

XpresSpa Group

Vringo Provides Year-End Update and Outlook for 2012

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Update Highlights Vringo's Achievements Over the Past Year and Provides Insight into Future Business Trends in 2012

NEW YORK, Dec. 21, 2011 /PRNewswire/ -- Vringo, Inc. (NYSE Amex: VRNG), a provider of software platforms for mobile social and video applications, today announced a business update for 2011 and outlook for 2012.

Major Highlights of 2011

- Signed software licensing agreement with ZTE Corporation, the fourth largest handset maker in the world, to preload Facetones™ on Android handsets. ZTE is expected to ship 80 million handsets in 2011.(1) Vringo anticipates the relationship with ZTE will drive substantial revenue, and given ZTE's growing position in the market, management believes that its strategic relationship will grow over the term of this multi-year contract.
- Developed and launched Vringo's new Facetones™ application, which surpassed the 500,000 download mark. Downloads continue to speed toward the 1,000,000 download milestone.
- Increased the addressable market for Vringo's core Video Ringtone Service from approximately 40 million potential subscribers in 2010 to over 120 million potential subscribers in 2011 with the launch of services with Orange, Celcom and Hungama.
- Surpassed 380,000 Video Ringtone subscribers worldwide with the addition of Vringo's new carrier partners. Vringo gained over 20,000 new commercial subscribers in the first month with Celcom in Malaysia.
- Launched Facetones™ with partners in territories around the world, including Verizon Wireless in the United States, NTT DOCOMO in Japan, as well as Telefonica in Spain and Latin America.
- Paid off all bank debt with the restructuring and elimination of a venture loan with Silicon Valley Bank.
- Raised \$3.35 million in financing, consisting of \$850,000 in new funds and the conversion into common stock of \$2.5 million of convertible notes previously issued to various investors, including prominent venture capital firms Benchmark Capital and DAG Ventures.

Strategic Vision for 2012

- ZTE phones preloaded with Facetones are expected to begin shipment in the first quarter of 2012. Vringo is actively pursuing the handset software preload market, which according to iSupply is projected to be \$7.7 billion by 2014.(2) Management believes that its early agreement with ZTE is a model that can be replicated with additional handset manufacturers.
- Vringo projects Facetones to be on pace to generate 30 million monthly ad impressions starting in January, which are being monetized in partnership with Google's AdMob. Facetones is expected to generate millions of downloads in 2012, through increased marketing, carrier agreements and viral adoption.
- Expected to launch Video Ringtones with at least 2 additional carriers during the first quarter of 2012 to add to Vringo's existing partnerships, with the goal of reaching 1 million monthly subscribers by the end of 2012.
- Will be looking for accretive acquisitions in a highly fragmented mobile market. Vringo will focus on acquiring attractive stand-alone applications, as well as companies with an emphasis on strong cash flow. Management feels strongly that new applications and services can be quickly and efficiently monetized through Vringo's existing distribution platform.
- Vringo expects to strengthen its IP portfolio with new patents in 2012. Vringo's portfolio already includes more than 20 patent applications and three issued U.S. patents, providing substantial protection for the company's broad assortment of mobile social and video technology as well as patents that we believe can be licensed to outside partners.
- Management's primary operational goal for 2012 is to leverage Vringo's strong carrier and distribution relationships to significantly increase revenues while continually streamlining expenses as the company drives to achieve breakeven before the close of 2012.

"As we move into 2012, we continue to see strong consumer demand for our core applications and services," said Jon Medved, Chief Executive Officer of Vringo. "In particular we are gratified with our continued successes in Malaysia, where our recent launch with Celcom has surpassed 20,000 subscribers. We also signed a strategic agreement with ZTE Corporation, and surpassed the 500,000 download mark for Vringo's Facetones™ product, both significant milestones as our Facetones™ application downloads become more viral. We look forward to continuing this string of positive news and business updates while simultaneously improving our financial position."

Andrew Perlman, Vringo's President, said, "We anticipate that our top-line revenue in 2012 will continue to build on our progress in 2011 due to our organic growth and increased consumer uptake, new launches with new partners, new product introductions as well as potential acquisitions. We intend to further reduce our operating expenses, as we drive to achieve breakeven and ultimately profitability in 2012."

Mr. Medved concluded, "As we continue to realize new operational milestones, we remain highly focused on improving our financial metrics, with an

unequivocal commitment to building shareholder value."

(1) Source - ZTE handset data:

http://www.zte.com.cn/en/press_center/news/201106/t20110629_241203.html

(2) Source - iSupply market projections:

<http://www.isuppli.com/Mobile-and-Wireless-Communications/News/Pages/Market-for-Preloaded-Software-in-Cell-Phones-Hits-7-7-Billion-in-2014.aspx>

About Vringo

Vringo (NYSE Amex: VRNG) is a provider of software platforms for mobile social and mobile video services. With its award-winning video ringtone application and other mobile software platforms - including Facetones™, Video Remix and Fan Loyalty Vringo transforms the basic act of making and receiving mobile phone calls into a highly visual, social experience. Vringo's video ringtone service enables users to create or take video, images and slideshows from virtually anywhere and turn it into their visual call signature. In a first for the mobile industry, Vringo has introduced its patented VringForward technology, which allows users to share video clips with friends with a simple call. Vringo's Facetones™ product creates an automated video slideshow using friends' photos from social media web sites, which is played each time a user makes or receives a mobile call. Vringo's Video ReMix application, in partnership with music artists and brands, allows users to create their own music video by tapping on a Smartphone or tablet. Lastly, Fan Loyalty is a platform that lets users interact, vote and communicate with contestants in reality TV series that it partners with, as well as downloading and setting clips from such shows as video ringtones. Vringo's video ringtone application has been heralded by The New York Times as "the next big thing in ringtones" and USA Today said it has "to be seen to be believed." For more information, visit: www.vringo.com

For comprehensive investor relations material, including fact sheets, white papers, conference calls and video regarding Vringo and its applications, please follow the appropriate link: [Investor Portal](#), [White Paper](#), [Overview Video](#) and [Facetones Video](#).

Forward-Looking Statements

This press release includes forward-looking statements, which may be identified by words such as "believes," "expects," "anticipates," "estimates," "projects," "intends," "should," "seeks," "future," "continue," or the negative of such terms, or other comparable terminology. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from the forward-looking statements contained herein. Factors that could cause actual results to differ materially include, but are not limited to: our ability to raise capital to fund our operations, the continued listing of our securities on the NYSE Amex, market acceptance of our products, our ability to protect our intellectual property rights, competition from other providers and products and other factors discussed from time to time in our filings with the Securities and Exchange Commission. Vringo expressly disclaims any obligation to publicly update any forward-looking statements contained herein, whether as a result of new information, future events or otherwise, except as required by law.

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