customer relationship (Softbank)
- **Rest of Asia**
  - Sri Lanka (SLT), Taiwan (CHT, Markwell), Philippines (PLDT), Korea (Korea Telecom)
- **Latin America**
  - Brazil (Brazil Telecom), Argentina (Nextel)

Strong Carrier Relationships

Carriers trust UTStarcom to solve complex problems and provide enhanced economic models

- **Technology and scale**
  - NGN Softswitch delivers > 20% of the world's VoIP traffic
  - MSAN services > 27 million subscribers
  - NGN and Broadband modernize service provider networks
  - Leading IPTV end-to-end solution in China and India
  - Leading edge optical technology with PTN and GEPON

- **Customized network design**
  - Flexibility to support unpredictable traffic growth
  - Optional features (video calling, digital signage, telemedia)

- **Professional services to support infrastructure products**
  - Network design
  - Project management
  - System installation

Financial Overview

2010 Financial Model for Profitability

- **2010 revenue greater than $350 million**
  - 2009 & Q1 2010 bookings momentum
  - Recognize deferred revenue on the balance sheet

- **Gross margins in the high 20's**
  - Multimedia 35 – 40% (IPTV, NGN products)
  - Broadband > 20% (higher margins on TN)
  - Professional services ~ 30%
  - Little exposure to low margin handsets

- **Operating expenses below $100 million**
  - Reduced SG&A levels by streamlining operations & product focus
  - R&D spending focused on high growth infrastructure products
  - Adjusted Sales / Go-To-Market approach
  - Consolidated facilities & functions

Restructuring Actions Underway

Targeting annualized operating expenses < $100 million; headcount < 2,000

Actions to be completed by year end:

- **Exit non-core businesses**
  - Very limited exposure to handset operation
- **Consolidate HQ functions in China**
  - Key functions to be moved to China
- **Outsource manufacturing operation 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**

Cash Position & Potential Asset Monetization

- **$276 million in cash & equivalents; no debt**
  - As of June 2009
- **Second half cash usage will include:**
  - $40 - $45 million of restructuring payments
  - Operating expenses (expected to be less than 1H:2009)
  - Working capital requirements influenced by new contract wins
- **Potential sale of Hangzhou China building**
  - Book value of $162 million (June 2009)
  - Hired a realtor to facilitate a sale
  - Transaction value & timing dependent on market conditions

Management Team

Management Team

Executive management team with Fortune 500 experience & regional expertise

Executive	Recent Experience
Peter Blackmore, CEO & President	Unisys, Hewlett-Packard, Compaq
Viraj Patel, Interim CFO	UTStarcom's Controller & Chief Accounting Officer, Nektar, Avanti
Ari Bose, CIO and BTO	3Com, Nortel Networks, Claris
Baijun Zhao, SVP Multimedia	Motorola, Lucent, Tellabs
Yanya Sheng, SVP Broadband	Nortel Networks, Hitachi Telecom
Luis Dominguez, SVP Int'l Sales, Marketing & Services	Unisys Corporation
Charles Mah, SVP China Sales & Marketing	Nokia, Macromedia, Openwave
Mark Green, SVP, Human Resources	VeriSign, Nortel Networks
K.P. Lim, VP, Chief Quality Officer	Hewlett Packard, NovAtel and JDS Uniphase

Strategic Priorities for Success

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  - Streamline & consolidate operations & facilities
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Appendix
Infrastructure Solutions

Building a world of better communication…

- **RollingStream™ – End-to-end IPTV Solution**
  - Leading IPTV market share in both India and China
  - Unified IPTV platform providing multiple revenue generating services
    - Add-on interactive services for cable, satellite and terrestrial broadcasters
    - Mobile TV
    - IP Digital Signage
- **mBOSS ™ – Business enabling Operations Support Solution**
  - Complete operation support solutions
  - Common BSS/OSS for all UTStarcom products and solutions
- **NetMan ™ – Network Management System**
  - Comprehensive End-to-end NMS Solution
  - Common NMS for all UTStarcom products and solutions

Modernizing voice communications…

- **mSwitch® – NGN SoftSwitch Solution**
  - Leading the industry in Class 5 Local Transport
  - 200 billion IP telephony minutes-of-usage per year and surpassing more than 600 billion in the past three years
- **iPAS – NGN Wireless SoftSwitch**
  - Solution over 60 million wireless subscribers globally
  - Evolution to FMC and C5/C4 replacement
- **mBOSS ™ – Business enabling Operations Support Solution**
  - Complete operation support solutions
  - Common BSS/OSS for all UTStarcom products and solutions
- **NetMan ™ – Network Management System**
  - Comprehensive End-to-end NMS Solution
  - Unified NMS for all UTStarcom products and solutions

Broadband

Building a world of faster communication…

- **iAN8K ™ B1000 & iAN B1200 - IP DSLAM/MSAN**
  - 1st All-IP DSLAM in the world
  - Fourth generation architecture designed for broadband multi-play
  - Over 30 million POTS, VoIP, and DSL ports installed globally

- **NetRing ™ – MSTP Solution**
  - We are connecting entire countries with Multi-service Optical Transport
  - Integrates ADM, Cross Connect, ATM, Ethernet and RPR functionality within a single scalable platform

- **NetRing ™ TN – Packet Optical Transport (P-OTS)**
  - Enabling a truly converged packet transport network for key applications such as 2G/3G/LTE mobile backhaul, enterprise services, and broadband aggregation
  - Significant CAPEX and OPEX savings enabled by MPLS-TP based low-cost, scalable, and efficient solution

- **BBS4000/1000+ ™ – GEPON Solution**
  - Worlds first GEPON Solution
  - Continues to expand in India and China

Appendix
Pro Forma Non-GAAP Financial Results

Pro Forma Non GAAP Results
Q1 2008 – Q2 2009

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 the Korea handsets business 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.

Pro Forma Non GAAP Revenue
Q1 2008 – Q2 2009

RECONCILIATION OF GAAP REVENUE TO PRO FORMA NON-GAAP REVENUE
($ in millions)
(Unaudited)

	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	Qtr ended 31-Mar-09	Qtr ended 30-Jun-09
GAAP Revenue (a)	$586	$633	$181	$241	$1,641	$119	$80
Less: PCD Segment Revenue (b)	431	449	-	-	880	-	-
Less: Korea Handset Sales to PCD (c)	-	-	35	92	127	39	(3)
Non-GAAP Revenue	$155	$184	$146	$149	$634	$80	$83

(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, 2008, which is derived from the revenue reported in the Form 10-Qs and Form 10-K with respect to fiscal year 2008.

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

(c) Prior to the July 1, 2008 divestiture of PCD, Korea handset 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.

Pro Forma Non GAAP Gross Profit
Q1 2008 – Q2 2009

RECONCILIATION OF GAAP GROSS PROFIT TO PRO FORMA NON-GAAP GROSS PROFIT
($ in millions)
(Unaudited)

	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	Qtr ended 31-Mar-09	Qtr ended 30-Jun-09
GAAP Gross Profit (a)	$92	$82	$57	$30	$261	$22	($16)
GAAP Gross Margin %	*16%*	*13%*	*31%*	*12%*	*16%*	*18%*	*(20%)*
Less: PCD Segment Gross Profit (b)	33	36	-	-	69	-	-
Less: Korea Handset Gross Profit from Sales to PCD (c)	2	0	6	(4)	4	3	(28)
Non-GAAP Gross Profit	$57	$46	$51	$34	$188	$19	$12
Non-GAAP Gross Margin %	*37%*	*25%*	*35%*	*23%*	*30%*	*24%*	*14%*

(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, 2008, 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 2008.

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

(c) Prior to the July 1, 2008 divestiture of PCD, Korea handset 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.

Pro Forma Non GAAP Operating Expense Q1 2008 – Q2 2009

RECONCILIATION OF GAAP OPERATING EXPENSE TO PRO FORMA NON-GAAP OPERATING EXPENSE
($ in millions)
(Unaudited)

	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	Qtr ended 31-Mar-09	Qtr ended 30-Jun-09
GAAP Operating Expense (a)	$123	$113	$92	$109	$437	$81	$70
Less: PCD Operating Expense (b)	8	7	-	-	15	-	-
Less: Korea Handset Operating Expense (c)	9	10	10	5	34	3	2
Non-GAAP Operating Expense	$106	$96	$82	$104	$388	$78	$68

(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 endedDecember 31, 2008, which is derived from the operating expenses reported in the Form 10-Qs and Form 10-K with respect to the fiscal year 2008.

(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 handset has been recorded in the Handset segment.

Pro Forma Non GAAP Operating Loss
Q1 2008 – Q2 2009

RECONCILIATION OF GAAP OPERATING LOSS TO PRO FORMA NON-GAAP OPERATING LOSS
($ in millions)
(Unaudited)

	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	Qtr ended 31-Mar-09	Qtr ended 30-Jun-09
GAAP Operating Loss (a)	($31)	($31)	($35)	($79)	($176)	($59)	($85)
Less: PCD Operating Profit (b)	25	28	-	-	53	-	-
Less: Korea Handset Operating Loss (c)	(7)	(10)	(4)	(9)	(30)	-	(30)
Non-GAAP Operating Loss	($49)	($49)	($31)	($70)	($199)	($59)	($55)

(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, 2008, which is derived from the operating loss reported in the Form 10-Qs and Form 10-K with respect to fiscal year 2008.

(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 handset has been recorded in the Handset segment.

Pro Forma Non GAAP P&L
Q1 2008 – Q2 2009

ABBREVIATED PRO FORMA NON-GAAP P&L STATEMENT (a)
($ in millions)
(Unaudited)

	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	Qtr ended 31-Mar-09	Qtr ended 30-Jun-09
Non-GAAP Revenue	$155	$184	$146	$149	$634	$80	$83
Non-GAAP Gross Profit	57	46	51	34	188	19	12
Non-GAAP Gross Margin %	*37%*	*25%*	*35%*	*23%*	*30%*	*24%*	*14%*
Non-GAAP Operating Expense	106	96	82	104	388	78	68
Non-GAAP Operating Loss	($49)	($49)	($31)	($70)	($199)	($59)	($55)

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