



VELATEL

GLOBAL COMMUNICATIONS

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MILESTONES

March 2009:

- **VelaTel** acquires a 95% interest in **GO MOVIL**, which owns spectrum licenses to deploy wireless broadband in 8 cities in Peru.

August 2010 :

- **VelaTel** enters into a strategic global MOU with **ZTE Corporation**, a leading manufacturer of infrastructure equipment used in wireless broadband networks.

November 2010:

- **VelaTel** forms JV to acquire 51% interest in **Sino Crossing**, which owns 34,000 km of fiber optic cable providing backbone connection between most major cities in China.
- **VelaTel** finalizes a \$42M contract with **ZTE Corp.** for purchase of equipment and services for its **GO MOVIL** project in Peru.

MILESTONES

December 2010:

- **VelaTel** forms JV to acquire 49% interest + board control in **GBNC**, which owns spectrum licenses to deploy wireless broadband access (WBA) in 2 cities in China (expected expansion to at least 9 cities).

March 2011:

- **VelaTel** finalizes a \$24.5M contract with **ZTE Corp.** for purchase of equipment and services for the GBNC project.

April 2011:

- **VelaTel** signs a subscription and shareholder agreement with **Shenzhen VN Technologies Co., Ltd. ("VN Tech")**.

August 2011:

- **VelaTel** announces that its **GO MOVIL** wireless broadband access network soft-launched in all eight cities where it holds licenses.

MILESTONES

August 2011 :

- **VelaTel** introduces the **Infinity G Series** complete line of branded products that include 10" Touch Screen Tablet, Pocket Mobile Wi-Fi Device, Indoor & Outdoor Modems and USB Dongle.

October 2011 :

- **VelaTel** enters into a business agreement with **NGSN** under which the parties will jointly own a PRC operating company that will exclusively provide telecommunications services to **NGSN's** customers and employees.

November 2011:

- **VelaTel** enters into a business agreement with **Aerostrong** under which a PRC-based operating subsidiary of **VelaTel** will exclusively provide telecom services to **Aerostrong's** state owned parent company, **China Aerospace Science and Technology Group**.

MILESTONES

December 2011 :

- **VelaTel** is accepted to membership in the **Global TD-LTE Initiative (GTI)**
- **VelaTel** enters into a Business Cooperation Agreement with the shareholders of **Herlong Investments Limited** to acquire a 75% controlling interest in Herlong and its operating subsidiaries, **Novi-Net in Croatia and Montenegro Connect**.
- **VelaTel** enters into a Business Cooperation Agreement with the shareholders of Cyprus holding company **Kerseyco Trading Limited** to acquire at least a 51% controlling interest in **Kerseyco** and its operating subsidiary, **VeratNet** in Serbia.
- **VelaTel** and **ZTE** sign a purchase order for wireless broadband infrastructure in **Croatia** and **Montenegro**.

MILESTONES

February 2012:

- **China's Ministry of Industry and Information Technology (MIIT)** grants approval of **VN Tech's** hydrogen fuel cells for use in telecommunications base stations.
- **China Mobile** and **China Telecom** approve **VN Tech's** to conduct trial test sites Heilongjiang/Harbin (China Mobile), Guangzhou and Beijing (China Telecom)

March 2012:

- **VelaTel** received a legal opinion **ZTE** requires for equipment financing approval for the **Sino Crossings** fiber project.
- **VelaTel** finalized the corporate structure (Cayman Island>Hong Kong>PRC WFOE) called for under its exclusive services contract with **NGSN**

MILESTONES

April 2012 :

- **VelaTel** completes its acquisition with **Herlong Investments Limited** and its subsidiaries **Novi-Net** and **Montenegro Connect**
- **VelaTel** completes the offshore corporate entities with **New Generation Special Network Communication Technology Co., Ltd. (NGSN)**
- **VelaTel** completes the acquisition of a 75% equity interest in **Zapna ApS**
- **VelaTel** increases its equity stake in fuel cell distributor **VN Tech** to 75%

MILESTONES

May 2012 :

- **VelaTel** announces it has finalized its **ZTE** financing contract to deploy and expand its wireless networks in **Croatia** and **Montenegro**
- **VelaTel** launches new video series for its shareholders

June 2012 :

- **VelaTel** subsidiary **Zapna** signs new distribution agreement in **Norway** to further extend the **Zapna** brand outside Denmark

ZTE CORPORATION

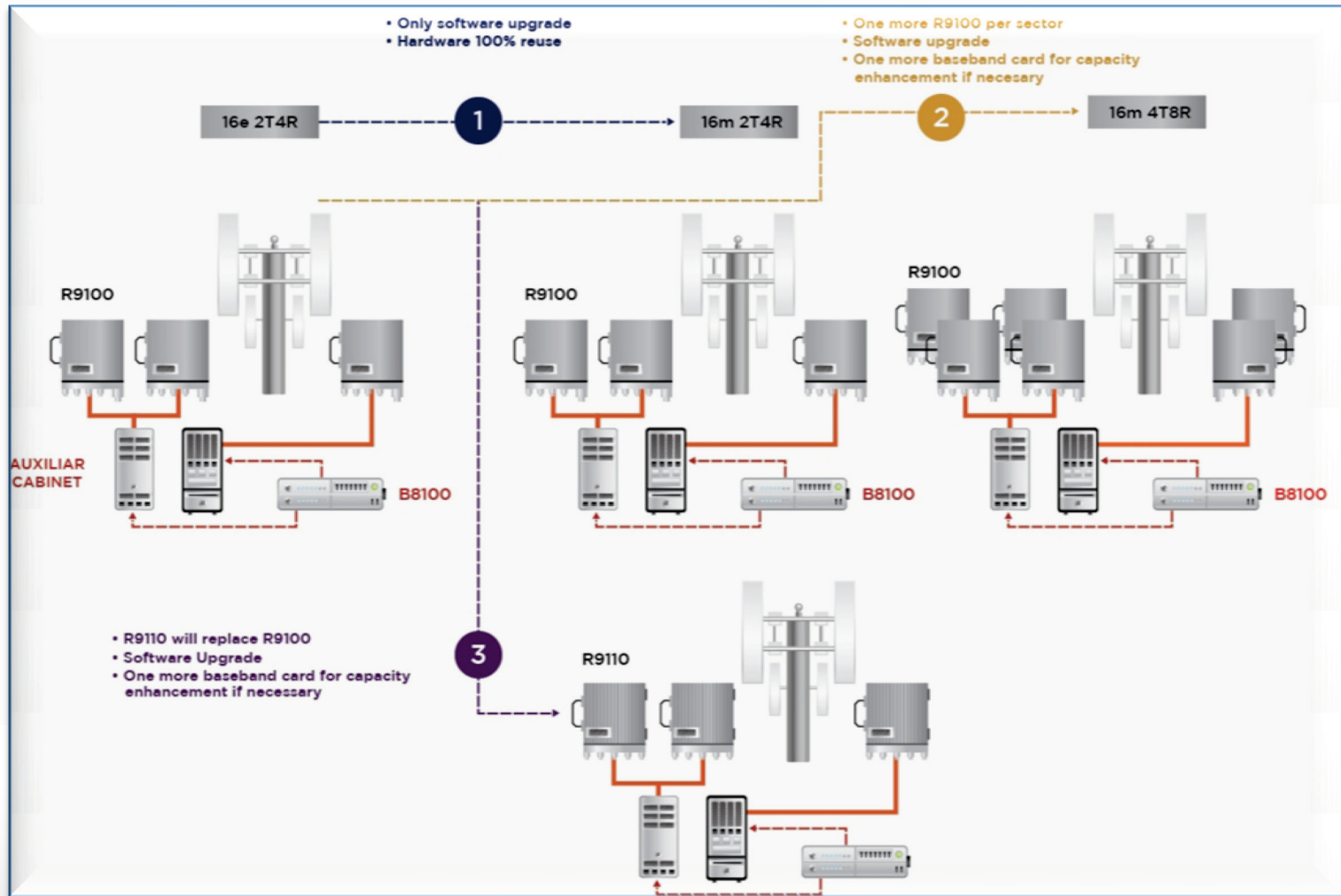
- **VelaTel** and **ZTE** signed a memorandum of understanding (MOU) for global strategic partnership in August of 2010 to advance both parties' interests in delivering innovative telecommunications solutions to individual, enterprise, and government consumers worldwide.



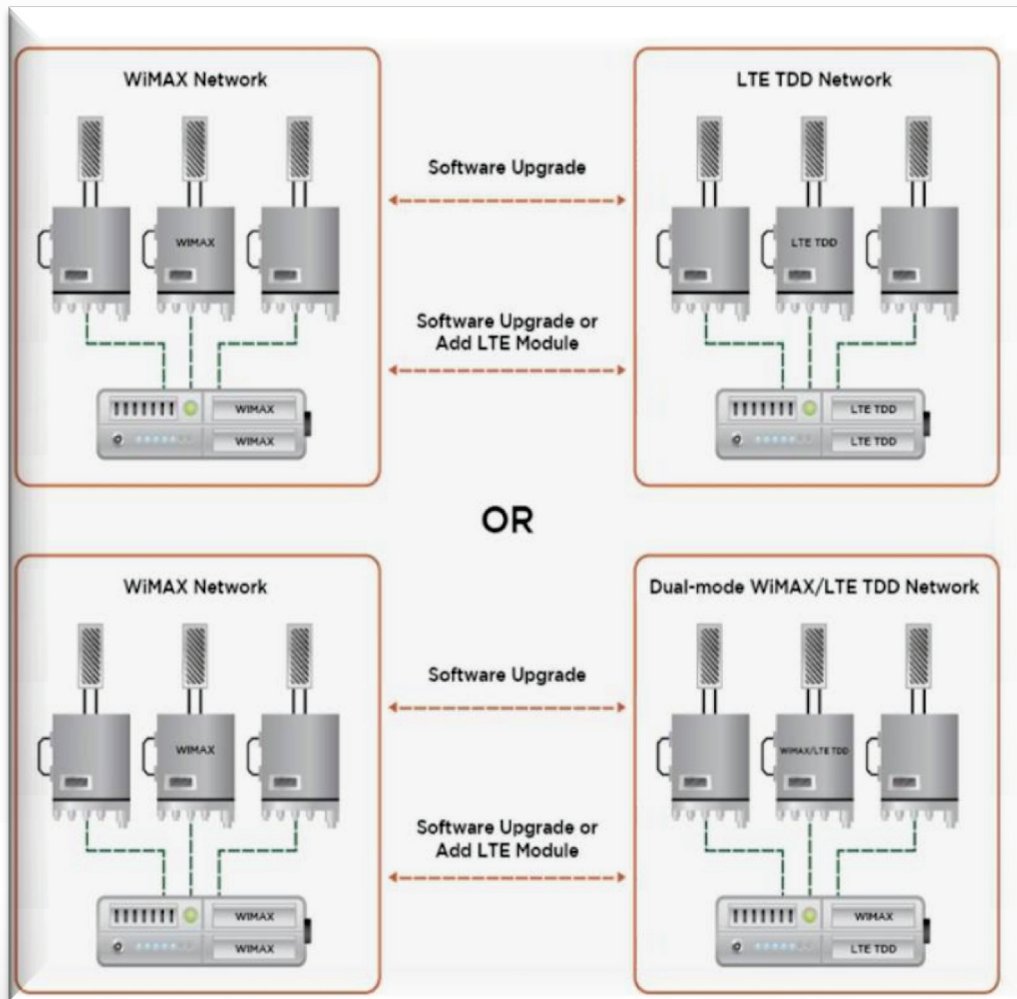
ZTE中兴

- **ZTE** is **VelaTel's** preferred and primary provider of customized equipment, software, consumer products, operational services and financing for high speed wireless broadband telecommunications networks **VelaTel** is deploying in the PRC, Peru, Europe and other markets **VelaTel** enters in the future.

VELATEL'S WIMAX TO LTE EVOLUTION ROUTE



VELATEL'S WIMAX TO LTE EVOLUTION ROUTE



***VelaTel** is poised to upgrade to LTE or Dual Mode System, depending on the market*

GLOBAL TD-LTE INITIATIVE (GTI)

- **VelaTel** has been accepted to membership in **Global TD-LTE Initiative (GTI)**, a prestigious industry trade group whose founding members include **China Mobile Communications, Japan mobile operator Softbank Mobile Communications, India mobile operator Bharti Airtel, US Wi-MAX operator Clearwire Communications, and multi-national mobile operator Vodafone Group Services.**



- For a full list of members see **GTI** website at www.lte-tdd.org/about/members

PERU MARKET OPPORTUNITY

- Peruvian mobile market is practically a duopoly, with Movistar and Claro being the top two players (combining for a 95.9 percent market share), followed by Nextel (a distant third) for **3G service**
- The 2010 installed base (23.3 million subs) is heavily tilted toward the pre-paid side (about 80 percent of the total number of subscribers) and the low-end of the marketplace is underserved by the incumbents
- **VelaTel's GO MOVIL** launched the first **4G deployment** for Peru in 2011



PERU MARKET OPPORTUNITY (TARGET POPULATION)

City	Population
Piura	377,496
Chiclayo	738,000
Trujillo	790,225
Chimbote	334,568
Huánuco	74,774
Cuzco	385,935
Ica	219,856
Arequipa	904,931
Total Population	3825785

GO MOVIL DEPLOYMENT PLAN



CONÉCTATE SIN LÍMITES

City	Population
Piura	377,496
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GO MOVIL - STATUS

- **VelaTel** acquired a 95% equity interest in **Perusat**, which holds radio frequency spectrum in Peru's eight largest cities with the exception of Lima.
- VelaTel recently changed the name of its subsidiary to **VelaTel Peru**
- As a controlled subsidiary, **VelaTel** consolidates **VelaTel Peru's** financial performance on **VelaTel's** books.



GO MOVIL - STATUS



- **VelaTel Peru** launched its wireless broadband access network on August 1, 2011 in all eight cities where it holds licenses.
- The network is being operated under the brand name **GO MOVIL**, www.gomovil.com.pe.
- The **GO MOVIL** network provides the first true 4G broadband internet access in Peru to the approximately four million inhabitants of the targeted cities.

GO MOVIL - STATUS

- **GO MOVIL** offers its subscribers a variety of low-cost prepaid service plans and various devices for accessing the internet in both fixed and mobile ways.
 - *Devices are sold in company operated **GO MOVIL** stores.*
- Customers are also able to recharge their plans through a network of distributors in grocery and convenience stores, gas stations, and other convenient locations.
- **Peruvian Operations** Reports 2,880+ Total accounts



GO MOVIL CORPORATE & GOVERNMENT PACKAGES

- One **high power** Point of Connection (POC)
- **5 MB/s** and **9 MB/s** plans
- **Free** equipment
- **Free** installation
- **Two week** trial period
- **12 month** contract



GO MOVIL – CORPORATE STORES

- High profile stores to optimize our customers' experience
- Designed to attract our target market
- Optimized for product and service demonstrations



GO MOVIL STORE TRUJILLO



GO MOVIL STORE ICA



GO MOVIL STORE PIURA



GO MOVIL STORE CHIMBOTE



GO MOVIL STORE CHICLAYO



GO MOVIL INFINITY G MOVIL WI-FI

- **GO MOVIL's Wi-Fi** allows consumers to create their own cloud of coverage for accessing the Internet
- The **Movil Wi-Fi** device converts **VelaTel's** 4G wireless broadband signals into Wi-Fi for the user
- Up to **five independent devices** can **connect** under **one Movil Wi-Fi**



GO MOVIL INFINITY G MOVIL WI-FI



- **Download** up to **20 MBs**
- **Upload** to **6 MBs**
- Password **protected**
- Creates a **15 meter** radius **Wi-Fi**

GO MOVIL ZTE USB DONGLE

- **ZTE's USB Dongle** operates as a true "plug and play" device
- The tool easily allows user to access the Internet by inserting the dongle into their laptop or other devices
- **No disk** needed for installation
- **Download** speed up to **30 MBs**
- **Upload** speed up to **6 MBs**



GO MOVIL ZTE INDOOR MODEM

- **ZTE's Indoor Modem** allows our consumers to connect their home network to the internet and phone systems at affordable rates
- The modem is designed to connect **multiple** users and their devices at **4G speeds**
- Create your own **Wi-Fi** area



GO MOVIL ZTE INDOOR MODEM

- Range:
 - **Indoor: 50 meters**
 - **Outdoor: 80 meters**
- **VoIP** connection
- Ethernet **LAN** ports
- Password **protection**



GO MOVIL ZTE OUTDOOR MODEM

- **ZTE's Outdoor Modem** allows our consumers to **connect** their home network to the **internet** and **phone** systems at **affordable rates**
- The **modem** is designed to **connect multiple users** and their **devices** at **4G speeds** from the outside of the desired location



GO MOVIL ZTE OUTDOOR MODEM

- **High powered** antenna
- Achieves the fastest service on **GO MOVIL Network**
- **Multiple** user capability
- **Easy** hook-up
- Password **protection**



GO MOVIL ADVERTISING SPONSORED EVENTS

GO MOVIL sponsored the **Peru Cup Regional Finals** soccer match between Carlos A. Manucci vs. Universidad San Pedro de Chimbote on September 28th in Trujillo



GO MOVIL ADVERTISING FLYERS

Acércate a todos desde donde estés con GO sin límites

- Sin contrato y sólo con DNI.
- Con Servicio Prepagado.
- Aprovecha y disfruta desde donde estés.
- Tecnología Wimax 4G, única en el Perú.
- Con tarifa súper económica y mayor velocidad.



Vuela sin límites con la Red 4G y siente toda su velocidad

www.gomovil.com.pe



Acércate a todos desde donde estés con GO sin límites

PROXIMAMENTE

- 700 SERIES
- 1000 SERIES Tablet 7" y 10"
- MIG 100 SERIES WIFI
- ZTE AX 220 USB Dongle
- ZTE IX 250 INDOOR MODEM
- ZTE OX 250 OUTDOOR CPE



BALKANS MARKET OPPORTUNITY

- Each government of the countries of former Yugoslavia is striving to meet the criteria for eventual entry into the European Union (Croatia is scheduled for admission in July 2013).
- **Croatia** and **Montenegro** have recently granted licenses in 3.5 GHz bandwidth to provide wireless broadband access. Serbia is currently exploring re-farm of regional licenses to national licenses.
- All three countries have enjoyed steady growth in their economies even taking into account the global recession.

CROATIA MARKET OVERVIEW

Sector	2010	2011
Population (millions):	4.5	
Broadband Penetration Rate		
Fixed broadband penetration	19%	22%
Mobile broadband penetration	9%	11%
Subscribers to telecoms services (million)		
Fixed-line telephone subscribers	1.9	1.9
Mobile phone subscribers	6.1	6.3

CROATIA MARKET OPPORTUNITY

- The regulator has insisted the incumbent offer bitstream access on its deployed fiber access networks, potentially threatening future deployments.
- Fixed broadband penetration is rising on the back of increasing availability; competing platforms include cable, FttX and WiMAX as well as regulatory-based measures such as local loop unbundling and bitstream access.
- Strong mobile broadband growth rates highlight this growth opportunity to the saturated mobile market. Competition has led to tariff cuts and increased bundled data allowances, improving value for end users.

MONTENEGRO MARKET OVERVIEW

Sector	2010	2011
Population (thousands):	661	
Broadband Penetration Rate		
Fixed broadband penetration	18%	20%
Mobile broadband penetration	190%	170%
Subscribers to telecoms services (thousands)		
Fixed-line telephone subscribers	160	150
Mobile phone subscribers	1,110	1,100

MONTENEGRO MARKET OPPORTUNITY

- Fixed broadband uptake continues to grow due to improving affordability despite adverse economic conditions. Supporting growth is high levels of PC usage for the region.
- The transition to digital terrestrial TV is underway, with a tender awarded during 2010 to design the transmission network ahead of analogue switch off by 2013.
- 3G coverage is widely available with speeds of up to 21.5Mb/s available. Mobile broadband offerings present a new growth opportunity for mobile network operators given existing broadband penetration levels and increasingly affordable tariffs.

HERLONG INVESTMENT TERMS

- **VelaTel** entered into a **Business Cooperation Agreement** with ***Herlong Investments Limited*** to acquire a **75% controlling interest** in **Herlong** and its operating subsidiaries, ***Novi-Net*** (Croatia) and ***Montenegro Connect***.
- In exchange for its 75% equity stake, VelaTel will contribute all CAPEX and OPEX necessary to deploy and operate the Croatia and Montenegro networks until the companies are cash flow positive.
- **VelaTel's** service level commitment is for 75 new BTS plus the core equipment, other infrastructure and software needed to support up to 150,000 subscribers.

NOVI-NET (CROATIA) TERMS



- The **Republic of Croatia** granted **Novi-Net** a **nationwide license** to provide wireless broadband access (WBA) and related telecommunication services as part of its protocols to become the next member of the European Union.
- The license grants the use of 42 MHz of radio frequency spectrum in the 3.5 GHz bandwidth to serve Croatia's 4.5 million citizens. **Novi-Net** was recently awarded an additional 21 MHz of nationwide spectrum, bringing the total awarded spectrum to date to 70MHz.
- Since 2006, **Novi-Net** has been providing WBA in five counties in northern **Croatia** under a regional license and currently owns a data center, a network core and 11 base transceiver stations (BTS) to provide WBA and related services to 1,900+ existing subscribers.

MONTENEGRO CONNECT TERMS



- **Montenegro Connect** holds a similar nationwide license in Montenegro, covering 40 MHz in the 3.5 GHz bandwidth.
- Montenegro's year round population stands at 660,000 but it enjoys over **1 million** mostly affluent **tourist** visitors **per year**.
- **Montenegro Connect** is a "greenfield" operation with two BTS installed for testing purposes and no commercial operations or subscriber base.
- **VelaTel** expects to realize significant savings by consolidating many functions in the two contiguous markets that share the same language and economic demographics.

SERBIA MARKET OVERVIEW

Sector	2007	2008	2009	2010
Population (millions):	7.3			
Broadband Penetration				
Fixed broadband subscribers	258	470	691	850
Fixed broadband penetration rate	3%	6%	9%	12%
Subscribers to Telecoms Services (thousand)				
Fixed-line telephone subscribers	2,850	3,080	3,106	3,200
Mobile phone subscribers	8,800	9,700	10,400	10,400

SERBIA MARKET OPPORTUNITY

- All sectors of the communications market, with the exception of mobile, recorded annual growth despite adverse economic conditions, highlighting the resiliency of communications spending.
- Broadband accounts for over 75% of total internet subscriptions, with this figure expected to rise due to increased competition.
- Growing usage of e-commerce, e-government and e-education services by both individuals and businesses characterizes the nascent information society in Serbia.

VERATNET (SERBIA) TERMS



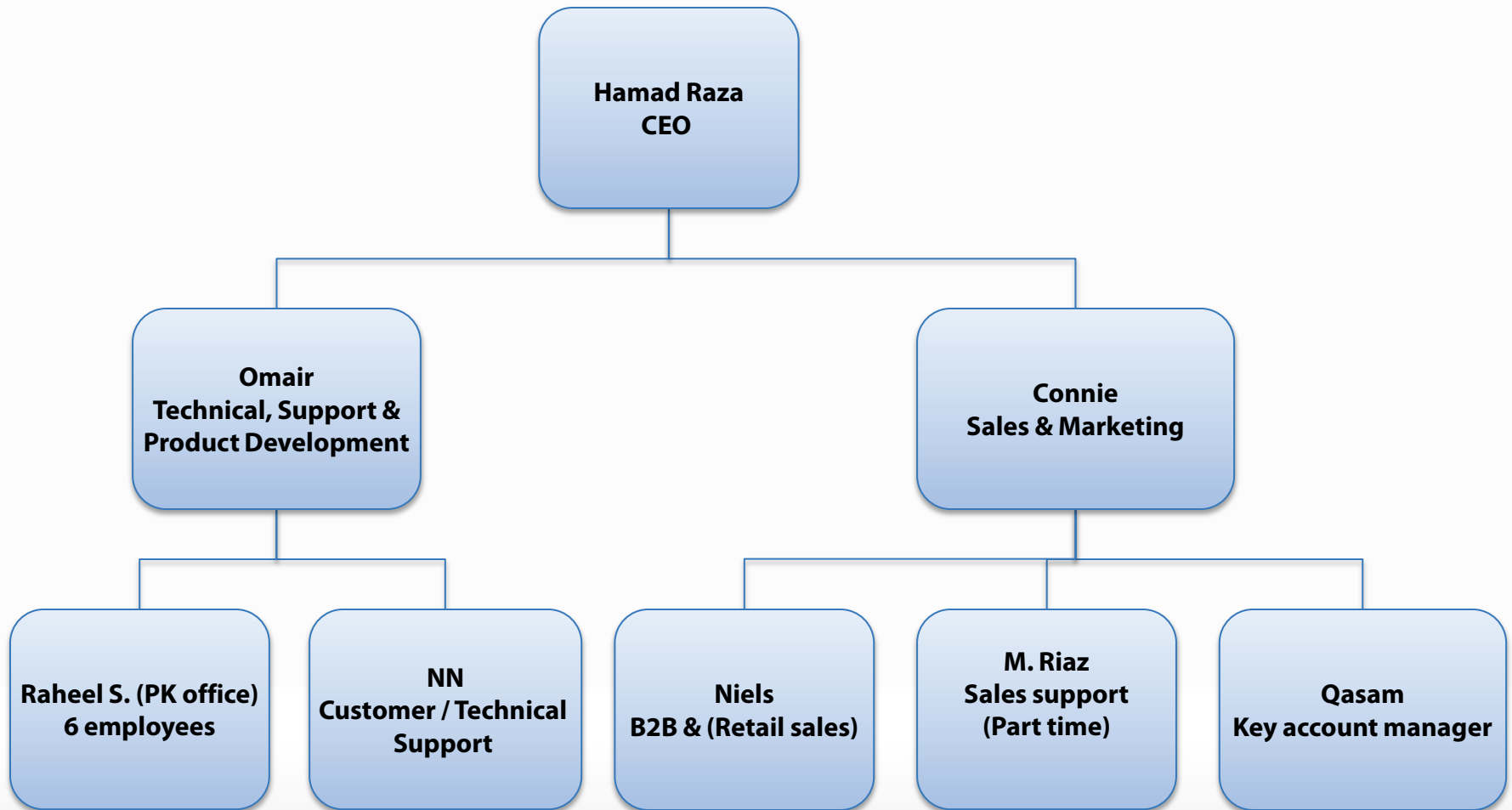
- **VelaTel** has entered into a Business Cooperation Agreement with the shareholders of **Cyprus** holding company **Kerseyco Trading Limited** to acquire at least a 51% controlling interest in Kerseyco and its Serbian operating subsidiary, **VeratNet**.
- **VelaTel** will close the transaction based on a 65% initial ownership percentage. **VelaTel** will contribute CAPEX and OPEX to upgrade Verat's existing WBA infrastructure equipment with 26 additional base stations plus core network hardware and software upgrades.
- **Serbian** Operations has 18,100 existing subscribers.
- **VelaTel** has the option to increase to 75% ownership percentage in exchange for 50 total base stations. **VelaTel** expects to make this increased investment when **VeratNet obtains** a **nationwide** WBA license.

WHO IS ZAPNA?



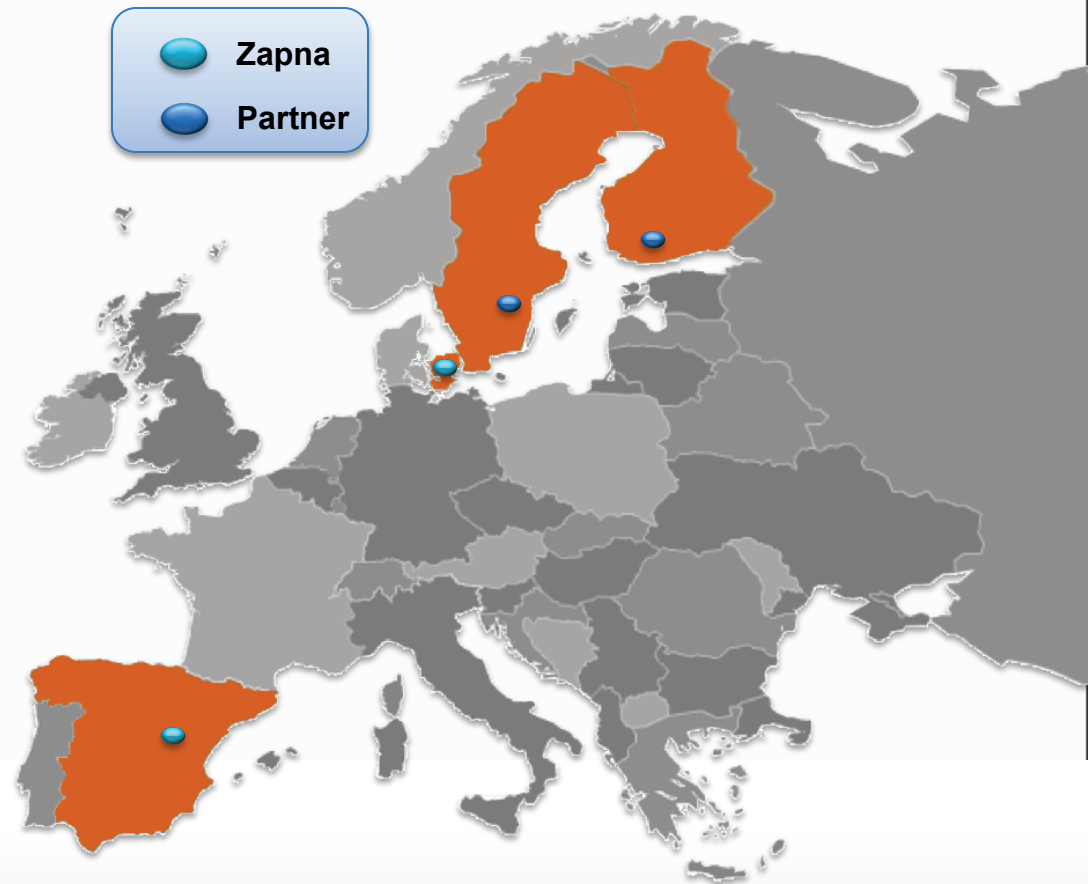
- **Zapna ApS**, www.zapna.com, is a Denmark corporation that provides telecommunications solutions and services to reduce long distance and roaming charges of retail and corporate users
- **Zapna** provides a full white label platform service for carrier partners, including voice and SMS terminations.
- **Zapna** currently provides services in several European countries including Sweden, Finland, Spain and Norway

ZAPNA'S MANAGEMENT TEAM



ZAPNA AT A GLANCE

- **Zapna** was founded in 2009
- **Zapna** developed all product solutions in 2009 & launched its products in Feb. 2010
- **Zapna** has approx. 3 - 4 % market share in Denmark of ILD traffic, which was approx. 22 million minutes in 2011
- **Zapna's** 2011 revenues exceeded \$1 million with approximately \$110,000 positive EBITDA.
- **Zapna** currently has 11 employees with headquarters in Denmark & a development team in Pakistan



STRATEGIC PARTNER

- In April 2012, **VelaTel Global Communications** (OTCQB: VELA), www.velatel.com, a leader in deploying and operating wireless broadband and telecommunication networks worldwide, acquired a 75% equity interest in **Zapna ApS**
- **VelaTel** acquires spectrum assets through acquisition or joint venture relationships, and provides capital, engineering, architectural and construction services related to the build-out of wireless broadband telecommunications networks
- **Zapna** has innovative solutions and strategic relationships that will provide many synergies with **VelaTel's** current and planned operations.
- **VelaTel** provides **Zapna** the opportunity to expand the business worldwide.

ZAPNA'S DISTRIBUTION AGREEMENTS

- **Zapna** signed a distribution agreement with Norway based software and telecommunications solutions provider **SoftGarden** to launch **Zapna** services in Norway
- **Zapna** expects to reach more than 25,000 new potential customers in Norway, with projected revenues through 2013 of \$500,000.
- **SoftGarden** will be the main distributor for **Zapna** in Norway and will launch **Zapna's** "Smart SIM" service to greatly reduce customers' costs of placing and receiving international calls.
 - *The initial launch in July 2012 will focus on the business and the consumer segment of the market ("B2B/B2C").*

ZAPNA BRANDS



- **Business to Business (B2B)**
 - Corporate Customers
 - Small and Medium size
 - Approx. 1000 users
- **Export Companies**
- **Sold by:**
 - Internal Sales Personnel
 - Approx. 10 telecom shops
- **Products Sold:**
 - International Calling
 - Roaming Phone
 - PBX solution
- **Global Brand to be rolled out world wide**



- **Consumer Market**
 - Approx. 10000 registered users
 - Approx. 3000 active users
- **Primarily targeting Ethnical Community**
- **ZeroCall provides free calls to more than 50 countries.**
- **Sold through local shops, approx. 100 & Internet Sales**
- **Services:**
 - Manual service – dial our number
 - Overlay SIM card
- **Products Sold:**
 - Zerocall free (manual solution)
 - Zerocall OUT (overlay SIM)
- **Local brand in Denmark only**



- Recently launched the service beginning of 2012
- Approx. 100 users
- Primarily focus on Corporate Users
- Launching Business to Consumer (B2C) through travel agents soon
- **Roammore** provides solutions for outgoing & incoming calls, SMS and data
- **Global brand to be rolled out world wide**

ZAPNA PRODUCTS

PBX – Corporate customers

Mobile App

Overlay SIM-card



Call-Shop – VOIP traffic



Roaming phone



Roaming SIM-card

ZAPNA'S SMART SIM

- Based on a **Patented Technology**
- **Unique** Opportunity for Multi IMSI Solutions
- Acquisition of New Customers
- **International Calling Solution**
- Calling **Directly** from **Phone Book**
- **Upgrade** from **2G Mobile Phone** to a **3G Mobile Phone**

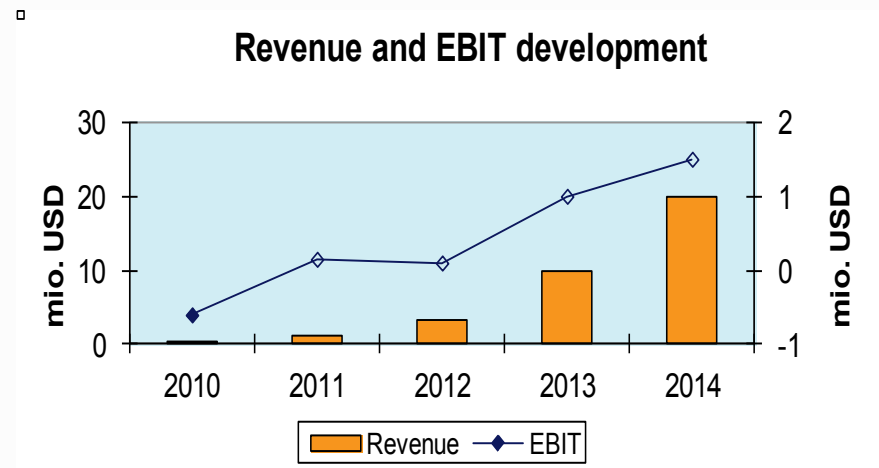


CUSTOMER VALUE

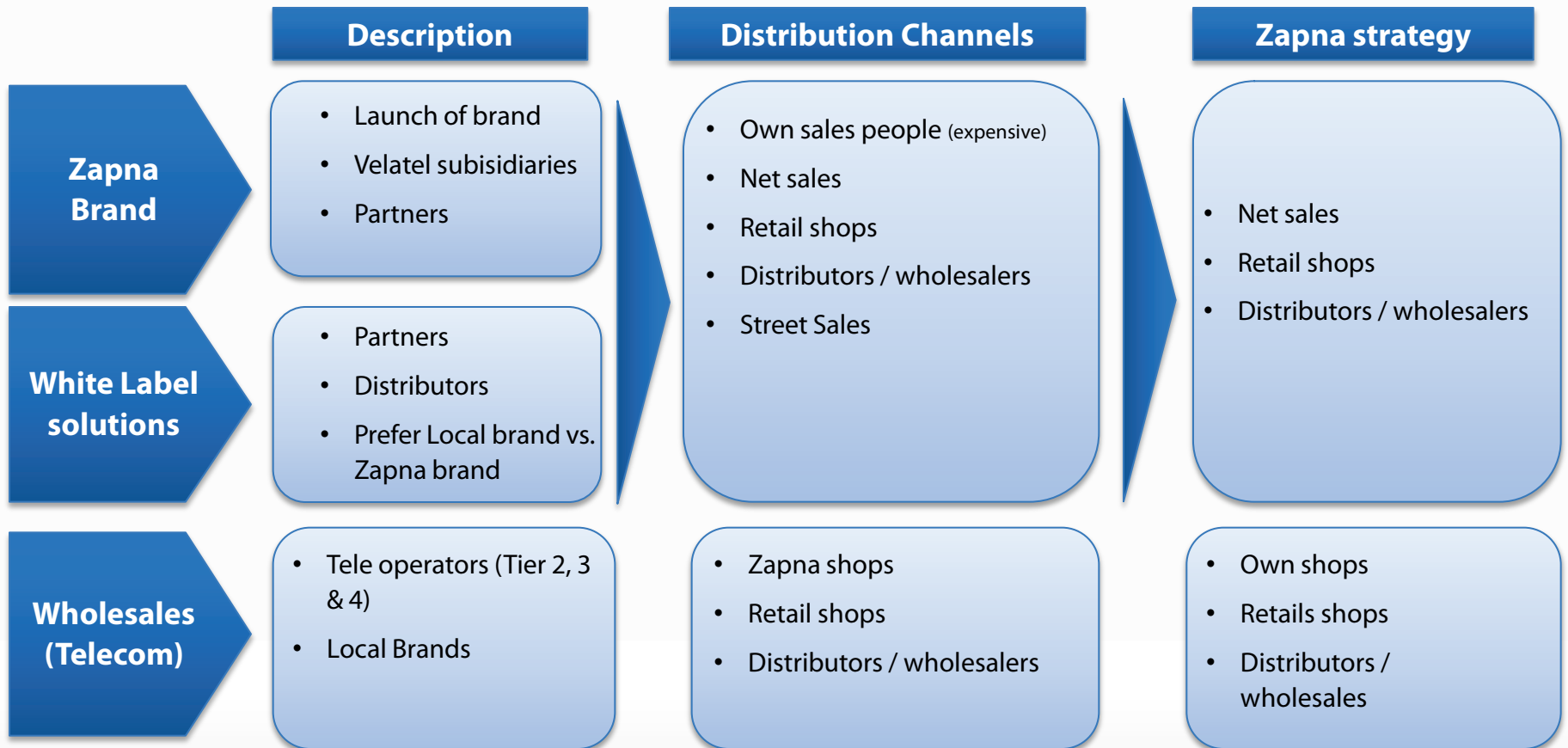
- **Zapna's innovative solutions** creates many **benefits** for our **customers**:
 - *Operator Independency, **Keep Your Current Operator!***
 - **Easy** to Use!
 - Significant **Savings** for International Calls!
 - High **Quality** Products and Service!

FINANCIAL OBJECTIVES

- **Zapna** expects strong growth in 2012
- Expectations for 2012 and 2014 are very ambitious with the worldwide roll out of the **Zapna brand and partners**
- Objectives for 2012 is to be EBITDA positive
- **Zapna** expects to grow in 2013 and 2014



DISTRIBUTION CHANNELS

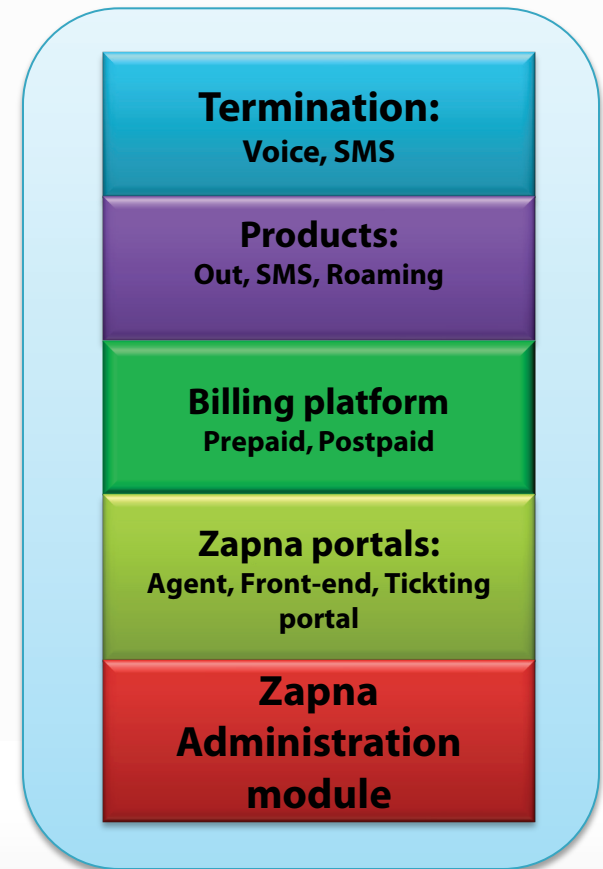


DISTRIBUTION CHANNELS & COMMISSION STRUCTURE

Zapna Brand	Commission structure	Net sales – external partner link	Retail shops	Distributors/wholesales	Agents	Referrals
	Overlay sim cards		2-3 USD pr. sim card	2-3 USD pr. sim card	2-3 USD pr. sim card	2-3 USD pr. sim card
	Monthly top op	10-15%	10-15%	10-15%	10-15%	10-15%
White label solutions	Commission on traffic	No	Yes Specific cases	Yes Specific cases	Yes Specific cases	NO
	Bonus	Case by case	Case by case	Case by case	Case by case	Case by case
Wholesales (Telecom)	Commission structure	Net sales – external partner link	Retail shops Directly	Distributors/wholesales	Agents	Referrals
	Defined by the telecom operator – Zapna are not able to influence					

TECHNICAL PLATFORM AND SERVICES

One platform with **multiple** choices



CHINA MARKET OPPORTUNITY

- China has a population of 1.35 billion and is one of the largest and fastest growing economies in the world.
- According to the International Monetary Fund, China ranked second to the United States in terms of nominal GDP at the end of 2010, while broadband penetration ranked below many other countries.
- Although still low, *internet usage* in China is up, hovering at around 29 percent.
- With the largest mobile population (833 million users), access to information any time, anywhere is becoming a key resource fueling the economy.

CHINA MARKET OPPORTUNITY

- China has a workforce numbering some 800 million individuals; however, the vast majority is in industrial, agricultural, public sector or services jobs.
- Mirroring United States population percentages after the industrial revolution, China has not yet experienced the wave of “Information Workers” seen in Western World powerhouses like Germany, the UK and the USA.
- The vast population of China lives in metropolitan areas. An amazing statistic in and of itself, there are more than 160 cities in China with a population over 1 million.

NEW GENERATION SPECIAL NETWORK TERMS



- **VelaTel** announced October 25, 2011 it has entered into a Business Agreement with **New Generation Special Network Communication Technology Co., Ltd. (NGSN)**.
- **NGSN** already holds a PRC-issued value added services license to provide location based tracking services and other information service nationwide **NGSN** also qualifies to obtain licenses to provide wireless broadband access (WBA) in PRC cities.
- **VelaTel** will form a PRC operating company to be jointly owned with **NGSN** but subject to **VelaTel's** control. The operating company will enter into an exclusive services contract with **NGSN** to deliver the information services and a **WBA Network in China**.

NEW GENERATION SPECIAL NETWORK TERMS

- The parties will work on the deployment of a **WBA** network that will employ TD-LTE technology using equipment already commercially available and manufactured by **VelaTel's** strategic partner **ZTE Corporation**.
- **VelaTel** will finance and the joint venture will own the infrastructure equipment. **VelaTel** will also provide all engineering and network management services, including engineering **VelaTel** has already completed for 29 major PRC cities in connection with a different WBA project.
- **VelaTel** and **NGSN** are in the final stages of completing the service agreement.

AEROSTRONG COMPANY LIMITED TERMS



中国航天科技集团公司
China Aerospace Science and Technology Corporation

- **VelaTel** has entered into a Business Agreement with **Aerostrong Company Limited**. **Aerostrong** is a subsidiary of **China Aerospace Science and Technology Group (CASC)**, a state-owned company in the People's Republic of China (PRC).
- **Aerostrong** holds PRC-issued value added services licenses to provide telecommunication services via satellite nationwide and internet access service in 18 major cities.
- **Aerostrong** will apply for additional licenses for radio frequency spectrum to provide wireless broadband access (WBA).

AEROSTRONG COMPANY LIMITED TERMS

- **VelaTel**, through a PRC operating company subsidiary, will enter into an exclusive service contract with Aerostrong for **VelaTel** to deliver WBA and related telecommunications services.
- **Aerostrong** will pay VelaTel's operating subsidiary service fees to be specified in the service contract.
- The operating company will deploy and operate **Aerostrong's WBA network**, which will employ **TD-LTE technology** using equipment already commercially available and manufactured by **VelaTel's** strategic partner **ZTE Corporation**.

AEROSTRONG COMPANY LIMITED TERMS

- **VelaTel** and **Aerostrong** expect to finalize the service contract and for **Aerostrong** to secure additional licenses for the **WBA network** during 2012 Q2.
- The **WBA network** will serve primarily as a private network for employees of **CASC** and its affiliated companies. The parties expect that the first phase of deployment will include **CASC's** Beijing headquarters campus and its corporate users.

VN TECHNOLOGIES TERMS

- **VelaTel** has a JV relationship **VN Technologies**, which holds patent and manufacturing rights to hydrogen fuel cell technologies suitable for back up power needs of telecommunications operators.
- The JV will form a PRC operating company to manufacture, distribute and sell hydrogen fuel cell systems.
- Hydrogen fuel cell systems provide an operator long term cost savings compared to conventional back-up power sources.

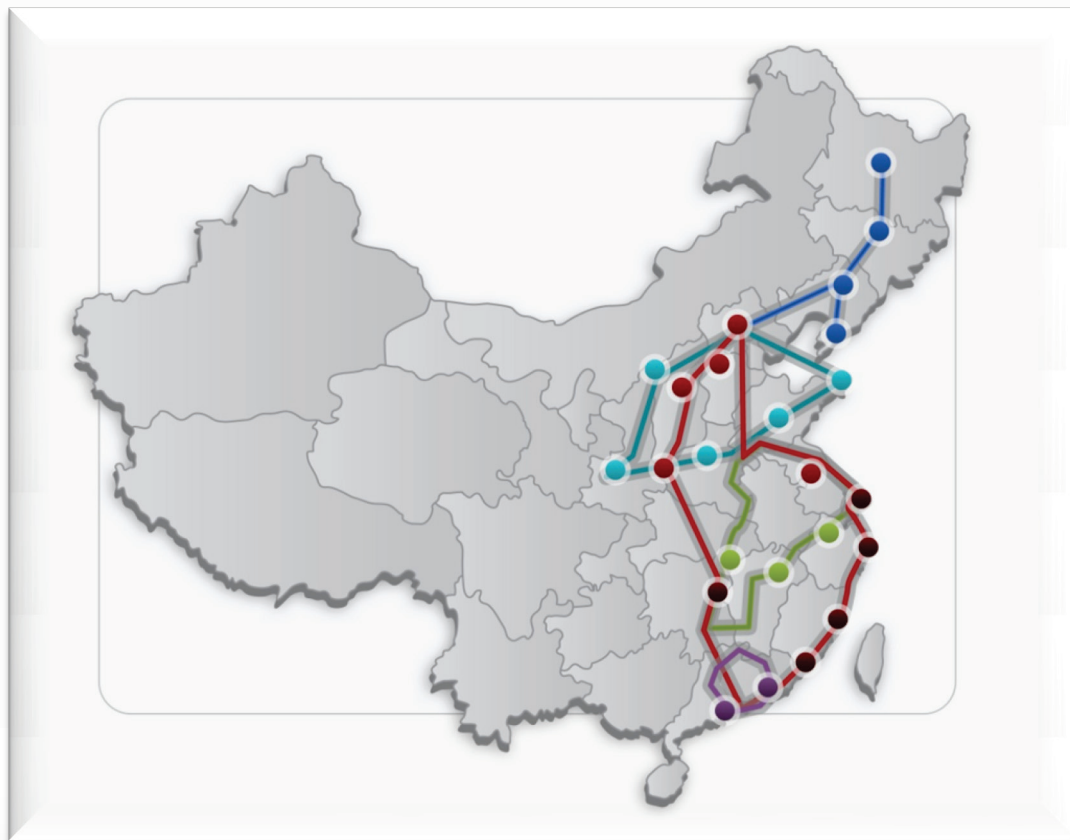
VN TECHNOLOGIES TERMS

- VelaTel will report the venture's operations on VelaTel's consolidated financial statements in the same manner as its other subsidiaries.
- VelaTel predicts a robust market for hydrogen fuel cell systems. In the PRC alone, there are an estimated 1.3 million BTS units requiring back-up power, with 100,000 additional BTS units projected to come on line each year.
- VelaTel will itself be a customer by substituting hydrogen fuel cells for conventional batteries on its future BTS orders.

VN TECHNOLOGIES TERMS

- **China's Ministry of Industry and Information Technology (MIIT)** grants approval of **VN Tech's** hydrogen fuel cells for use in telecommunications base stations.
- **China Mobile** and **China Telecom** conduct trial test sites Heilongjiang/Harbin (China Mobile), Guangzhou and Beijing (China Telecom) on **VN Tech's** fuel cell systems. All trial tests thus far have been passed and completion is on track with **VelaTel's** project timeline
- **VelaTel** expects to report the results in July

SINO CROSSINGS FIBER BACKBONE MAP



- PHASE 1**
- PHASE 2**
- PHASE 3 (SOUTH)**
- PHASE 4 (NORTH)**
- PHASE 5**
- PHASE 6**

SINO CROSSINGS TERMS

- **Sino Crossings** JV controls 34,000km of “dark” fiber which connects most major cities in China.
- **VelaTel** controls 51% of the JV’s equity, board, and corporate seal; which allows **VelaTel** to report **100%** of the JV’s **financial performance** on **VelaTel’s** books.
- **Sino Crossings** will use the license status of **NGSN** and **CASC** to sell the fiber capacity to other carriers, including VelaTel’s other joint venture projects.
- In Phase 1, **VelaTel** will contribute engineering services, an equipment contract and financing for CAPEX and OPEX sufficient to “light” 15,000km.

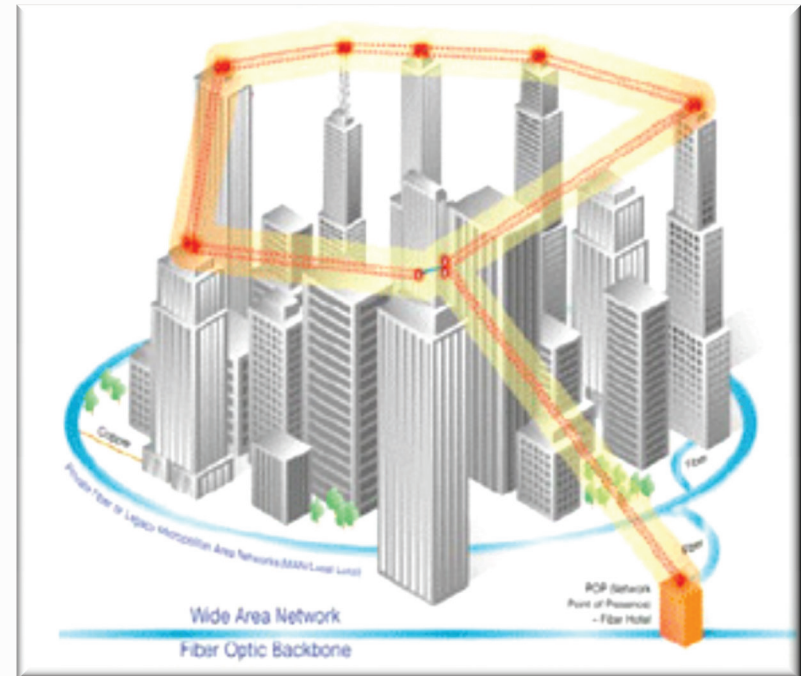
SINO CROSSINGS TERMS

- Fiber transport and interconnections typically represent 20-35% of a carrier's total operating costs.
- **Sino Crossings** will sell transport and interconnections for **VelaTel's** WBA projects at a 20% discount, and will sell excess capacity to other operators.



SINO CROSSINGS METRO RINGS

- In addition to 34,000km of national “backbone” fiber that connects different regions within China, the JV also has the right to access for testing and the option to purchase “metro ring” fiber in numerous cities in China.



GOLDEN BRIDGE DEPLOYMENT PLAN



PHASE 1	PHASE 2
Fuzhou Xiamen	Quanzhou Zhangzhou Longyan Putian Sanming Nanping Ningde
26 ISP LICENSES	
Beijing Shanghai Chongqing Nanjing Suzhou Yangzhou Wuxi Hangzhou Ningbo Wenzhou Taizhou Shaoxing Jinan	Qingdao Yantai Zhibo Tongying Guangzhou Shenzhen Fuoshan Tongguan Zhaoqing Zhuhai Chengdu Xian Fujian

GOLDEN BRIDGE TERMS

- **VelaTel** has a JV agreement with **Golden Bridge Network Communications Co., Ltd. (GBNC)**, which holds WBA and ISP licenses to deploy and operate 4G networks in the PRC.
- **VelaTel** owns 49% of the JV equity, controls the JV's board and corporate seal, which allows **VelaTel** to report 100% of the JV's financial performance on **VelaTel's** books.
- **GBNC** currently has ISP licenses for 26 cities and wireless broadband access (WBA) for two cities, Fuzhou and Xiamen.
- **VelaTel** is in the process of obtaining Chinese regulatory approval.

Consolidated Income Statement

(Unit: USD)

	2012e	2013e	2014e	2015e
Wimax Revenues - Retail	\$2,907,161	\$16,673,452	\$51,682,884	\$97,327,860
Wimax Revenues - Business	\$571,085	\$5,069,210	\$12,198,396	\$21,535,582
ADSL	\$1,674,273	\$2,813,512	\$3,798,241	\$4,747,801
Equipment Sales	\$5,701,741	\$12,962,519	\$27,362,760	\$33,389,310
Other (Business Internet Lines/Data Center/Cloud Services/System Integration/LBS)	\$4,351,037	\$20,179,367	\$32,578,819	\$40,300,638
Total Revenues	\$15,205,298	\$57,698,060	\$127,621,100	\$197,301,191
% Growth		279.5%	121.2%	54.6%
Cost of Goods Sold	\$6,208,354	\$16,222,686	\$31,026,075	\$37,796,446
Network Costs	\$7,632,270	\$14,819,633	\$24,040,527	\$28,033,507
Sales & Marketing Costs	\$1,439,831	\$5,419,564	\$10,578,931	\$13,282,827
Administrative and Personnel	\$5,906,629	\$24,963,741	\$31,589,093	\$35,698,862
Other	\$216,050	\$2,599,801	\$3,294,666	\$4,061,210
Costs Before D&A	\$21,403,134	\$64,025,424	\$100,529,292	\$118,872,851
EBITDA	(\$6,197,836)	(\$6,327,365)	\$27,091,808	\$78,428,340
EBITDA Margin		-11.0%	21.2%	39.8%
Depreciation & Amortization	\$4,765,741	\$7,685,209	\$10,201,435	\$12,152,248
% Revenues		13.3%	8.0%	6.2%
Operating Income (EBIT)	(\$10,963,578)	(\$14,012,574)	\$16,890,373	\$66,276,092
Operating Margin		-24.3%	13.2%	33.6%
Other Income (Expense)				
Interest Expense	\$336,175	\$982,318	\$1,520,837	\$1,109,819
Income Before Income Taxes	(\$11,299,753)	(\$14,994,892)	\$15,369,536	\$65,166,273
% Revenues		-26.0%	12.0%	33.0%
Income Tax Expense	\$0	\$266,226	\$2,944,062	\$12,561,532
Net Income Available to Shareholders	(\$11,299,753)	(\$15,261,118)	\$12,425,474	\$52,604,741
% Revenues		-26.4%	9.7%	26.7%

Network Subscribers	21,499	51,018	179,559	434,615	740,341
Croatia	1,549	5,477	17,242	44,280	78,646
Serbia	18,100	20,537	27,431	38,331	52,708
Montenegro	0	1,245	10,319	14,427	19,852
China (NGSN)	0	6,729	49,307	149,477	285,986
China (CASC)	0	1,000	25,000	50,000	75,000
China (Golden Bridge)	0	0	19,000	86,000	150,000
Peru	1,850	16,030	31,260	52,100	78,149

Income Statement - Croatia

(Unit: USD)

	2012e	2013e	2014e	2015e
Retail Subscriber Revenue	\$793,879	\$3,342,868	\$8,994,613	\$17,717,316
Corporate Subscriber Revenue	\$325,885	\$737,404	\$1,074,851	\$2,055,979
Equipment Sales	\$495,163	\$1,021,051	\$2,380,615	\$3,016,057
Total Revenue	\$1,614,927	\$5,101,323	\$12,450,080	\$22,789,352
% Growth		215.9%	144.1%	83.0%
Cost of Goods Sold	\$760,286	\$1,518,985	\$3,582,470	\$4,526,826
Network Costs	\$860,019	\$1,267,890	\$2,279,938	\$2,304,668
Site Rental and Energy Costs	\$257,012	\$419,611	\$419,611	\$419,611
Wimax License Fees	\$261,691	\$278,434	\$281,048	\$287,584
Microwave Fees	\$67,266	\$84,968	\$84,968	\$84,968
Backhaul Costs	\$271,150	\$475,749	\$1,470,868	\$1,470,868
Voice Numbering Fees	\$2,900	\$9,128	\$23,443	\$41,636
Variable Costs	\$186,378	\$327,011	\$852,439	\$1,472,480
Voice Interconnection Costs	\$158,273	\$318,972	\$792,112	\$1,408,035
CPE Installation Costs	\$28,105	\$8,039	\$60,327	\$64,445
Sales & Marketing Costs	\$353,918	\$675,132	\$1,467,203	\$2,061,170
Sales & Marketing Expenses	\$167,291	\$362,501	\$692,065	\$1,108,201
Customer Acquisition Costs	\$186,627	\$312,632	\$775,138	\$952,969
Administrative and Personnel	\$909,164	\$1,989,295	\$3,476,105	\$4,159,433
Personnel Salaries and Benefits	\$423,350	\$730,813	\$1,458,055	\$1,948,517
Administrative Costs	\$403,732	\$1,136,379	\$1,692,708	\$1,587,168
Billing Costs	\$25,774	\$106,914	\$289,518	\$578,480
Insurance	\$56,308	\$15,190	\$35,825	\$45,268
Costs Before D&A	\$3,069,766	\$5,778,314	\$11,658,156	\$14,524,576
EBITDA	(\$1,454,839)	(\$676,991)	\$791,924	\$8,264,775
EBITDA Margin		-13.3%	6.4%	36.3%
Depreciation & Amortization	\$695,786	\$695,786	\$695,786	\$695,786
% Revenues		13.6%	5.6%	3.1%
Operating Income (EBIT)	(\$2,150,625)	(\$1,372,777)	\$96,138	\$7,568,990
Operating Margin		-26.9%	0.8%	33.2%
Other Income (Expense)				
Interest Expense	\$0	\$94,979	\$189,957	\$0
Income Before Income Taxes	(\$2,150,625)	(\$1,467,756)	(\$93,819)	\$7,568,990
% Revenues		-28.8%	-0.8%	33.2%
Income Tax Expense	\$0	\$0	\$0	\$1,513,798
Net Income Available to Shareholders	(\$2,150,625)	(\$1,467,756)	(\$93,819)	\$6,055,192
% Revenues		-28.8%	-0.8%	26.6%
Retail Customers	5,125	16,784	43,064	76,618
Business Customers	352	458	1,216	2,028

Income Statement - Serbia

(Unit: USD)

	2012e	2013e	2014e	2015e
Retail Subscriber Revenue	\$328,159	\$1,571,841	\$4,081,370	\$7,845,115
Corporate Subscriber Revenue	\$153,382	\$755,428	\$1,504,066	\$2,089,490
ADSL	\$1,674,273	\$2,813,512	\$3,798,241	\$4,747,801
Other (Business Internet Lines/Data Center)	\$1,502,373	\$1,240,331	\$1,116,298	\$1,004,669
Equipment Sales	\$232,370	\$669,138	\$1,075,167	\$1,467,590
Total Revenue	\$3,890,557	\$7,050,250	\$11,575,141	\$17,154,663
% Growth		81.2%	64.2%	48.2%
Cost of Goods Sold (CPEs)	\$362,550	\$1,046,431	\$1,630,483	\$2,210,010
Network Costs	\$2,090,766	\$2,673,552	\$3,379,497	\$4,006,290
Site Rental and Energy Costs	\$182,001	\$242,669	\$242,669	\$242,669
Wimax License Fees	\$149,544	\$149,544	\$149,544	\$149,544
Last Mile Connection	\$130,197	\$130,197	\$130,197	\$130,197
Backhaul Costs	\$578,739	\$439,152	\$611,770	\$611,770
Voice Numbering Fees	\$1,290	\$4,940	\$10,711	\$18,322
Voice Interconnection Costs	\$60,073	\$219,268	\$275,786	\$440,752
ADSL Ports	\$846,963	\$1,345,824	\$1,816,863	\$2,271,078
Vendor Maintenance	\$67,448	\$67,448	\$67,448	\$67,448
Other	\$74,510	\$74,510	\$74,510	\$74,510
Variable Costs	\$17,582	\$52,549	\$36,896	\$35,785
CPE Installation Costs	\$17,582	\$52,549	\$36,896	\$35,785
Sales & Marketing Costs	\$359,529	\$702,892	\$1,118,892	\$1,422,182
Marketing	\$279,272	\$471,969	\$794,768	\$998,727
Customer Acquisition Costs	\$80,257	\$230,923	\$324,124	\$423,455
Administrative and Personnel	\$1,668,405	\$2,972,881	\$3,354,771	\$3,766,829
Personnel Salaries and Benefits	\$785,384	\$944,949	\$1,261,535	\$1,491,024
Administrative Costs	\$875,375	\$1,991,012	\$2,000,491	\$2,103,760
Billing Costs	\$7,646	\$36,920	\$92,744	\$172,045
Costs Before D&A	\$4,498,833	\$7,448,305	\$9,520,540	\$11,441,095
EBITDA	(\$608,275)	(\$398,055)	\$2,054,602	\$5,713,568
EBITDA Margin		-5.6%	17.8%	33.3%
Depreciation & Amortization	\$238,331	\$238,331	\$238,331	\$238,331
% Revenues		3.4%	2.1%	1.4%
Operating Income (EBIT)	(\$846,606)	(\$636,386)	\$1,816,271	\$5,475,237
Operating Margin		-9.0%	15.7%	31.9%
Other Income (Expense)				
Interest Expense	\$0	\$30,388	\$60,775	\$0
Income Before Income Taxes	(\$846,606)	(\$666,774)	\$1,755,496	\$5,475,237
% Revenues		-9.5%	15.2%	31.9%
Income Tax Expense	\$0	\$0	\$175,550	\$547,524
Net Income Available to Shareholders	(\$846,606)	(\$666,774)	\$1,579,946	\$4,927,713
% Revenues		-9.5%	13.6%	28.7%

Retail Wireless Customers
Business Wireless Customers

1,955

482

7,373

1,958

17,236

2,995

30,614

3,994

Income Statement - Montenegro

(Unit: USD)

	2012e	2013e	2014e	2015e
Retail Subscriber Revenue				
Residential	\$82,134	\$2,204,645	\$5,388,790	\$7,427,847
Data	\$82,134	\$2,204,645	\$4,609,770	\$6,259,317
VOIP	\$59,587	\$1,590,232	\$3,305,508	\$4,461,373
Tourists	\$22,547	\$614,413	\$1,304,261	\$1,797,944
	\$0	\$0	\$779,020	\$1,168,530
Corporate Subscriber Revenue	\$4,444	\$156,983	\$409,781	\$623,740
Equipment Sales	\$118,972	\$863,333	\$827,487	\$733,899
Total Revenue	\$205,551	\$3,224,960	\$6,626,057	\$8,785,486
% Growth		1468.9%	105.5%	32.6%
Cost of Goods Sold	\$170,055	\$1,247,624	\$921,437	\$923,466
Network Costs	\$259,383	\$1,098,752	\$1,564,571	\$1,943,589
Site Rental and Energy Costs	\$78,432	\$156,864	\$235,296	\$235,296
Wimax License Fees	\$38,857	\$38,857	\$38,857	\$38,857
Microwave Fees	\$0	\$0	\$0	\$0
Backhaul Costs	\$109,239	\$865,372	\$1,282,781	\$1,658,927
Voice Numbering Fees	\$659	\$5,463	\$7,638	\$10,510
Network Maintenance Costs	\$32,196	\$32,196	\$0	\$0
Variable Costs	\$12,090	\$220,240	\$405,331	\$552,945
Voice Interconnection Costs	\$11,273	\$202,756	\$391,278	\$539,383
CPE Installation Costs	\$817	\$17,484	\$14,052	\$13,562
Sales & Marketing Costs	\$92,501	\$241,582	\$508,509	\$650,387
Sales & Marketing Expenses	\$70,849	\$173,957	\$241,548	\$316,347
Customer Acquisition Costs (excluding CPE costs)	\$21,652	\$67,625	\$266,961	\$334,040
Administrative and Personnel	\$684,318	\$1,265,991	\$1,967,413	\$2,081,772
Personnel Salaries and Benefits	\$374,865	\$668,796	\$1,275,304	\$1,440,120
Administrative Costs	\$308,326	\$590,262	\$676,034	\$618,354
Billing Costs	\$1,127	\$6,933	\$16,074	\$23,297
Costs Before D&A	\$1,218,346	\$4,074,189	\$5,367,260	\$6,152,160
EBITDA	182%	21%	19%	16%
EBITDA Margin	(\$1,012,796)	(\$849,228)	\$1,258,797	\$2,633,326
		-26.3%	19.0%	30.0%
Depreciation & Amortization	\$154,698	\$154,698	\$154,698	\$154,698
% Revenues		4.8%	2.3%	1.8%
Operating Income (EBIT)	(\$1,167,493)	(\$1,003,926)	\$1,104,099	\$2,478,628
Operating Margin		-31.1%	16.7%	28.2%
Other Income (Expense)				
Interest Expense	\$0	\$18,770	\$37,540	\$0
Income Before Income Taxes	(\$1,167,493)	(\$1,022,696)	\$1,066,559	\$2,478,628
% Revenues		-31.7%	16.1%	28.2%
Income Tax Expense	\$0	\$0	\$95,990	\$223,077
Net Income Available to Shareholders	(\$1,167,493)	(\$1,022,696)	\$970,568	\$2,255,552
% Revenues		-31.7%	14.6%	25.7%

Retail Customers (excluding Tourists)
Business Customers

1,232
13

9,959
360

13,797
630

18,951
901

Income Statement - NGSN

(Unit: USD)

	2012	2013	2014	2015
Revenues - Location Based Services	\$393,816	\$3,733,416	\$6,647,904	\$9,884,880
Revenue - Retail Subscribers				
Fixed Broadband	\$90,225	\$1,416,982	\$4,876,923	\$6,936,570
Mobile Broadband	\$170,064	\$3,081,403	\$11,819,459	\$25,728,305
Equipment Sales	\$689,576	\$4,453,455	\$10,645,961	\$14,674,883
Total Revenue	\$1,343,681	\$12,685,255	\$33,990,247	\$57,224,639
% Growth		844.1%	168.0%	68.4%
Cost of Goods Sold	\$691,811	\$4,349,558	\$10,180,668	\$13,822,298
Network Costs	\$798,425	\$4,683,780	\$7,385,197	\$7,858,583
Sales & Marketing Costs	\$190,194	\$1,713,451	\$3,559,993	\$4,471,331
Marketing	\$103,431	\$1,168,747	\$2,286,541	\$2,743,850
Customer Acquisition Costs	\$86,763	\$544,704	\$1,273,452	\$1,727,481
Administrative and Personnel	\$969,245	\$5,600,371	\$6,572,130	\$7,450,184
Personnel Salaries and Benefits	\$745,234	\$2,646,406	\$2,911,047	\$3,202,152
Administrative Costs	\$126,853	\$2,663,378	\$3,096,870	\$3,440,217
One-Time Expenses	\$95,139	\$254,927	\$429,185	\$515,022
Billing Costs	\$2,019	\$35,660	\$135,029	\$292,793
Costs Before D&A	\$2,649,675	\$16,347,159	\$27,697,988	\$33,602,395
EBITDA	(\$1,305,994)	(\$3,661,904)	\$6,292,259	\$23,622,244
EBITDA Margin		-28.9%	18.5%	41.3%
Depreciation & Amortization	\$1,482,353	\$2,711,908	\$3,841,447	\$3,841,447
% Revenues		21.4%	11.3%	6.7%
Operating Income (EBIT)	(\$2,788,347)	(\$6,373,812)	\$2,450,812	\$19,780,797
Operating Margin		-50.2%	7.2%	34.6%
Other Income (Expense)				
Interest Expense	\$0	\$192,538	\$562,380	\$511,442
Income Before Income Taxes	(\$2,788,347)	(\$6,566,350)	\$1,888,432	\$19,269,355
% Revenues		-51.8%	5.6%	33.7%
Income Tax Expense	\$0	\$0	\$0	\$3,217,982
Net Income Available to Shareholders	(\$2,788,347)	(\$6,566,350)	\$1,888,432	\$16,051,373
% Revenues		-51.8%	5.6%	28.0%

Retail Customers 6,729 49,307 149,477 285,986

Income Statement - CASC

(Unit: USD)

	2012e	2013e	2014e	2015e
Revenues				
Non-Security Network	\$11,807	\$188,917	\$377,834	\$566,751
Wireless Broadband Trunking Service	\$70,844	\$1,700,252	\$4,250,630	\$8,501,259
Cloud based platform Service	\$59,037	\$944,584	\$1,653,023	\$2,125,315
Wireless Broadband Campus Service	\$16,530	\$1,719,144	\$4,959,068	\$8,265,113
System Integration and Product Distribution	\$787,154	\$3,148,615	\$3,935,768	\$4,722,922
Total Revenues	\$945,372	\$7,701,511	\$15,176,322	\$24,181,360
% Growth		714.7%	97.1%	59.3%
Cost of Goods Sold	\$708,438	\$2,833,753	\$3,542,191	\$4,250,630
Network / Connectivity Costs	\$440,806	\$661,209	\$793,451	\$991,814
Sales & Marketing Costs	\$26,763	\$54,471	\$61,398	\$69,458
Sales & Marketing	\$26,763	\$54,471	\$61,398	\$69,458
Administrative and Personnel	\$399,887	\$3,536,145	\$3,800,225	\$3,962,128
Personnel Salaries and Benefits	\$293,309	\$645,277	\$726,921	\$751,212
Administrative Costs	\$9,521	\$2,437,335	\$2,459,860	\$2,462,873
Legal and Professional Fees	\$29,912	\$118,388	\$152,519	\$112,141
Travel Expenses / Entertainment	\$58,879	\$318,615	\$441,965	\$614,975
Technology Costs	\$8,265	\$16,530	\$18,961	\$20,927
Costs Before D&A	\$1,575,894	\$7,085,578	\$8,197,266	\$9,274,030
EBITDA	(\$630,523)	\$615,933	\$6,979,057	\$14,907,330
EBITDA Margin		8.0%	46.0%	61.6%
Depreciation & Amortization	\$500,220	\$1,416,954	\$2,803,640	\$4,677,135
% Revenues		18.4%	18.5%	19.3%
Operating Income (EBIT)	(\$1,130,742)	(\$801,021)	\$4,175,416	\$10,230,195
Operating Margin		-10.4%	27.5%	42.3%
Other Income (Expense)				
Interest Expense	\$0	\$67,209	\$263,568	\$445,315
Income Before Income Taxes	(\$1,130,742)	(\$868,230)	\$3,911,849	\$9,784,880
% Revenues		-11.3%	25.8%	40.5%
Income Tax Expense	\$0	\$0	\$653,279	\$1,634,075
Net Income Available to Shareholders	(\$1,130,742)	(\$868,230)	\$3,258,570	\$8,150,805
% Revenues		-11.3%	21.5%	33.7%

Network Users

1,000

25,000

50,000

75,000

Income Statement - Sino Crossing

(Unit: USD)

	2012e	2013e	2014e	2015e
Subscriber Revenues	\$1,596,850	\$10,538,504	\$18,462,992	\$21,611,102
Total Revenues	\$1,596,850	\$10,538,504	\$18,462,992	\$21,611,102
% Growth		560.0%	75.2%	17.1%
Operating Expenses				
Cost of Service	\$2,319,370	\$2,107,701	\$3,692,598	\$4,322,220
Direct Marketing & Sales Expense	\$79,843	\$526,925	\$923,150	\$1,080,555
SG&A Expense	\$319,370	\$3,898,501	\$5,483,398	\$6,113,020
Maintenance Costs	\$0	\$2,000,000	\$2,000,000	\$2,000,000
Costs Before D&A	\$2,718,583	\$8,533,127	\$12,099,146	\$13,515,796
EBITDA	(\$1,121,732)	\$2,005,377	\$6,363,846	\$8,095,306
EBITDA Margin	-70.2%	19.0%	34.5%	37.5%
Depreciation & Amortization	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
% Revenues	62.6%	9.5%	5.4%	4.6%
Operating Income (EBIT)	(\$2,121,732)	\$1,005,377	\$5,363,846	\$7,095,306
Operating Income Margin	-132.9%	9.5%	29.1%	32.8%
Other Income (Expense)				
Interest Expense	\$336,175	\$124,950	\$62,475	\$0
Income Before Income Taxes	(\$2,457,907)	\$880,427	\$5,301,371	\$7,095,306
% Revenues	-153.9%	8.4%	28.7%	32.8%
Income Tax Expense	\$0	\$220,107	\$1,325,343	\$1,773,827
Net Income Available to Shareholders	(\$2,457,907)	\$660,320	\$3,976,028	\$5,321,480
% Revenues	-153.9%	6.3%	21.5%	24.6%

Income Statement - Golden Bridge

(Unit: USD)

	2012e	2013e	2014e	2015e
Subscriber Revenues	\$0	\$842,175	\$9,168,626	\$20,298,465
Government Projects	\$0	\$385,000	\$385,000	\$385,000
Equipment Sales	\$0	\$1,980,750	\$6,984,750	\$6,672,000
Total Revenue	\$0	\$3,207,925	\$16,538,376	\$27,355,465
% Growth			415.55%	65.41%
Cost of Goods Sold	\$0	\$1,852,500	\$6,532,500	\$6,240,000
Network Costs	\$0	\$1,052,500	\$3,200,000	\$4,166,000
Sales and Marketing Costs	\$0	\$916,863	\$2,029,847	\$2,435,816
Administrative and Personnel	\$0	\$3,690,638	\$4,620,053	\$5,571,835
Personnel Salaries and Benefits	\$0	\$1,508,538	\$2,203,953	\$2,939,735
One-Time Expense	\$0	\$401,000	\$557,000	\$691,000
Rental Expenses	\$0	\$287,000	\$295,000	\$304,000
Administration Expense	\$0	\$1,494,100	\$1,564,100	\$1,637,100
Costs Before D&A	\$0	\$7,512,501	\$16,382,399	\$18,413,651
EBITDA	\$0	(\$4,304,576)	\$155,977	\$8,941,814
EBITDA Margin		-134.2%	0.9%	32.7%
Depreciation & Amortization	\$0	\$773,178	\$773,178	\$850,496
% Revenues		24.1%	4.7%	3.1%
Operating Income (EBIT)	\$0	(\$5,077,754)	(\$617,202)	\$8,091,318
Operating Margin		-158.3%	-3.7%	29.6%
Other Income (Expense)				
Interest Expense/Financing Fees	\$0	\$359,489	\$156,151	\$153,062
Income Before Income Taxes	\$0	(\$5,437,243)	(\$773,353)	\$7,938,256
% Revenues		-169.5%	-4.7%	29.0%
Income Tax Expense	\$0	\$0	\$0	\$1,984,564
Net Income Available to Shareholders	\$0	(\$5,437,243)	(\$773,353)	\$5,953,692
% Revenues		-169.5%	-4.7%	21.8%

Retail Customers

0

19,000

86,000

150,000

Income Statement - Peru

(Unit: USD)

	2012e	2013e	2014e	2015e
VOIP Revenues	\$300,000	\$405,000	\$526,500	\$658,125
Retail Subscriber Revenue	\$1,442,700	\$4,213,539	\$7,353,102	\$11,374,243
Equipment Sales	\$4,165,659	\$3,974,793	\$5,448,781	\$6,824,881
Total Revenue	\$5,608,359	\$8,188,332	\$12,801,883	\$18,199,124
% Growth		46.0%	56.3%	42.2%
Cost of Goods Sold	\$3,515,213	\$3,373,835	\$4,636,325	\$5,823,216
Network Costs	\$863,500	\$1,274,250	\$1,745,275	\$2,440,344
Site Rental and Energy Costs	\$252,000	\$252,000	\$252,000	\$252,000
Voice Interconnection Costs	\$105,000	\$141,750	\$184,275	\$230,344
Backhaul Costs	\$407,000	\$781,000	\$1,309,000	\$1,958,000
Vendor Maintenance	\$99,500	\$99,500	\$0	\$0
Sales & Marketing Costs	\$337,083	\$588,248	\$909,939	\$1,091,927
Marketing	\$337,083	\$588,248	\$909,939	\$1,091,927
Administrative and Personnel	\$956,240	\$2,009,919	\$2,314,997	\$2,593,661
Personnel Salaries and Benefits	\$393,000	\$786,000	\$809,580	\$833,867
Administrative Costs	\$524,768	\$1,110,423	\$1,305,353	\$1,447,196
Billing Costs	\$38,472	\$113,496	\$200,064	\$312,598
Costs Before D&A	\$5,672,037	\$7,246,252	\$9,606,536	\$11,949,148
EBITDA	(\$63,678)	\$942,079	\$3,195,347	\$6,249,976
EBITDA Margin		11.5%	25.0%	34.3%
Depreciation & Amortization	\$694,355	\$694,355	\$694,355	\$694,355
% Revenues		8.5%	5.4%	3.8%
Operating Income (EBIT)	(\$758,032)	\$247,725	\$2,500,992	\$5,555,621
Operating Margin		3.0%	19.5%	30.5%
Other Income (Expense)				
Interest Expense	\$0	\$93,996	\$187,991	\$0
Income Before Income Taxes	(\$758,032)	\$153,729	\$2,313,001	\$5,555,621
% Revenues		1.9%	18.1%	30.5%
Income Tax Expense	\$0	\$46,119	\$693,900	\$1,666,686
Net Income Available to Shareholders	(\$758,032)	\$107,610	\$1,619,101	\$3,888,935
% Revenues		1.3%	12.6%	21.4%

Retail Customers

16,030

31,260

52,100

78,149

Consolidated Balance Sheet

(Unit: USD)

	2012e	2013e	2014e	2015e
Assets				
Current Assets				
Cash	\$6,476,842	\$3,480,788	\$7,375,001	\$47,540,204
Accounts Receivables - Net	\$2,346,141	\$8,383,135	\$17,598,948	\$26,839,226
Inventory	\$624,473	\$1,572,678	\$3,079,872	\$3,724,877
Other Current Assets	\$578,821	\$2,111,747	\$4,538,626	\$6,864,182
Total Current Assets	\$7,345,115	\$11,769,527	\$25,650,831	\$65,925,939
Net Property, Plant & Equipment	\$28,574,309	\$43,584,111	\$50,402,355	\$55,768,669
Total Assets	\$38,606,753	\$59,229,207	\$83,193,585	\$141,000,723
Liabilities & Equity				
Current Liabilities				
Current Portion of Debt				
Accounts Payable	\$3,410,390	\$8,133,090	\$12,641,155	\$15,504,405
Other Current Liabilities	\$1,609,226	\$4,640,078	\$9,224,487	\$13,675,483
Total Current Liabilities	\$5,019,616	\$12,773,168	\$21,865,643	\$29,179,888
Long-Term Debt				
Total L-T Debt - Net	\$25,865,165	\$36,073,585	\$29,167,053	\$27,055,205
Total Liabilities	\$30,884,781	\$48,846,753	\$51,032,696	\$56,235,093
Contrib. From Equity Partners	\$19,382,400	\$37,304,000	\$46,656,960	\$46,656,960
Retained Earnings	(\$11,660,428)	(\$26,921,546)	(\$14,496,071)	\$38,108,670
Total Equity	\$7,721,972	\$10,382,454	\$32,160,889	\$84,765,630
Total Liabilities & Equity	\$38,606,753	\$59,229,207	\$83,193,585	\$141,000,723

Balance Sheet - Croatia

(Unit: USD)

	2012e	2013e	2014e	2015e
Assets				
Current Assets				
Cash	\$327,904	\$761,097	\$1,072,577	\$6,877,988
Accounts Receivables - Net	\$265,467	\$838,574	\$2,046,588	\$3,746,195
Inventory	\$76,029	\$151,899	\$358,247	\$452,683
Other Current Assets	\$32,299	\$102,026	\$249,002	\$455,787
Total Current Assets	\$701,699	\$1,853,596	\$3,726,414	\$11,532,652
Net Property, Plant & Equipment	\$4,174,714	\$3,478,929	\$2,783,143	\$2,087,357
Total Assets	\$4,876,413	\$5,332,525	\$6,509,557	\$13,620,009
Liabilities & Equity				
Current Liabilities				
Accounts Payable	\$532,751	\$934,279	\$2,017,492	\$2,555,789
Other Current Liabilities	\$80,746	\$255,066	\$622,504	\$1,139,468
Total Current Liabilities	\$613,498	\$1,189,345	\$2,639,996	\$3,695,256
Long-Term Debt				
Total L-T Debt - Net	\$3,799,140	\$2,532,760	\$0	\$0
Total Liabilities	\$4,412,638	\$3,722,105	\$2,639,996	\$3,695,256
Contrib. From Equity Partners	\$2,614,400	\$5,228,800	\$7,581,760	\$7,581,760
Retained Earnings	(\$2,150,625)	(\$3,618,380)	(\$3,712,199)	\$2,342,993
Total Equity	\$463,775	\$1,610,420	\$3,869,561	\$9,924,753
Total Liabilities & Equity	\$4,876,413	\$5,332,525	\$6,509,557	\$13,620,009

Balance Sheet - Serbia

(Unit: USD)

	2012e	2013e	2014e	2015e
Assets				
Current Assets				
Cash	\$999,640	\$47,048	\$760,061	\$5,434,519
Accounts Receivables - Net	\$639,544	\$1,158,945	\$1,902,763	\$2,819,945
Inventory	\$36,255	\$104,643	\$163,048	\$221,001
Other Current Assets	\$116,717	\$211,507	\$347,254	\$514,640
Total Current Assets	\$1,792,155	\$1,522,144	\$3,173,126	\$8,990,105
Net Property, Plant & Equipment	\$1,429,985	\$1,191,655	\$953,324	\$714,993
Total Assets	\$3,222,141	\$2,713,799	\$4,126,450	\$9,705,098
Liabilities & Equity				
Current Liabilities				
Accounts Payable	\$697,914	\$1,103,529	\$1,520,326	\$1,892,285
Other Current Liabilities	\$194,528	\$352,512	\$578,757	\$857,733
Total Current Liabilities	\$892,442	\$1,456,042	\$2,099,084	\$2,750,018
Long-Term Debt				
Total L-T Debt - Net	\$1,215,505	\$810,337	\$0	\$0
Total Liabilities	\$2,107,947	\$2,266,379	\$2,099,084	\$2,750,018
Contrib. From Equity Partners	\$1,960,800	\$1,960,800	\$1,960,800	\$1,960,800
Retained Earnings	(\$846,606)	(\$1,513,380)	\$66,566	\$4,994,280
Total Equity	\$1,114,194	\$447,420	\$2,027,366	\$6,955,080
Total Liabilities & Equity	\$3,222,141	\$2,713,799	\$4,126,450	\$9,705,098

Balance Sheet - Montenegro

(Unit: USD)

	2012e	2013e	2014e	2015e
Assets				
Current Assets				
Cash	\$47,325	\$253,301	\$461,018	\$2,672,297
Accounts Receivables - Net	\$33,789	\$530,130	\$1,089,215	\$1,444,189
Network Equipment Inventory	\$17,005	\$124,762	\$92,144	\$92,347
Customer CPEs	\$0	\$0	\$104,452	\$156,773
Other Current Assets	\$6,167	\$96,749	\$198,782	\$263,565
Total Current Assets	\$104,286	\$1,004,942	\$1,945,610	\$4,629,170
Net Property, Plant & Equipment	\$928,185	\$773,488	\$618,790	\$464,093
Total Assets	\$1,032,472	\$1,778,430	\$2,564,400	\$5,093,263
Liabilities & Equity				
Current Liabilities				
Accounts Payable	\$131,678	\$692,432	\$838,319	\$1,003,657
Other Current Liabilities	\$10,278	\$161,248	\$331,303	\$439,274
Total Current Liabilities	\$141,956	\$853,680	\$1,169,621	\$1,442,932
Long-Term Debt				
Total L-T Debt - Net	\$750,809	\$500,539	\$0	\$0
Total Liabilities	\$892,765	\$1,354,220	\$1,169,621	\$1,442,932
Contrib. From Equity Partners	\$1,307,200	\$2,614,400	\$2,614,400	\$2,614,400
Retained Earnings	(\$1,167,493)	(\$2,190,189)	(\$1,219,621)	\$1,035,931
Total Equity	\$139,707	\$424,211	\$1,394,779	\$3,650,331
Total Liabilities & Equity	\$1,032,472	\$1,778,430	\$2,564,400	\$5,093,263

Balance Sheet - NGSN

(Unit: USD)

	2012e	2013e	2014e	2015e
Assets				
Current Assets				
Cash	\$246,648	\$24,727	\$205,037	\$10,247,534
Accounts Receivables - Net	\$165,659	\$1,563,936	\$4,190,578	\$7,055,092
Inventory	\$69,181	\$434,956	\$1,018,067	\$1,382,230
Other Current Assets	\$40,310	\$380,558	\$1,019,707	\$1,716,739
Total Current Assets	\$521,799	\$2,404,176	\$6,433,389	\$20,401,596
Net Property, Plant & Equipment	\$8,894,117	\$14,789,092	\$18,854,423	\$18,790,347
Total Assets	\$9,415,916	\$17,193,268	\$25,287,812	\$39,191,942
Liabilities & Equity				
Current Liabilities				
Accounts Payable	\$435,563	\$2,687,204	\$4,553,094	\$5,523,681
Other Current Liabilities	\$67,184	\$634,263	\$1,699,512	\$2,861,232
Total Current Liabilities	\$502,747	\$3,321,467	\$6,252,606	\$8,384,913
Long-Term Debt				
Total L-T Debt - Net	\$7,701,516	\$12,226,497	\$11,001,470	\$6,721,920
Total Liabilities	\$8,204,263	\$15,547,964	\$17,254,076	\$15,106,833
Contrib. From Equity Partners	\$4,000,000	\$11,000,000	\$15,500,000	\$15,500,000
Retained Earnings	(\$2,788,347)	(\$9,354,696)	(\$7,466,264)	\$8,585,109
Total Equity	\$1,211,653	\$1,645,304	\$8,033,736	\$24,085,109
Total Liabilities & Equity	\$9,415,916	\$17,193,268	\$25,287,812	\$39,191,942

Balance Sheet - CASC

(Unit: USD)

	2012e	2013e	2014e	2015e
Assets				
Current Assets				
Cash	\$1,218,944	\$253,925	\$430,847	\$4,165,804
Accounts Receivables - Net	\$116,553	\$949,501	\$1,871,053	\$2,981,264
Other Current Assets	\$47,269	\$385,076	\$758,816	\$1,209,068
Total Current Assets	\$1,382,765	\$1,588,502	\$3,060,716	\$8,356,135
Net Property, Plant & Equipment	\$2,981,178	\$7,920,568	\$14,229,830	\$22,520,706
Telecom Equipment	\$2,965,995	\$7,808,564	\$14,032,026	\$22,280,159
Other Equipment/Vehicles	\$15,183	\$112,004	\$197,804	\$240,547
Total Assets	\$4,363,943	\$9,509,071	\$17,290,546	\$30,876,841
Liabilities & Equity				
Current Liabilities				
Accounts Payable	\$259,051	\$1,164,753	\$1,347,496	\$1,524,498
Other Current Liabilities	\$47,269	\$385,076	\$758,816	\$1,209,068
Total Current Liabilities	\$306,320	\$1,549,828	\$2,106,312	\$2,733,566
Long-Term Debt				
Total L-T Debt - Net	\$2,688,366	\$6,958,215	\$10,924,637	\$15,732,873
Total Liabilities	\$2,994,686	\$8,508,043	\$13,030,948	\$18,466,439
Contrib. From Equity Partners	\$2,500,000	\$3,000,000	\$3,000,000	\$3,000,000
Retained Earnings	(\$1,130,742)	(\$1,998,973)	\$1,259,598	\$9,410,402
Total Equity	\$1,369,258	\$1,001,027	\$4,259,598	\$12,410,402
Total Liabilities & Equity	\$4,363,943	\$9,509,071	\$17,290,546	\$30,876,841

Balance Sheet - Sino Crossing

(Unit: USD)

	2012e	2013e	2014e	2015e
Assets				
Current Assets				
Cash	\$2,425,591	\$903,100	\$3,021,929	\$7,012,921
Accounts Receivables - Net	\$262,496	\$1,732,357	\$3,035,012	\$3,552,510
Inventory	\$74,482	\$233,784	\$331,483	\$370,296
Other Current Assets	\$79,843	\$526,925	\$923,150	\$1,080,555
Total Current Assets	\$2,842,411	\$3,396,166	\$7,311,575	\$12,016,282
Net Property, Plant & Equipment	\$6,000,000	\$5,000,000	\$4,000,000	\$3,000,000
Total Assets	\$8,842,411	\$8,396,166	\$11,311,575	\$15,016,282
Liabilities & Equity				
Current Liabilities				
Accounts Payable	\$190,633	\$173,236	\$303,501	\$355,251
Other Payables	\$159,685	\$1,053,850	\$1,846,299	\$2,161,110
Total Current Liabilities	\$350,318	\$1,227,086	\$2,149,800	\$2,516,361
Long-Term Debt				
Total L-T Debt - Net	\$5,950,000	\$3,966,667	\$1,983,333	\$0
Total Liabilities	\$6,300,318	\$5,193,753	\$4,133,134	\$2,516,361
Contrib. From Equity Partners	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Retained Earnings	(\$2,457,907)	(\$1,797,587)	\$2,178,441	\$7,499,921
Total Equity	\$2,542,093	\$3,202,413	\$7,178,441	\$12,499,921
Total Liabilities & Equity	\$8,842,411	\$8,396,166	\$11,311,575	\$15,016,282

Balance Sheet - Golden Bridge

(Unit: USD)

	2012e	2013e	2014e	2015e
Assets				
Current Assets				
Cash	\$0	\$377,918	\$442,802	\$5,252,524
Accounts Receivables - Net	\$0	\$263,665	\$1,359,319	\$2,248,394
Inventory	\$0	\$185,250	\$653,250	\$624,000
Other Current Assets	\$0	\$96,238	\$496,151	\$820,664
Total Current Assets	\$0	\$923,070	\$2,951,522	\$8,945,582
Net Property, Plant & Equipment	\$0	\$6,958,606	\$6,185,428	\$6,108,110
Total Assets	\$0	\$7,881,677	\$9,136,950	\$15,053,692
Liabilities & Equity				
Current Liabilities				
Accounts Payable	\$0	\$86,507	\$263,014	\$342,411
Other Payables	\$0	\$160,396	\$826,919	\$1,367,773
Total Current Liabilities	\$0	\$246,903	\$1,089,933	\$1,710,184
Long-Term Debt				
Total L-T Debt - Net	\$0	\$6,572,017	\$5,257,614	\$4,600,412
Total Liabilities	\$0	\$6,818,920	\$6,347,546	\$6,310,596
Contrib. From Equity Partners	\$0	\$6,500,000	\$9,000,000	\$9,000,000
Retained Earnings	\$0	(\$5,437,243)	(\$6,210,596)	(\$256,904)
Total Equity	\$0	\$1,062,757	\$2,789,404	\$8,743,096
Total Liabilities & Equity	\$0	\$7,881,677	\$9,136,950	\$15,053,692

Balance Sheet - Peru

(Unit: USD)

	2012e	2013e	2014e	2015e
Assets				
Current Assets				
Cash	\$1,210,791	\$859,672	\$980,730	\$5,876,618
Accounts Receivables - Net	\$862,633	\$1,346,027	\$2,104,419	\$2,991,637
Inventory	\$351,521	\$337,383	\$463,632	\$582,322
Other Current Assets	\$262,384	\$409,417	\$640,094	\$909,956
Total Current Assets	\$2,687,329	\$2,952,499	\$4,188,876	\$10,360,532
Net Property, Plant & Equipment	\$4,166,128	\$3,471,773	\$2,777,418	\$2,083,064
Total Assets	\$6,853,457	\$6,424,272	\$6,966,294	\$12,443,596
Liabilities & Equity				
Current Liabilities				
Accounts Payable	\$1,162,799	\$1,291,151	\$1,797,914	\$2,306,832
Other Current Liabilities	\$1,049,537	\$1,637,666	\$2,560,377	\$3,639,825
Total Current Liabilities	\$2,212,336	\$2,928,817	\$4,358,290	\$5,946,657
Long-Term Debt				
Total L-T Debt - Net	\$3,759,828	\$2,506,552	\$0	\$0
Total Liabilities	\$5,972,164	\$5,435,369	\$4,358,290	\$5,946,657
Contrib. From Equity Partners	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Retained Earnings	(\$1,118,707)	(\$1,011,097)	\$608,004	\$4,496,939
Total Equity	\$881,293	\$988,903	\$2,608,004	\$6,496,939
Total Liabilities & Equity	\$6,853,457	\$6,424,272	\$6,966,294	\$12,443,596

Consolidated Statement of Cash Flows

(Unit: USD)

	2012e	2013e	2014e	2015e
Net Income	(\$11,660,428)	(\$15,261,118)	\$12,425,474	\$52,604,741
Add: D&A	\$4,765,741	\$7,685,209	\$10,201,435	\$12,152,248
Less: Working Capital:	\$1,464,014	(\$855,154)	(\$4,054,994)	(\$4,909,056)
Cash Flow from Operations	(\$5,430,673)	(\$8,431,063)	\$18,571,915	\$59,847,933
Capital Expenditures	(\$29,858,652)	(\$19,820,065)	(\$14,367,574)	(\$13,715,772)
Cash Flow From Investing	(\$29,858,652)	(\$19,820,065)	(\$14,367,574)	(\$13,715,772)
Equity Financing	\$19,382,400	\$17,921,600	\$9,352,960	\$0
Cash flow from Debt Retirement	\$0	(\$8,621,722)	(\$20,660,555)	(\$16,054,494)
Vendor Financing	\$25,865,165	\$18,830,142	\$13,754,023	\$13,942,646
Cash Flow From Financing	\$45,247,565	\$28,130,020	\$2,446,428	(\$2,111,848)
Cash Flow From Other/Disc. Ops	\$0	\$0	\$0	\$0
Total Change in Cash	\$9,958,240	(\$121,108)	\$6,650,770	\$44,020,313
Beginning Cash Position	\$0	\$6,476,842	\$3,480,788	\$7,375,001
Ending Cash Position	\$6,476,842	\$3,480,788	\$7,375,001	\$47,540,204

Statement of Cash Flows - Croatia

(Unit: USD)

	2012e	2013e	2014e	2015e
Net Income	(\$2,150,625)	(\$1,467,756)	(\$93,819)	\$6,055,192
Add: D&A	\$695,786	\$695,786	\$695,786	\$695,786
Less: Working Capital:	\$239,703	(\$142,857)	(\$110,687)	(\$945,567)
Cash Flow from Operations	(\$1,215,136)	(\$914,827)	\$491,280	\$5,805,410
Capital Expenditures	(\$4,870,500)	\$0	\$0	\$0
Cumulative CAPEX	(\$4,870,500)	\$0	\$0	\$0
Cash Flow From Investing	(\$4,870,500)	\$0	\$0	\$0
Equity Financing	\$2,614,400	\$2,614,400	\$2,352,960	\$0
Cash flow from Debt Retirement	\$0	(\$1,266,380)	(\$2,532,760)	\$0
Vendor Financing	\$3,799,140	\$0	\$0	\$0
Cash Flow From Financing	\$6,413,540	\$1,348,020	(\$179,800)	\$0
Total Change in Cash	\$327,904	\$433,193	\$311,480	\$5,805,410
Beginning Cash Position	\$0	\$327,904	\$761,097	\$1,072,577
Ending Cash Position	\$327,904	\$761,097	\$1,072,577	\$6,877,988

Statement of Cash Flows - Serbia

(Unit: USD)

	2012e	2013e	2014e	2015e
Net Income	(\$846,606)	(\$666,774)	\$1,579,946	\$4,927,713
Add: D&A	\$238,331	\$238,331	\$238,331	\$238,331
Less: Working Capital:	\$99,926	(\$118,980)	(\$294,928)	(\$491,586)
Cash Flow from Operations	(\$508,349)	(\$547,423)	\$1,523,349	\$4,674,459
Capital Expenditures	(\$1,668,316)	\$0	\$0	\$0
Cumulative CAPEX	(\$1,668,316)	(\$1,668,316)	(\$1,668,316)	(\$1,668,316)
Cash Flow From Investing	(\$1,668,316)	\$0	\$0	\$0
Equity Financing	\$1,960,800	\$0	\$0	\$0
Cash flow from Debt Retirement	\$0	(\$405,168)	(\$810,337)	\$0
Vendor Financing	\$1,215,505	\$0	\$0	\$0
Cash Flow From Financing	\$3,176,305	(\$405,168)	(\$810,337)	\$0
Total Change in Cash	\$999,640	(\$952,591)	\$713,012	\$4,674,459
Beginning Cash Position	\$0	\$999,640	\$47,048	\$760,061
Ending Cash Position	\$999,640	\$47,048	\$760,061	\$5,434,519

Statement of Cash Flows - Montenegro

(Unit: USD)

	2012e	2013e	2014e	2015e
Net Income	(\$1,167,493)	(\$1,022,696)	\$970,568	\$2,255,552
Add: D&A	\$154,698	\$154,698	\$154,698	\$154,698
Less: Working Capital:	\$84,995	\$17,044	(\$312,557)	(\$146,650)
Cash Flow from Operations	(\$927,801)	(\$850,954)	\$812,708	\$2,263,599
Capital Expenditures	(\$1,082,883)	\$0	\$0	\$0
Customer CPEs	\$0	\$0	(\$104,452)	(\$52,321)
Cumulative CAPEX	(\$1,082,883)	\$0	(\$104,452)	(\$52,321)
Cash Flow From Investing	(\$1,082,883)	\$0	(\$104,452)	(\$52,321)
Equity Financing	\$1,307,200	\$1,307,200	\$0	\$0
Cash flow from Debt Retirement	\$0	(\$250,270)	(\$500,539)	\$0
Vendor Financing	\$750,809	\$0	\$0	\$0
Cash Flow From Financing	\$2,058,009	\$1,056,930	(\$500,539)	\$0
Total Change in Cash	\$47,325	\$205,976	\$207,717	\$2,211,279
Beginning Cash Position	\$0	\$47,325	\$253,301	\$461,018
Ending Cash Position	\$47,325	\$253,301	\$461,018	\$2,672,297

Statement of Cash Flows - NGSN

(Unit: USD)

	2012e	2013e	2014e	2015e
Net Income	(\$2,788,347)	(\$6,566,350)	\$1,888,432	\$16,051,373
Add: D&A	\$1,482,353	\$2,711,908	\$3,841,447	\$3,841,447
Less: Working Capital:	\$227,596	\$714,422	(\$917,764)	(\$1,793,402)
Cash Flow from Operations	(\$1,078,398)	(\$3,140,020)	\$4,812,115	\$18,099,418
Capital Expenditures	(\$10,376,470)	(\$8,606,882)	(\$7,906,778)	(\$3,777,371)
Cumulative CAPEX	(\$10,376,470)	(\$18,983,353)	(\$26,890,130)	(\$30,667,501)
Cash Flow From Investing	(\$10,376,470)	(\$8,606,882)	(\$7,906,778)	(\$3,777,371)
Equity Financing	\$4,000,000	\$7,000,000	\$4,500,000	\$0
Cash flow from Debt Retirement	\$0	(\$2,567,172)	(\$7,498,395)	(\$6,819,225)
Vendor Financing	\$7,701,516	\$7,092,153	\$6,273,368	\$2,539,675
Cash Flow From Financing	\$11,701,516	\$11,524,981	\$3,274,972	(\$4,279,549)
Total Change in Cash	\$246,648	(\$221,921)	\$180,310	\$10,042,498
Beginning Cash Position	\$0	\$246,648	\$24,727	\$205,037
Ending Cash Position	\$246,648	\$24,727	\$205,037	\$10,247,534

Statement of Cash Flows - CASC

(Unit: USD)

	2012e	2013e	2014e	2015e
Net Income	(\$1,130,742)	(\$868,230)	\$3,258,570	\$8,150,805
Add: D&A	\$500,220	\$1,416,954	\$2,803,640	\$4,677,135
Less: Working Capital:	\$142,498	\$72,753	(\$738,809)	(\$933,208)
Cash Flow from Operations	(\$488,024)	\$621,477	\$5,323,401	\$11,894,732
Capital Expenditures	(\$3,481,398)	(\$6,356,344)	(\$9,112,901)	(\$12,968,012)
Cumulative CAPEX	(\$3,481,398)	(\$9,837,742)	(\$18,950,644)	(\$31,918,656)
Cash Flow From Investing	(\$3,481,398)	(\$6,356,344)	(\$9,112,901)	(\$12,968,012)
Equity Financing	\$2,500,000	\$500,000	\$0	\$0
Cash flow from Debt Retirement	\$0	(\$896,122)	(\$3,514,234)	(\$5,937,533)
Vendor Financing	\$2,688,366	\$5,165,971	\$7,480,656	\$10,745,769
Cash Flow From Financing	\$5,188,366	\$4,769,849	\$3,966,421	\$4,808,236
Total Change in Cash	\$1,218,944	(\$965,018)	\$176,921	\$3,734,957
Beginning Cash Position	\$0	\$1,218,944	\$253,925	\$430,847
Ending Cash Position	\$1,218,944	\$253,925	\$430,847	\$4,165,804

Statement of Cash Flows - Sino Crossing

(Unit: USD)

	2012e	2013e	2014e	2015e
Net Income	(\$2,457,907)	\$660,320	\$3,976,028	\$5,321,480
Add: D&A	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Less: Working Capital:	(\$66,502)	(\$1,199,478)	(\$873,865)	(\$347,155)
Cash Flow from Operations	(\$1,524,409)	\$460,842	\$4,102,163	\$5,974,325
Capital Expenditures	(\$7,000,000)	\$0	\$0	\$0
Cumulative CAPEX	(\$7,000,000)	(\$7,000,000)	(\$7,000,000)	(\$7,000,000)
Cash Flow From Investing	(\$7,000,000)	\$0	\$0	\$0
Equity Financing	\$5,000,000	\$0	\$0	\$0
Cash flow from Debt Retirement	\$0	(\$1,983,333)	(\$1,983,333)	(\$1,983,333)
Vendor Financing	\$5,950,000	\$0	\$0	\$0
Cash Flow From Financing	\$10,950,000	(\$1,983,333)	(\$1,983,333)	(\$1,983,333)
Total Change in Cash	\$2,425,591	(\$1,522,491)	\$2,118,830	\$3,990,992
Beginning Cash Position	\$0	\$2,425,591	\$903,100	\$3,021,929
Ending Cash Position	\$2,425,591	\$903,100	\$3,021,929	\$7,012,921

Statement of Cash Flows - Golden Bridge

(Unit: USD)

	2012e	2013e	2014e	2015e
Net Income	\$0	(\$5,437,243)	(\$773,353)	\$5,953,692
Add: D&A	\$0	\$773,178	\$773,178	\$850,496
Less: Working Capital:	\$0	(\$298,250)	(\$1,120,538)	(\$564,087)
Cash Flow from Operations	\$0	(\$4,962,315)	(\$1,120,712)	\$6,240,101
Capital Expenditures	\$0	(\$7,731,785)	\$0	(\$773,178)
Cumulative CAPEX	\$0	(\$7,731,785)	(\$7,731,785)	(\$8,504,963)
Cash Flow From Investing	\$0	(\$7,731,785)	\$0	(\$773,178)
Equity Financing	\$0	\$6,500,000	\$2,500,000	\$0
Cash flow from Debt Retirement	\$0	\$0	(\$1,314,403)	(\$1,314,403)
Vendor Financing	\$0	\$6,572,017	\$0	\$657,202
Cash Flow From Financing	\$0	\$13,072,017	\$1,185,597	(\$657,202)
Total Change in Cash	\$0	\$377,918	\$64,885	\$4,809,721
Beginning Cash Position	\$0	\$0	\$377,918	\$442,802
Ending Cash Position	\$0	\$377,918	\$442,802	\$5,252,524

Statement of Cash Flows - Peru

(Unit: USD)

	2012e	2013e	2014e	2015e
Net Income	(\$1,118,707)	\$107,610	\$1,619,101	\$3,888,935
Add: D&A	\$694,355	\$694,355	\$694,355	\$694,355
Less: Working Capital:	\$735,797	\$100,192	\$314,155	\$312,598
Cash Flow from Operations	\$311,445	\$902,157	\$2,627,610	\$4,895,887
Capital Expenditures	(\$4,860,482)	\$0	\$0	\$0
Cumulative CAPEX	(\$4,860,482)	(\$4,860,482)	(\$4,860,482)	(\$4,860,482)
Cash Flow From Investing	(\$4,860,482)	\$0	\$0	\$0
Equity Financing	\$2,000,000	\$0	\$0	\$0
Cash flow from Debt Retirement	\$0	(\$1,253,276)	(\$2,506,552)	\$0
Vendor Financing	\$3,759,828	\$0	\$0	\$0
Cash Flow From Financing	\$5,759,828	(\$1,253,276)	(\$2,506,552)	\$0
Total Change in Cash	\$1,210,791	(\$351,119)	\$121,058	\$4,895,887
Beginning Cash Position	\$0	\$1,210,791	\$859,672	\$980,730
Ending Cash Position	\$1,210,791	\$859,672	\$980,730	\$5,876,618

SUMMARY

- **ZTE** and **VelaTel** have partnered to form a global strategic partnership which includes highly leveraged debt financing.
- **VelaTel** has been accepted to membership in **Global TD-LTE Initiative (GTI)**.
- **VelaTel** acquired a 95% equity interest in **VelaTel Peru**. **VelaTel** consolidates **VelaTel Peru's** financial performance on VelaTel's books.
- **VelaTel** has entered into a Business Cooperation Agreement with the shareholders of **Herlong Investments Limited** to acquire a 75% controlling interest in Herlong and its operating subsidiaries, **Novi-Net** in Croatia and **Montenegro Connect**.

SUMMARY

- **VelaTel** has entered into a Business Cooperation Agreement with the shareholders of **Cyprus** holding company **Kerseyco Trading Limited** to acquire a controlling interest in **Kerseyco** and its Serbian operating subsidiary, **VeratNet**.
- **VelaTel** has a JV agreement with **Golden Bridge Network Communications Co., Ltd. (GBNC)**, which holds WBA and ISP licenses to deploy and operate a WBA network in the PRC.
- **VelaTel** has entered into a Business Agreement with **New Generation Special Network Communication Technology Co., Ltd. (NGSN)**.
- **VelaTel** has entered into a Business Agreement with **Aerostrong Company Limited**. Aerostrong is a subsidiary of **China Aerospace Science and Technology Group (CASC)**, a state-owned company in the People's Republic of China (PRC).

SUMMARY

- **Sino Crossings** JV gives **VelaTel** control over the central nervous system that supports last mile wireless solutions, compliments its other JVs in China, and generates revenue from sale of excess data capacity to incumbent operators such as China Mobile, China Unicom and China Telecom.
- **VelaTel** and **VN Tech** have partnered to form a joint venture operating company manufacturing, distributing and selling hydrogen fuel cell systems
- **Wi-MAX** technology delivers a faster return on capital investment than waiting for evolution to LTE, while still allowing a primarily software based **upgrade to LTE.**