



Third Quarter 2018 Results

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www.utstar.com

Disclosure and Forwarding Looking Statements



This investor presentation contains forward-looking statements, including statements regarding the Company's expectation regarding its strategic initiatives and business outlook. Forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company, the Company's future performance and the industries in which the Company operates as well as on the Company management's assumptions and beliefs.

These forward-looking statements are only predictions and are subject to risks and uncertainties that may cause actual results to differ materially and adversely from the Company's current expectations. These include risks and uncertainties related to, among other things, changes in the financial condition and cash position of the Company, changes in the composition of the Company's management and their effect on the Company, the Company's ability to realize anticipated results of operational improvements and benefits of the divestiture transaction, successfully operate and grow its services business, execute its business plan and manage regulatory matters, as well as the risk factors identified in the Company's latest Annual Report on Form 20-F, and Current Reports on Form 6-K, as filed with the Securities and Exchange Commission. We undertake no obligation to update these forward-looking statements to reflect events or circumstances occurring after the date of this investor presentation. The Company is in a period of significant transition and the conduct of its business is exposed to additional risks as a result.

Q3 2018 Financial Highlights



	Q3 2018	Y/Y Change	Q/Q Change
Revenues	\$52.1	+100.1%	+82.5%
Gross Profit	\$9.9	-6.4%	+32.2%
Operating Expenses	\$5.8	-22.5%	-16.9%
Operating Income	\$4.1	+33.1%	+728.9%
Net Income	\$2.1	-\$0.0	+\$2.2
Basic EPS	\$0.06	--	+\$0.06
Cash Balance (Including Restricted Cash)	\$66.8	-39.0%	-17.0%

Note: All dollar figures in millions (except basic EPS)

Key Business Highlights



SyncRing XGM30 Launched in November

- IP65-compliant compact outdoor device
- Uses GNSS satellite signal as primary time reference
- Advanced features include:
 - Concurrent multi-GNSS multi-channel reception for highly improved timing accuracy and availability
 - Extra-high-precision double-oven OCXO
 - Two optical Ethernet ports, performance monitoring and comprehensive management features

International Timing & Sync Forum 2018

- Gold sponsor conference with high visibility
- Introduced XGM30 in this key industry
- Presented keynote speech covering challenges of synchronization in 5G networks

SRv6 Router Product Line

- Critical new product line gaining traction with customer evaluations
- Based on segment routing (SR) over IPv6 data plane (SRv6) integrated with SDN platform SOO network
- Offers greater scalability and flexibility
- High value proposition:
 - Enables high agility and automation
 - Reduces network complexity
 - Optimizes operation and maintenance

Key Business Highlights – ITSF 2018



- The International Timing & Sync Forum (ITSF) – the largest specialist time and sync conference in the world held in Bucharest, Romania from November 5 to 8, 2018
- Key conference theme: “Time as a key enabler for SMART infrastructure”
- UTStarcom is the Gold sponsor of the event delivering a Keynote presentation: **“Sync over packet for 5G era”**
 - Challenges related to the cost-effectiveness of highly accurate synchronization in mobile networks
 - Strategy to meet technical requirements of 4G and 5G networks based on the clustered distributed timing architecture
- Launched the new SyncRing XGM30 generating broad interest



Key Business Highlights



India

- Key market presence
- Expanding market share
- Several major projects underway
- Business is robust
- Revenue far above expectations



INDIA

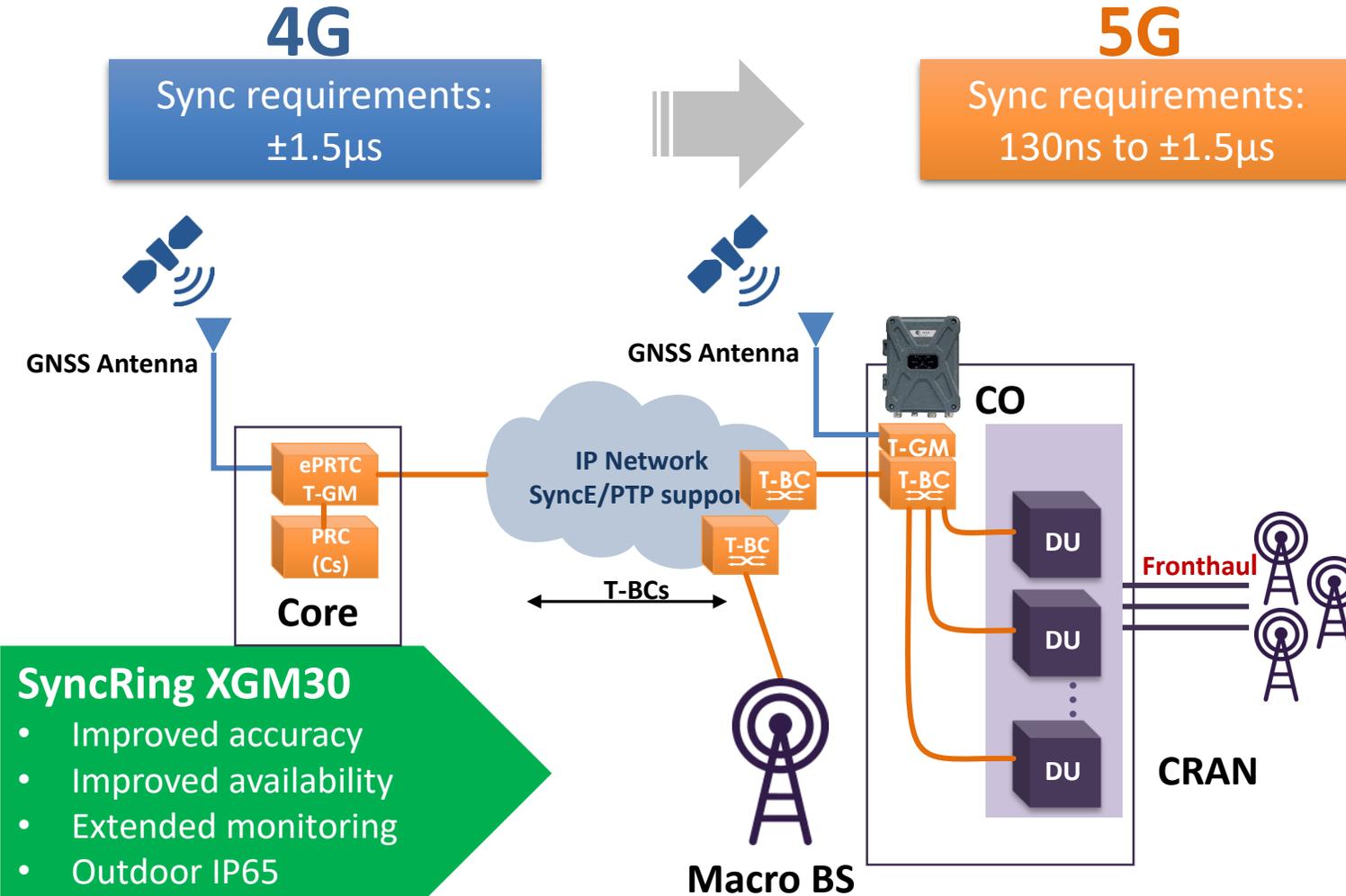


CHINA

China

- Products/architecture well suited for 5G migration in China
- Collaborating with potential partners on next-generation mobile network projects
- Forged strategic partnership with Tongding Internet Information Company

4G/5G-ready Synchronization



SyncRing XGM30

- Improved accuracy
- Improved availability
- Extended monitoring
- Outdoor IP65

SyncRing XGM30
Grand Master

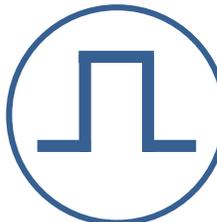
SyncRing XBC510
Boundary Clock

Netman 6000 OMC-O
Centralized network management

SyncRing XGM30: Synchronization for 5G



Concurrent GNSS multi-system / multi-frequency



Sync Ethernet



High-grade OCXO



PTP IEEE 1588v2



Outdoor deployment



Performance monitoring

XGM30 Grand Master

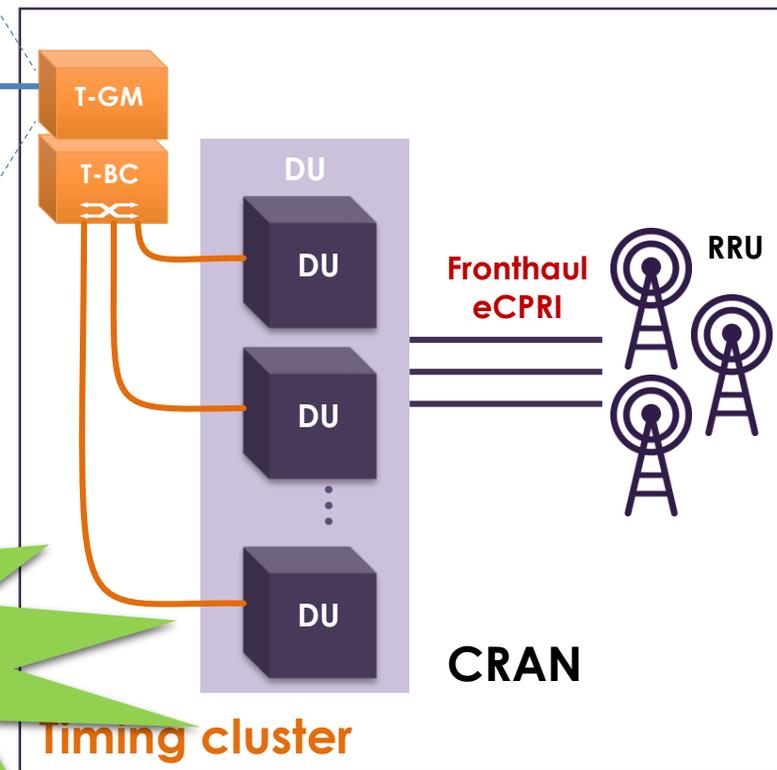


GNSS Antenna

TE accuracy per PRTC-B at network edge!

TE $\leq \pm 40\text{ns}$

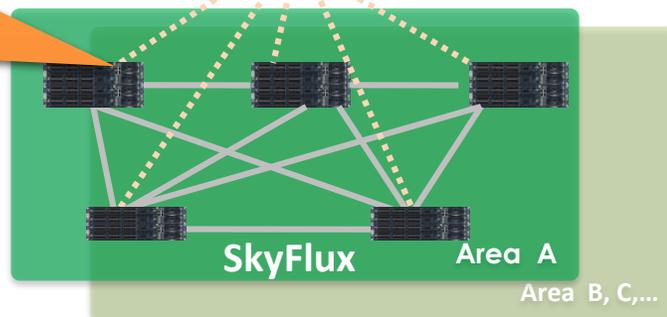
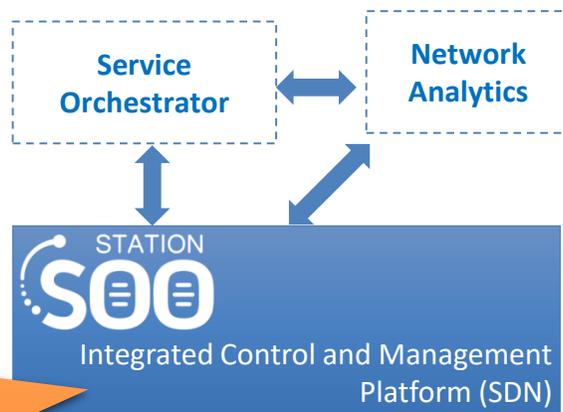
Released November 8, 2018



SkyFlux UAR: SRv6 Router Family



April 19, 2018
Announced
POC-ready release



Intelligent Networking:
Source Routing + SDN + 10/100GE

Enable
network programmability,
SDN-based automation,
and high network scalability...
...while reducing complexity

- UAR500**
- SRv6-enabled high-performance aggregation router
 - 800Gbps capacity
 - Interfaces up to 100GE
 - Modular full-redundant chassis, 5RU
 - Tight SDN integration



Programmable agile network
Seamless SDN integration
L2VPN/L3VPN services
Carrier-class feature set
(sub-50ms protection, OAM, TE, QoS)
100GE support
Reliable modular hardware platform

Key Technologies for 5G Network



Segment Routing(SR):

- ① A new forwarding paradigm
- ② Source routing technology
- ③ Simplify MPLS networks
- ④ Great match SDN automation
- ⑤ SR MPLS or SRv6



01

Clock Synchronization:

- ① Sync over packet NW
- ② Distributed GM clock
- ③ High accuracy for 5G

02



SDN Controller

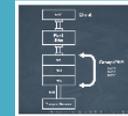
- ① Service orchestration
- ② Network on demand
- ③ Automation
- ④ APP driven

04

03

FlexE:

- ① Various Ethernet MAC rates;
 - ① Bonding of multiple links
 - ② Sub-rating of links
 - ③ Channelization of links
- ② TDM Tunnel and XC



01

Segment Routing

New tunneling technology in packet NW base on sourcing routing

02

Synchronization

"Sync over packet NW" with PTP (Precision Time Protocol) and SyncE

03

FlexE

Flex Ethernet through a variety of Ethernet MAC rates

04

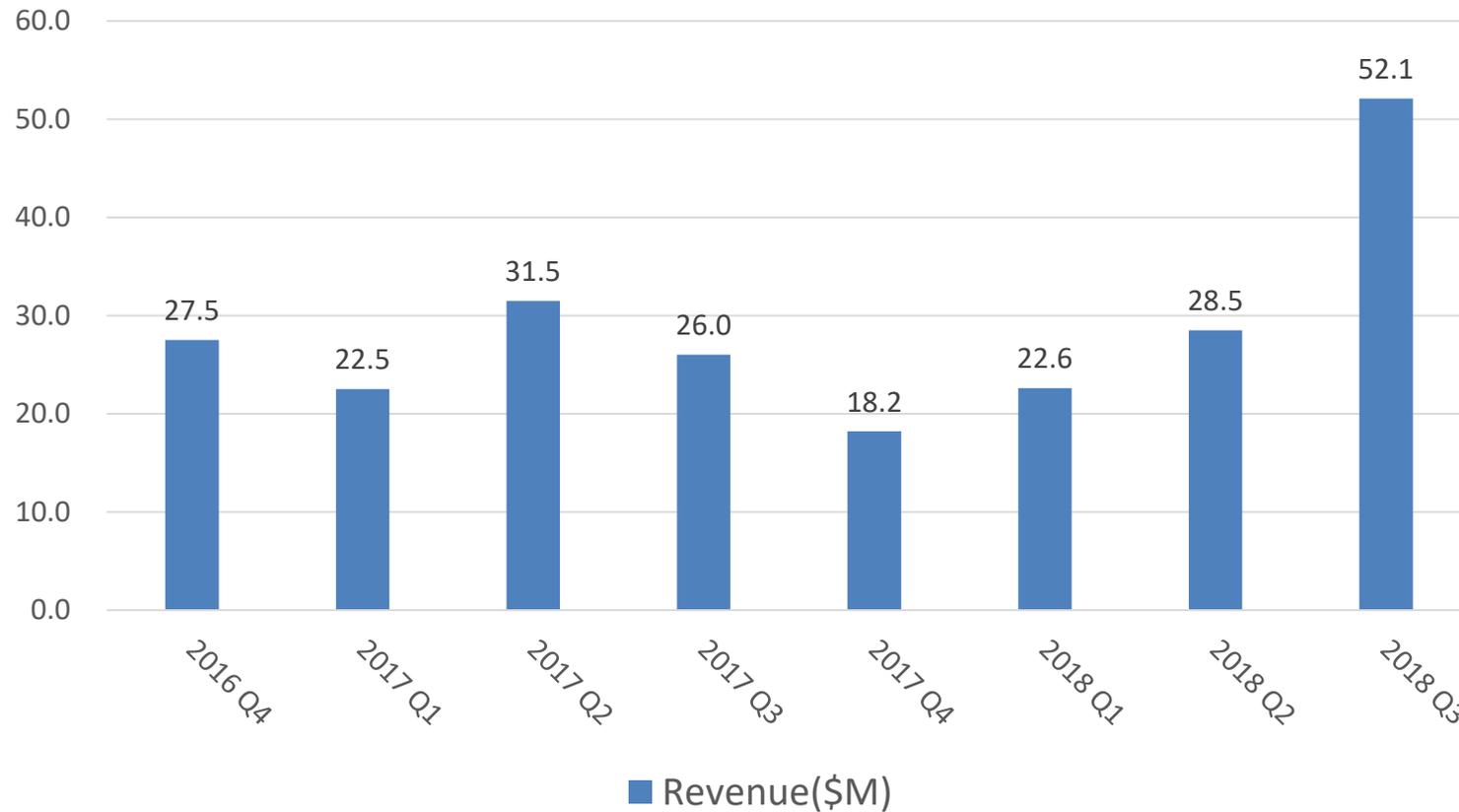
SDN Controller

SDN for service orchestration with APP driven

Revenues



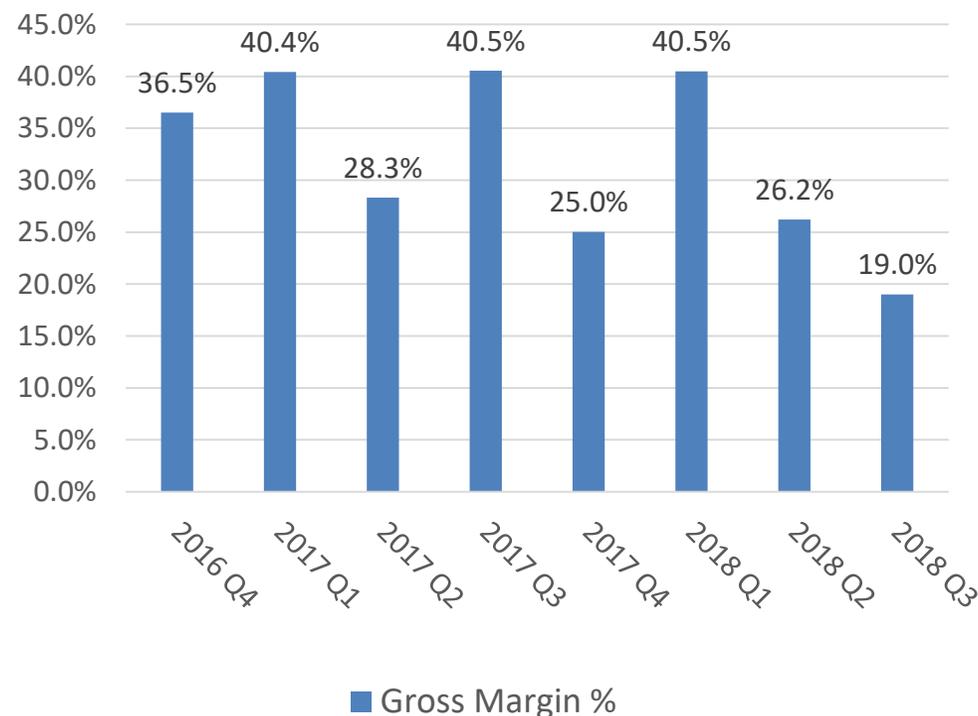
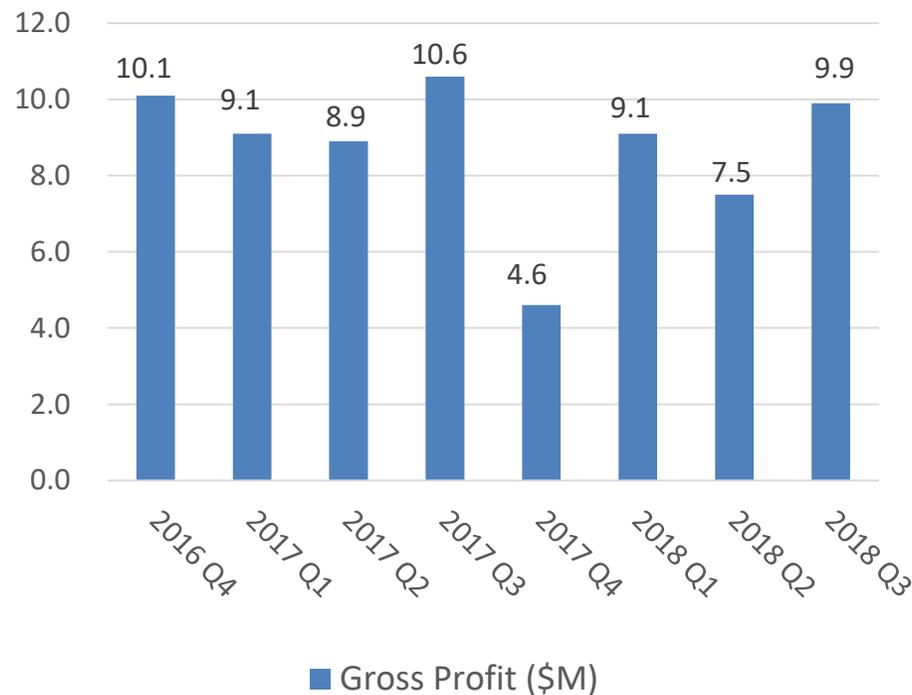
- +100% year over year
- +83% sequentially



Gross Profit and Gross Margin



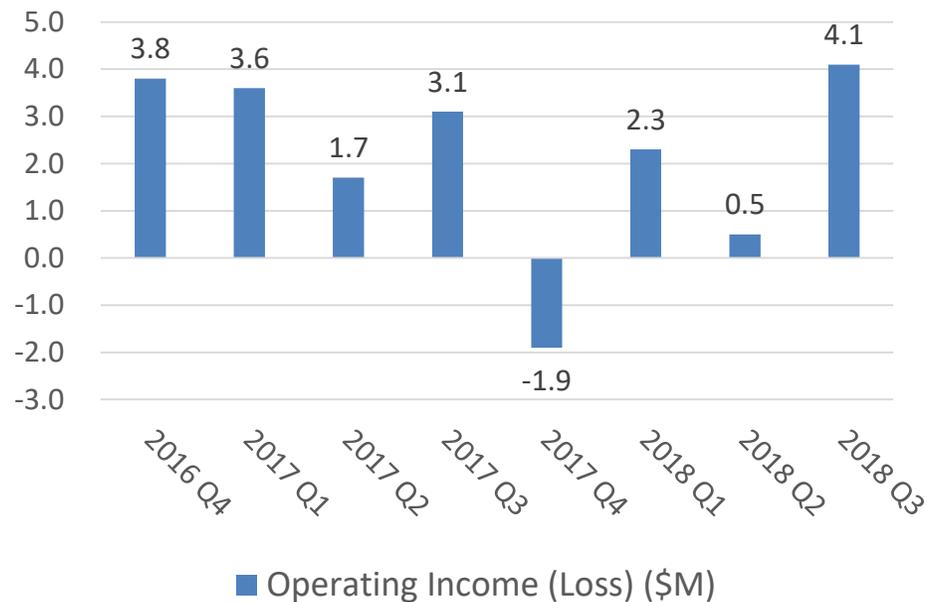
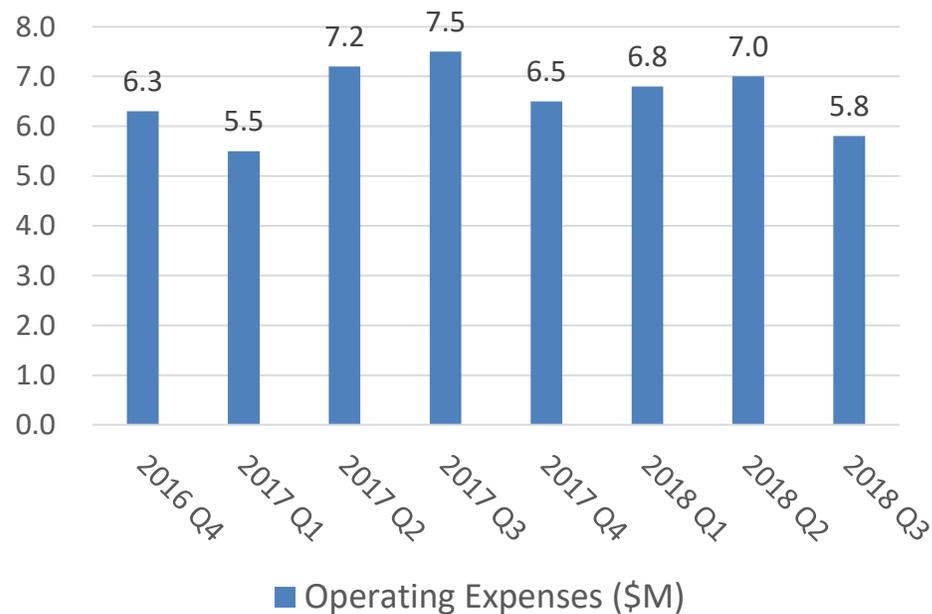
- Gross Profit +32% sequentially primarily from revenue increase in India



Operating Expenses and Operating Income (Loss)



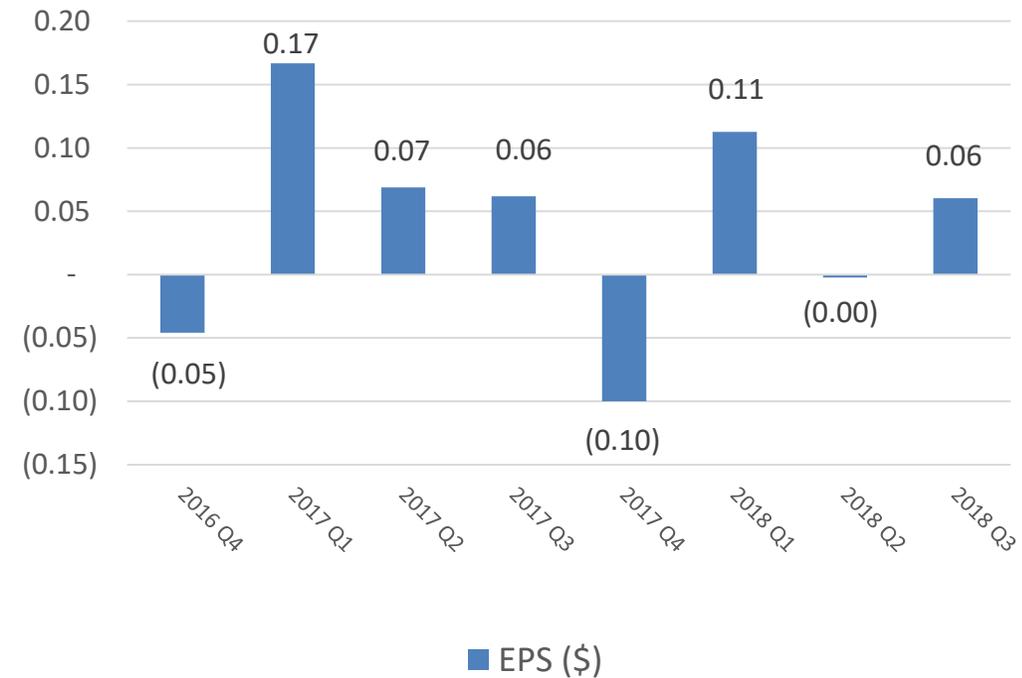
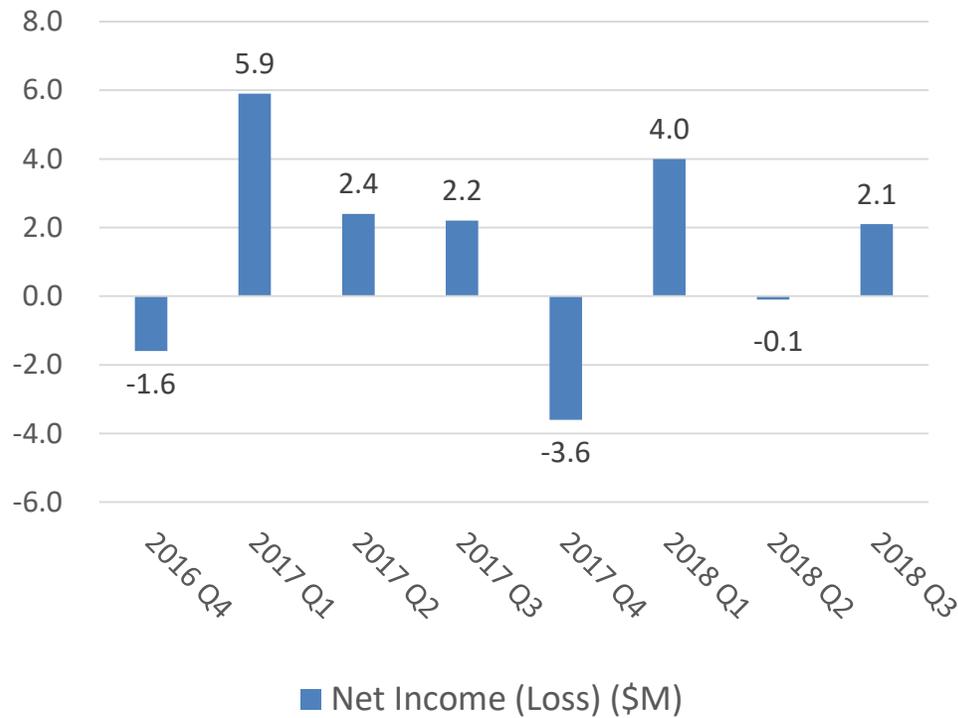
- Significant reduction in SG&A expenses while maintaining higher spending in R&D
- Achieved the highest quarterly operating profit since 2012



Net Income (Loss) and EPS



- Returned to profitability despite absorbing a significant currency translation loss due to the devaluation of India Rupee



Cash Flow

- Net Operating Cash reduction reflected the timing in cash collection from 2 large India projects completed near the end of the quarter



Q4 2018 Outlook



- Revenue \$10 to \$15 million
 - Quarterly revenue stream is usually uneven
 - Depends on the timing of project fulfillments

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