

Vtation Wireless Technology AG

Investor Presentation 2012 Q1
Financial Results Conference Call
May 14th, 2012

VTION AT A GLANCE



- Offers products in three major product groups – wireless data terminals, mobile intelligent terminals and Android mobile applications platform
- Strong sales channels connections to all three of China's major telecom operators – China Telecom, China Unicom and China Mobile
- Experienced management team allows company to adapt quickly to market change
- Products range covers all technology standards, interfaces and operators
- Offices in Chinese mainland, Taiwan, Hong Kong, Germany
- Currently 243 employees



Vtion Product Groups

Wireless data terminals



U2916
HSPA+ Wireless Modem



E1916
CDMA2000 EV-DO Rev. A Wireless Modem



TG1912
TD-SCDMA/GSM Wireless Modem



V6
HSPA Mobile Hotspot

Wireless intelligent terminals



V7
Tablet PC



C1
E book



VT1
PCtoTV

Mobile applications



Wireless Data Terminals

- Includes wireless data cards, wireless routers and wireless modules;
- Product lines cover China Telecom's CDMA 2000 EVDO 3G technology, China Unicom's WCDMA 3 G technology and HSPA+ 3.5G technology, and China Mobile's TD-SCDMA 3G technology;

Mobile Intelligent Terminals

- Includes the V7 tablet PC, C1 E-Reader and PC to TV products;
- Further products expected in 2012;

Online Applications (Android)

- Run through Vtion's wholly-owned subsidiary, Vtion Anzhua;
- Applications sold through own online store, telecom operators and device manufacturers;
- Currently offers 10,000 total apps through all sales channels combined.

2012 Q1 FINANCIAL RESULTS AT A GLANCE



		Q1 2012	Q1 2011	+/-%
Revenues	million €	17.85	12.62	41
Gross profit	million €	3.62	2.58	40
Gross profit margin	%	20	20	0PP
EBITDA	million €	2.08	1.15	80
EBITDA margin	%	12	9	3PP
EBIT	million €	1.93	1.03	86
EBIT margin	%	11	8	3PP
Net profit	million €	2.14	2.30	-7
Net profit margin	%	12	18	-6PP
Earnings per share ¹⁾	€	0.14	0.14	0
Net Cash flow from operations	million €	3.24	10.17	-68

CASH POSITION CHANGES



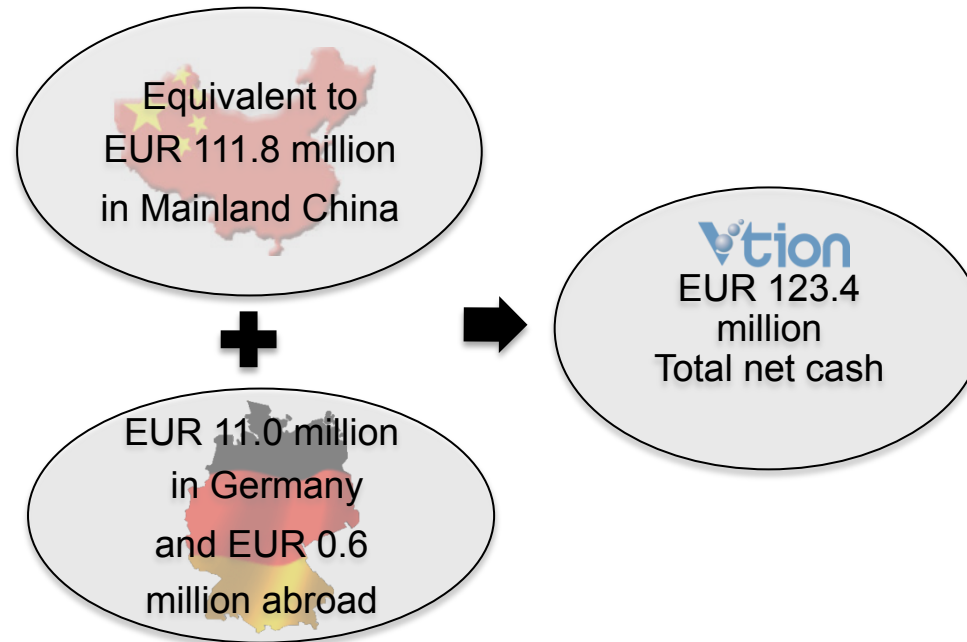
in €	Q1 2012	Q1 2011
Operating cash flow before working capital changes	2,078,842	1,154,094
Cash generated from/(used in) operations	3,524,787	10,401,129
Net cash generated from operating activities	3,240,097	10,171,654
Cash flow used in investing activities	-71,854	-40,023
Cash flow from financing activities	-387,293	-
Net increase in cash and cash equivalents	2,780,949	10,131,631
Cash at beginning of year	124,515,642	98,961,058
Foreign exchange difference	-3,815,250	-5,062,602
Cash at end of the period	123,481,341	104,030,087

Due to foreign exchange effects, Vtation's net cash position decreased from Euro 125 million as at 31 December 2011 to Euro 123 million as at 31 March 2012.

CASH POSITION MAP



Cash Position Map (as of March 31, 2012)



Of Vtion's **EUR 123.4 million** total net cash position, approximately **9.3%** is located with the **German holding company**, while the remainder is located with the Chinese operating entities.

USES FOR THE CASH POSITION



- Though Vtion has maintained a strong control on its working capital thus far, the company remains wary of working capital needs increasing due to a ramp-up in the sales and purchase volume of its hardware, and keeps cash on hand to meet such a need if it arises;
- Vtion will look for possibilities to invest in network expansion projects in cooperation with telecom operators over the course of the year;
- Vtion will continue to return cash through a share buyback and dividend:
 - Vtion will continue to repurchase shares within the limits set by the stock exchange (details on following page);
 - The company will pay a dividend of 15% of net profit 2011;
- Vtion will look to apply its cash position in selective M&A opportunities as they arise, yet management remains confident in the company's ability to resume organic growth in 2012.

Share Buyback

- On April 21, 2011, Vtation announced the initiation of a share buyback program;
- The program allocated approximately Euro 4 million to purchase up to 1 million of the company's shares with a notional value of 1 Euro;
- Start of buyback program May 6, 2011;
- As of May 4th, 2012, the company has purchased a total of 906,859 shares at an average price of 3.5871 Euro.

Dividend

- Management has proposed a dividend of Euro 792,000 (15% of 2011 net profit) to be voted on at the AGM, to be paid the following day;
- This equates to a payout of Euro 0,05 per share.

Guidance

- Vtion expects revenues for the year of Euro 80 million to Euro 100 million;
- EBIT margin is expected to remain stable (2011 EBIT margin 10.3%);
- Vtion expects pricing pressure in the wireless data terminal and mobile intelligent terminal business segments, which it intends to offset with continued new product roll-outs.

Expected Business Development

- Revenues from the wireless data terminal segment are expected to stay relatively flat, possibly boosted slightly by expansion of 3.5G and possible 2H arrival of 4G technology;
- Tablet PC revenues are expected to show moderate growth in the consumer space and initial sales in the industry-specific area;
- Vtion Anzhuo is expected to make its first significant revenue contribution in the second half of 2012.

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