



## NEWS RELEASE - FOR IMMEDIATE RELEASE

### **UTStarcom Executes Definitive Agreement to Sell IP Messaging and US PDSN Assets To NewNet Communication Technologies**

#### ***Signs reseller agreement with NewNet Communication Technologies to distribute core IP-based products in North America and Latin American Regions***

ALAMEDA, Calif., May 25, 2010 -- UTStarcom, Inc. (Nasdaq: UTSI) today announced the sale of its IP Messaging and US PDSN Assets to NewNet Communication Technologies, a Skyview Capital portfolio company and a recognized leader in text messaging and network signaling solutions for wireless, IP, and wireline networks. Under the terms of the agreement, NewNet Communication Technologies will also become a reseller of the UTStarcom core IP-based product portfolio in the North America and Latin American regions. Terms of the agreement were not disclosed. The transaction is expected to close in June of 2010.

"We are pleased to be partnering with NewNet Communication Technologies, who we are confident will provide exceptional localized service to UTStarcom customers as our reseller in the Americas regions," said Peter Blackmore, chief executive officer and president of UTStarcom. "We feel this indirect sales approach for our core IP-based products will be a more effective and successful go to market strategy for this region of the world. This agreement further simplifies our operations and is consistent with our stated strategy to maximize UTStarcom's opportunities in our core IP-based product offerings."

Blackmore added, "We are also confident that NewNet Communication Technologies is well positioned to continue to develop, market and service our well received IP Messaging and PDSN products."

"We are excited to enter into this agreement with UTStarcom as it expands our portfolio of telecom solutions and our reach into the Latin American region," said Ron Pyles, chief executive officer and president of NewNet Communication Technologies. "We will go to market aggressively with these new assets as well as the UTStarcom IP-based product portfolio."

Alex Soltani, Chairman of Skyview Capital, said, "having previously acquired the Traxcom product family from UTStarcom we are pleased to have worked with this industry leader in advancing our plan for expanding NewNet's presence in the global telecommunications market. We are particularly happy that this transaction allows us, through the associated reseller agreement, to form an ongoing relationship with UTStarcom."

NewNet Communication Technologies will continue to service and provide localized support to existing UTStarcom customers. To facilitate this transition, key personnel from UTStarcom will be hired on to the new organization as a part of the agreement.

## **About UTStarcom Inc.**

UTStarcom is a global leader in IP-based, end-to-end networking solutions and international service and support. The Company sells its solutions to operators in both emerging and established telecommunications 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.

Founded in 1991 and headquartered in Alameda, California, the Company has research and development operations in the United States, China, and India. For more information about UTStarcom, visit the Company's Web site at <http://www.utstar.com>.

## **About NewNet Communications Technologies**

Headquartered in Trumbull, Connecticut, NewNet Communication Technologies LLC is a recognized leader in text messaging and network signaling solutions for wireless, IP, and wireline networks. NewNet's robust, scalable telecom signaling platforms have enabled the rapid development and deployment of over four thousand carrier grade, revenue generating applications worldwide. NewNet, a pioneer in text messaging systems has been deployed messaging platforms to mobile operators in over 60 countries. For nearly two decades, NewNet CT has been synonymous with signaling platform excellences and is the trusted name in SS7 signaling solutions. For more information, visit [www.newnet.com](http://www.newnet.com)

## **About Skyview Capital, LLC**

Skyview Capital, LLC, is a private investment firm headquartered in Beverly Hills, California, which specializes in the acquisition and management of "systems - critical" businesses in the areas of technology, telecommunications, business services, and niche manufacturing. By leveraging its operational capabilities and financial strength, Skyview systematically enhances the long-term value of the companies it acquires. For more information, visit [www.skyviewcapital.com](http://www.skyviewcapital.com).

## **Forward-Looking Statements**

This release includes forward-looking statements, including statements regarding profitable growth and the Company's long-term strategy. These statements are forward-looking in nature and subject to risks and uncertainties that may cause actual results to differ materially. These risks include the ability of the Company to realize anticipated results of operational improvements, increase bookings, successfully transition to a new management team and headquarters location and execute on its business plan as well as risk factors identified in its latest Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as filed with the Securities and Exchange Commission. The Company is in a period of significant transition and in the conduct of its business is exposed to additional risks as a result. All forward-looking statements included in this release are based upon information available to the Company as of the date of this release, which may change, and we assume no obligation to update any such forward-looking statement.

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