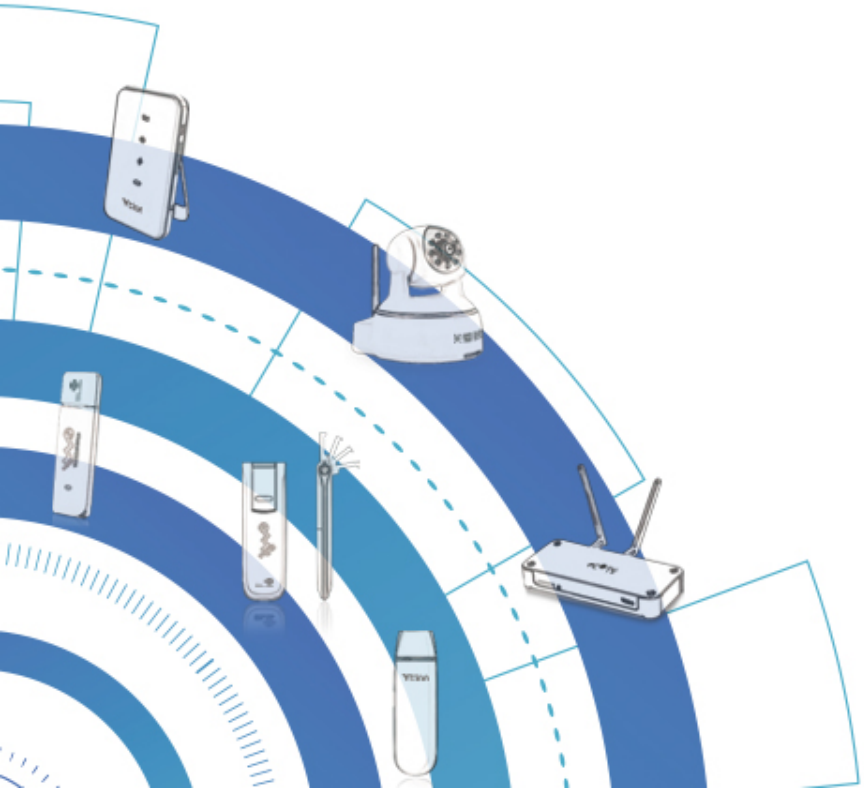
Vtion Wireless Technology AG

2013 9M/Q3 Financial Results Conference Call

November 14, 2013



Vtion at a Glance

- **A leading supplier of telecommunications equipment and service**
  Offers both hardware products through its wireless data terminal business segments and industry-specific computing solutions under Vtion software and mobile applications through Vtion Anzhuo

- **Strong sales channel connections** to all three major telecom operators in China: China Telecom, China Unicom and China Mobile

- **Products range** covers all technology standards, interfaces and operators

- **Experienced management team** seeks for new market opportunities and allows the company to adapt quickly to changes

- **Offices** in Chinese mainland, Taiwan, Hong Kong and Germany

- 238 **employees**

Our Business

Wireless Data Terminals

- Traditionally the company's core business has shown steady results

Wireless Intelligent Terminals

- Currently comprised of one product, the Vcam remote camera

Industry-Specific Computing Solutions

- E-Agency Platform allows insurance sales agents to electronically manage their customer base, coordinate with other sales agents and execute sales online

Mobile Application—Vtion Anzhuo

- **Online Applications "Vmarket"**
  Applications sold through the Vmarket online store, telecom operators and device manufacturers. Vtion currently offers 22,017 applications through its various sales channels on the platform.

Wireless Anywhere

9M/Q3 Financial Results 2013 at a Glance

		Q3			9M		
		2013	2012	+/–%	2013	2012	+/–%
Revenues	million €	17.46	21.54	-19	45.26	58.73	-23
Gross profit	million €	3.42	3.62	-6	8.58	10.73	-20
Gross profit margin	%	20	17	3PP	19	18	1PP
EBITDA	million €	1.89	1.95	-3	4.23	6.19	-32
EBITDA margin	%	11	9	2PP	9	11	-2pp
EBIT	million €	1.76	1.80	-2	3.83	5.74	-33
EBIT margin	%	10	8	2PP	8	10	-2PP
Net profit	million €	1.70	1.79	-5	3.36	4.51	-25
Net profit margin	%	10	8	2PP	7	8	-1PP
Earnings per share)	€	0.13	0.12	8	0.25	0.30	-17
Net Cash flow from operations	million €	4.95	1.82	172	6.78	-1.91	n/a

Business Development

- For the nine months of 2013, the wireless data terminal business segment accounted for the majority of Vtion's revenue, at 85.7%. This derived primarily from wireless data cards, followed by mobile router and PCtoTV sales

- The mobile intelligent terminal segment, currently comprised of only the VCam accounted for 10.1% of total sales for the nine month period

- The company finished the first nine months of the year with 7 clients in the industry-specific computing solutions business segment and a total of 22,017 mobile applications available through the Vtion Anzhuo platform. The revenue contributions of these two business segments is still minor

Cash Flow Statement

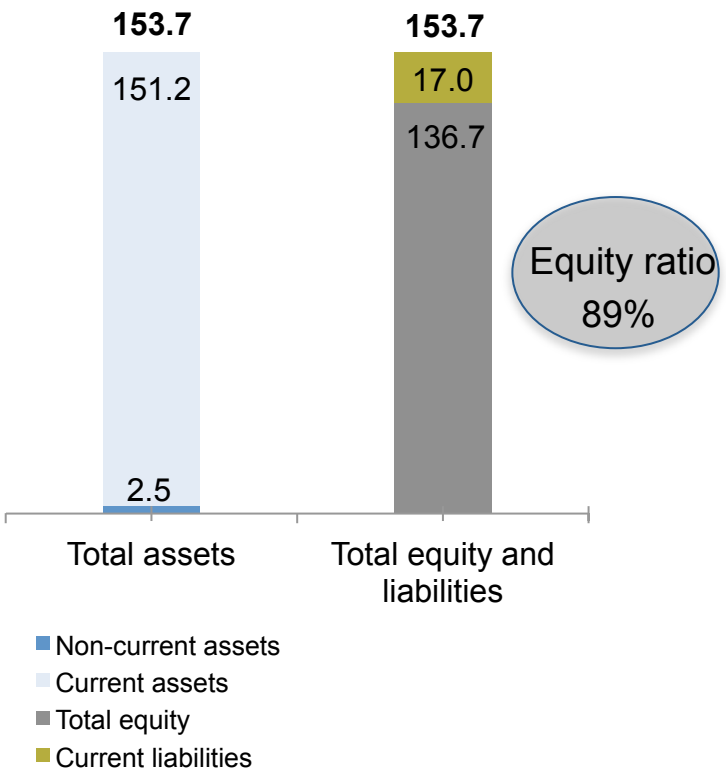
	9M 2013	9M 2012
	kEUR	kEUR
Operating cash flow before working capital changes	4,211	6,186
Cash generated from/(used in) operations	7,498	-510
Net cash generated from operating activities	6,775	-1,905
Cash flow from investing activities	4,844	-5,106
Cash flow from financing activities	-731	-3,561
Net increase in cash and cash equivalents	**10,888**	**-10,572**
Cash at the beginning of the year	113,510	**124,516**
Foreign exchange difference	-766	437
Cash at the end of the period	**123,632**	**114,381**

Cash per share is EUR 8.53.

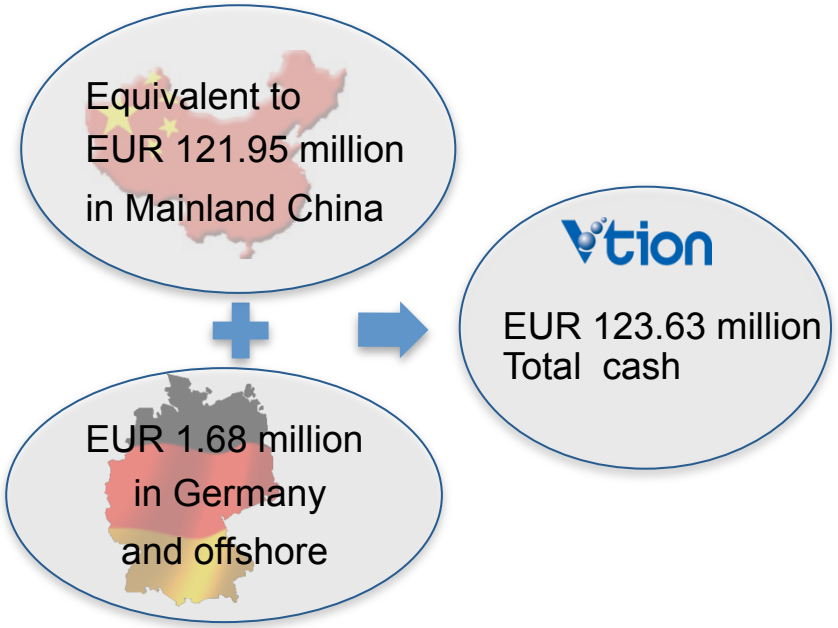
Based on the total number of shares 14,495,086 as at the end of Q3 2013

2013 Q3 Balance Sheet and Cash Position Map

Balance sheet
million € / as of September 30, 2013



Cash Position Map
as of September 30, 2013



Of Vtion's **EUR 123.63 million** total net cash position, approx. **1.4% is located with the German holding company**, while the remainder is located with the Chinese entities.

Outlook

2013 FY Guidance

- Guidance for the full year 2013, with revenues between EUR 60-70 million and EBIT margin between 8% and 10%, is confirmed.

Expected Business Development

- Going forward, Vtion will seek to further adapt its wireless data terminal offerings to satisfy the requests of the telecom operators as the market continues to change and evolve.

- In industry-specific computing solutions segment, the company has taken the approach of trying to increase revenue per current client while also seeking to expand its client base with a particular emphasis on larger state-owned insurance companies.

- Vtion Anzhuo will seek cooperation with large-screen device manufactures who have a strong market position in the hardware business but lack the capability of creating and operating an applications platform to synchronize with their hardware offerings.

Disclaimer

This document contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words such as 'expects,' 'looks forward to,' 'anticipates‘, 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' 'will,' 'project' or words of similar meaning. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Vtion's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Vtion to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from changes in general economic and business conditions (including margin developments, the legal and regulatory framework, changes in currency exchange rates and interest rates).

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Vtion does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those
anticipated.