



Stock Selection Guide[®]

The most widely used aid to good investment judgment

Company UTSTARCOM INC Date 09/02/04

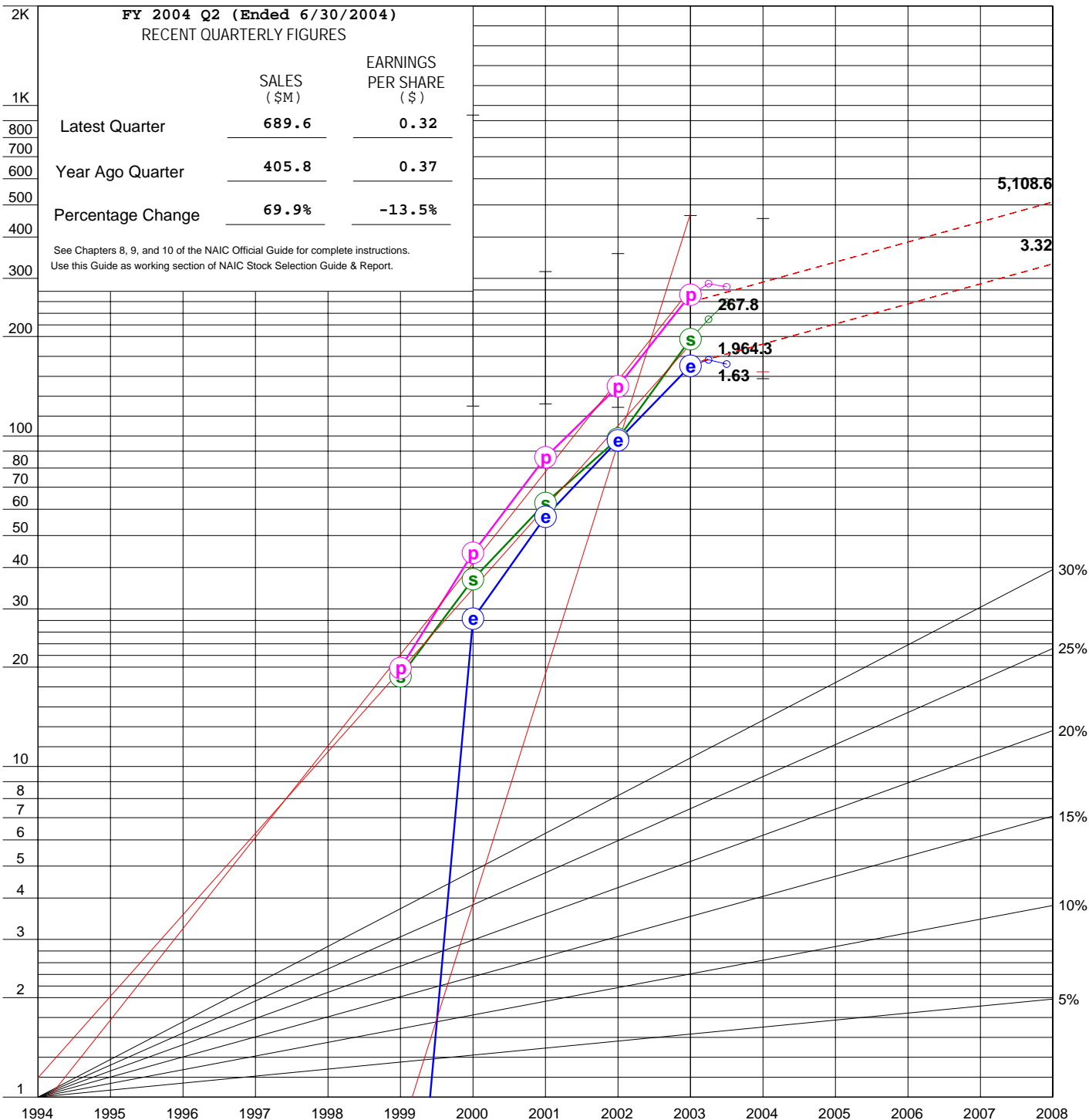
Prepared by jah Data taken from NAIC Data

Where traded NASDAQ Major product/service Communicati

| CAPITALIZATION --- Outstanding Amounts | | Reference | |
|--|-------|------------------|---------------|
| Preferred (\$M) | 0.0 | % Insiders | % Institution |
| Common (M Shares) | 114.4 | 0.0 | 0.0 |
| Debt (\$M) | 402.5 | % to Tot.Cap. | 29.4 |
| | | % Potential Dil. | None |

1 VISUAL ANALYSIS of Sales, Earnings and Price

UTSI



(1) Historical Sales Growth 76.4 % (3) Historical Earnings Per Share Growth 397.0 %
 (2) Estimated Future Sales Growth 15.0 % (4) Estimated Future Earnings Per Share Growth 15.0 %

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | LAST 5 YEAR AVG. | TREND | |
|--|------|------|------|------|------|------|------|------|------|------|------------------|-------|------|
| | | | | | | | | | | | | UP | DOWN |
| A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales) | | | | | | 10.6 | 12.0 | 13.8 | 14.4 | 13.6 | 12.9 | UP | |
| B % Earned on Equity (E/S ÷ Book Value) | | | | | | 15.6 | 6.5 | 9.1 | 13.5 | 19.3 | 12.8 | UP | |

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

| | | PRESENT PRICE | | 15.640 | HIGH THIS YEAR | | 45.470 | LOW THIS YEAR | | 14.910 | |
|------|------------------------------|---------------|------|----------------------|------------------------|-----------|------------------------------|------------------------|----------------------------|--------|-----|
| Year | A PRICE | B | | C Earnings Per Share | D Price Earnings Ratio | | E Dividend Per Share | F % Payout F ÷ C X 100 | G % High Yield F ÷ B X 100 | | |
| | | HIGH | LOW | | HIGH A ÷ C | LOW B ÷ C | | | | | |
| 1 | 1999 | 0.0 | 0.0 | -1.64 | 0.0 | 0.0 | 0.000 | 0.0 | 0.0 | | |
| 2 | 2000 | 93.5 | 12.3 | 0.28 | 333.9 | 44.0 | 0.000 | 0.0 | 0.0 | | |
| 3 | 2001 | 31.4 | 12.5 | 0.57 | 55.1 | 21.9 | 0.000 | 0.0 | 0.0 | | |
| 4 | 2002 | 35.7 | 12.2 | 0.97 | 36.8 | 12.6 | 0.000 | 0.0 | 0.0 | | |
| 5 | 2003 | 46.5 | 16.6 | 1.63 | 28.5 | 10.2 | 0.000 | 0.0 | 0.0 | | |
| 6 | TOTAL | | 53.6 | | 454.3 | 88.7 | | 0.0 | | | |
| 7 | AVERAGE | | 13.4 | | 113.6 | 22.2 | | 0.0 | | | |
| 8 | AVERAGE PRICE EARNINGS RATIO | | | | 67.9 | 9 | CURRENT PRICE EARNINGS RATIO | | | | 9.5 |

4 Proj. P/E [8.24] Based on Next 4 qtr. EPS [1.90] Current P/E Based on Last 4 qtr. EPS [1.65] EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E ~~113.6~~ 22.5 X Estimate High Earnings/Share 3.32 = Forecast High Price \$ 74.7 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~22.2~~ 12.0 X Estimated Low Earnings/Share ~~1.63~~ 1.65 = \$ 19.8 (3E7 as adj.)

(b) Avg. Low Price of Last 5 Years = 13.4 (3B7)

(c) Recent Severe Market Low Price = 12.2

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}}$ = $\frac{0.000}{0.000}$ = 0.0

Selected Estimate Low Price = \$ 12.2 (4B1)

C ZONING

74.7 (4A1) High Forecast Price Minus 12.2 (4B1) Low Forecast Price Equals 62.5 (C) Range. 1/3 of Range = 15.6 (4CD)

(4C2) Lower 1/3 = (4B1) 12.2 to 27.8 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 27.8 to 59.1 (Maybe)

(4C4) Upper 1/3 = 59.1 to 74.7 (4A1) (Sell)

Present Market Price of 15.640 is in the Buy (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 74.7 Minus Present Price 15.640 = 59.1 = 17.2 To 1 (4D)

Present Price 15.640 Minus Low Price (4B1) 12.2 = 3.4

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 74.7 = (4.776) X 100 = (477.6) - 100 = 377.6 % Appreciation (4E)

Present Market Price 15.640

Relative Value: 14.0% Proj. Relative Value: 12.1%

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ 0.000
 Present Price of Stock \$ 15.640 = 0.000 X 100 = 0.0 Present Yield or % Returned on Purchase Price (5A)

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 2.51 X Avg. % Payout (3G7) 0.0 = 0.0 = 0.0 % (5B)

Present Price \$ 15.640

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

| | 5 Year Appreciation Potential (4E) | 5 | Average Yield (5B) | Average Total Annual Return Over the Next 5 Years (5C) | P.A.R. | Tot. Ret. |
|--|------------------------------------|---------------|--------------------|--|--------------|--------------|
| | <u>377.6</u> | <u>75.5</u> % | <u>0.0</u> % | <u>75.5</u> % | <u>0.0%</u> | <u>0.0%</u> |
| | | | | | <u>29.6%</u> | <u>36.7%</u> |
| | | | | | <u>29.6%</u> | <u>36.7%</u> |



PERT Worksheet-A

Company UTSTARCOM INC (UTSI)

| QUARTERLY DATA | | | | | | | | | LAST 12 MONTHS DATA | | | | | | | | |
|----------------|-------|----------|----------------|---------|----------|--------|----------|-----------------|---------------------|----------------|---------|-----------|------------|--------|----------|----------------|-------|
| PERIOD | EPS | | PRE-TAX PROFIT | | | SALES | | INCOME TAX RATE | EPS \$ | PRE-TAX PROFIT | | SALES MIL | INCOME TAX | | % CHANGE | | |
| | \$ | % CHANGE | \$ MIL | % SALES | % CHANGE | \$ MIL | % CHANGE | | | \$ MIL | % SALES | | \$ MIL | % RATE | EPS | PRE-TAX PROFIT | SALES |
| 03/99 | -0.13 | | -0.70 | -2.5 | | 27.55 | | -58.1 | | | | | | | | | |
| 06/99 | 0.07 | | 5.33 | 12.7 | | 42.13 | | 3.5 | | | | | | | | | |
| 09/99 | 0.09 | | 7.59 | 13.8 | | 55.02 | | 12.5 | | | | | | | | | |
| 12/99 | -2.82 | | 7.63 | 12.1 | | 62.82 | | 425.2 | -2.79 | 19.85 | 10.6 | 187.5 | 19.0 | 95.7 | | | |
| 03/00 | -0.09 | NMF | -2.09 | -3.6 | NMF | 58.59 | 112.6 | -54.4 | -2.75 | 18.46 | 8.4 | 218.6 | 17.8 | 96.7 | | | |
| 06/00 | 0.05 | -28.6 | 9.08 | 12.0 | 70.4 | 75.68 | 79.6 | 42.5 | -2.77 | 22.21 | 8.8 | 252.1 | 23.6 | 106.4 | | | |
| 09/00 | 0.12 | 33.3 | 16.98 | 15.8 | 123.6 | 107.39 | 95.2 | 26.8 | -2.74 | 31.60 | 10.4 | 304.5 | 34.8 | 110.0 | | | |
| 12/00 | 0.13 | NMF | 20.35 | 16.0 | 166.9 | 127.00 | 102.2 | 34.0 | 0.21 | 44.32 | 12.0 | 368.6 | 5.4 | 12.2 | NMF | 123.3 | 96.6 |
| 03/01 | 0.10 | NMF | 14.61 | 12.3 | NMF | 119.18 | 103.4 | 28.6 | 0.40 | 61.02 | 14.2 | 429.2 | 20.1 | 33.0 | NMF | 230.6 | 96.4 |
| 06/01 | 0.12 | 140.0 | 17.33 | 12.4 | 90.8 | 140.05 | 85.1 | 27.1 | 0.47 | 69.26 | 14.0 | 493.6 | 20.2 | 29.1 | NMF | 211.9 | 95.8 |
| 09/01 | 0.17 | 41.7 | 24.91 | 14.6 | 46.7 | 170.48 | 58.8 | 24.5 | 0.52 | 77.19 | 13.9 | 556.7 | 22.0 | 28.6 | NMF | 144.3 | 82.8 |
| 12/01 | 0.18 | 38.5 | 29.38 | 14.9 | 44.3 | 197.13 | 55.2 | 29.8 | 0.57 | 86.22 | 13.8 | 626.8 | 23.7 | 27.5 | 171.4 | 94.5 | 70.0 |
| 03/02 | 0.15 | 50.0 | 23.01 | 12.5 | 57.5 | 183.69 | 54.1 | 23.9 | 0.62 | 94.62 | 13.7 | 691.3 | 24.9 | 26.3 | 55.0 | 55.1 | 61.1 |
| 06/02 | 0.23 | 91.7 | 34.27 | 14.8 | 97.8 | 231.51 | 65.3 | 21.3 | 0.73 | 111.57 | 14.3 | 782.8 | 27.7 | 24.9 | 55.3 | 61.1 | 58.6 |
| 09/02 | 0.28 | 64.7 | 40.17 | 15.1 | 61.3 | 265.51 | 55.7 | 20.9 | 0.84 | 126.83 | 14.4 | 877.8 | 30.4 | 24.0 | 61.5 | 64.3 | 57.7 |
| 12/02 | 0.31 | 72.2 | 43.89 | 14.6 | 49.4 | 301.10 | 52.7 | 21.4 | 0.97 | 141.34 | 14.4 | 981.8 | 30.9 | 21.9 | 70.2 | 63.9 | 56.6 |
| 03/03 | 0.32 | 113.3 | 47.21 | 14.3 | 105.2 | 330.52 | 79.9 | 24.1 | 1.14 | 165.54 | 14.7 | 1,128.6 | 36.3 | 21.9 | 83.9 | 75.0 | 63.3 |
| 06/03 | 0.37 | 60.9 | 61.88 | 15.2 | 80.5 | 405.83 | 75.3 | 25.6 | 1.28 | 193.15 | 14.8 | 1,303.0 | 44.5 | 23.0 | 75.3 | 73.1 | 66.4 |
| 09/03 | 0.44 | 57.1 | 75.86 | 13.0 | 88.9 | 584.38 | 120.1 | 23.5 | 1.44 | 228.84 | 14.1 | 1,621.8 | 54.2 | 23.7 | 71.4 | 80.4 | 84.8 |
| 12/03 | 0.49 | 58.1 | 82.81 | 12.9 | 88.7 | 643.60 | 113.8 | 23.3 | 1.62 | 267.76 | 13.6 | 1,964.3 | 64.6 | 24.1 | 67.0 | 89.4 | 100.1 |
| 03/04 | 0.40 | 25.0 | 68.52 | 11.0 | 45.1 | 622.29 | 88.3 | 18.7 | 1.70 | 289.07 | 12.8 | 2,256.1 | 65.8 | 22.8 | 49.1 | 74.6 | 99.9 |
| 06/04 | 0.32 | -13.5 | 55.47 | 8.0 | -10.4 | 689.63 | 69.9 | 21.5 | 1.65 | 282.66 | 11.1 | 2,539.9 | 61.4 | 21.7 | 28.9 | 46.3 | 94.9 |
| 09/04 | | | | | | | | 21.5 | | | | | | 21.2 | | | |
| 12/04 | | | | | | | | 21.5 | | | | | | 20.8 | | | |

A B C D E F G H I J K L M N O P Q R S T