



T3 Motion Reports Third Quarter 2011 Results

Costa Mesa, CA (November 14, 2011) www.t3motion.com - T3 Motion, Inc. (NYSE AMEX:TTTM) a producer of clean technology electric vehicles, today announced its financial and operating performance for the third quarter ended September 30, 2011.

Third Quarter 2011 Highlights:

- Revenue growth of approximately 80% year over year
- Gross margin improvement from 12.6% to 20.5%
- Fulfilling backlog from Q2 parts delays, lead times now 2-4 weeks
- Backlog of \$3.3 million exiting the quarter
- R3 Series –Commenced Engineering Agreement with Panoz Automotive
- Progress toward introduction of first consumer-targeted T3 vehicle

Net revenues of \$1,884,321 increased approximately 80% when compared to the same period of the prior year. The revenue increase was primarily due to higher unit volumes, higher average selling prices per unit, and increased service and parts revenue. Domestic T3 Series sales almost doubled, while international sales grew by 46%. We expect that revenues for 2011 will be approximately \$6.0 million.

Gross margin of 20.5% improved substantially compared with a gross margin of 12.6% in the year-ago period. The improvement was driven mainly by better fixed production cost absorption due to revenue growth.

Net loss attributable to common stockholders was (\$1,207,394), or (\$0.09) per basic and diluted share compared to a net loss attributable to common stockholders of (\$1,951,420), or (\$0.40), per basic and diluted share, for the same period of the prior year. The net loss was smaller than the previous period due to the higher revenue and improved gross margin.

As of September 30, 2011, the company had cash and cash equivalents of \$3.8 million, compared to \$124 thousand as of December 31, 2010, reflecting the proceeds of a public offering in May 2011 and the use of the proceeds thereof to retire debt and fund inventory and working capital. Total liabilities as of September 30, 2011 were \$3.1 million, compared to \$19.3 million as of December 31, 2010.

“We were quite pleased with revenue growth this quarter. Since our financing in May, we were able to order parts and start clearing the backlog we carried into the quarter,” said Ki Nam, Chief Executive Officer of the company. “In addition to domestic sales growth, our international strategy is starting to gain traction. For instance, we started to fulfill the nearly \$2 million blanket purchase order we have with our Saudi distributor.”

Mr. Nam continued, “We are optimistic about our growth prospects for 2012. We continue to make progress related to the development of the R3 consumer electric vehicle, and are poised to introduce a consumer-oriented T3 that will expand our addressable market substantially. We look forward to offering more details on the consumer T3 at the time of the product launch.”

About T3 Motion, Inc.

T3 Motion, Inc. (NYSE Amex:TTTM) revolutionized the world of personal mobility with the introduction of their flagship electric T3 Series. Headquartered in Orange County, California, USA, T3 Motion, Inc. is dedicated to raising the bar for law enforcement and security capabilities in personal mobility technology.

This year, T3 Motion unveiled the R3 plug-in electric consumer vehicle prototype. The proprietary rear-wheel design of the R3 features a patent-pending, single, wide-stance wheel with two high-performance tires sharing one wheel. The revolutionary two-tire design improves traction, stability, and handling, while the low rolling resistance and rounded profile of the rear tires increase energy efficiency. The R3 will incorporate the Samsung Galaxy into the sleek dashboard design. Due to its three-wheeled design, the R3 is classified as a motorcycle.

For more information on T3 Motion, Inc. and the company’s signature T3 Series line of electric personal mobility vehicles, and the upcoming T3 and R3 consumer vehicles, visit www.t3motion.com, email sales@t3motion.com or call +1 (714) 619-3600.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding T3 Motion’s business, which are not historical facts, are "forward-looking statements" that are not guarantees of future performance. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those anticipated by the forward-looking statements. These risks and uncertainties include, among others, factors associated with market conditions and the satisfaction of customary closing conditions related to the proposed public offering. For additional information concerning these and other factors that may cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Registration Statement filed on Form S-1, as amended, and in the periodic reports the Company files from time to time with the Securities and Exchange Commission.

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T3 MOTION, INC.

BALANCE SHEETS HIGHLIGHTS (at September 30, 2011, unaudited)

ASSETS:

(\$ thousands)

Total Cash and Cash Equivalents \$3,754

Accounts Receivable, net \$1,096

Inventories \$1,523

Total Assets \$8,104

LIABILITIES

Accounts payable and accrued expenses \$1,733

Derivative liabilities \$ 130

Related party notes payable \$1,225

Total liabilities \$3,089

Total stockholders' equity \$5,015

T3 MOTION, INC.
INCOME STATEMENT HIGHLIGHTS (unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Net revenues	\$ 1,884,321	\$ 1,047,573	\$ 4,211,849	\$ 3,625,531
Cost of net revenues	1,498,810	915,922	3,634,606	3,265,195
Gross profit	<u>385,511</u>	<u>131,651</u>	<u>577,243</u>	<u>360,336</u>
Operating expenses:				
Sales and marketing	527,689	435,562	1,171,698	1,305,819
Research and development	350,332	316,759	810,891	1,069,226
General and administrative	<u>1,071,832</u>	<u>813,786</u>	<u>2,818,712</u>	<u>2,730,770</u>
Total operating expenses	<u>1,949,853</u>	<u>1,566,107</u>	<u>4,801,301</u>	<u>5,105,815</u>
Loss from operations	(1,564,342)	(1,434,456)	(4,224,058)	(4,745,479)
Total other income, net	<u>357,698</u>	<u>172,145</u>	<u>1,709,248</u>	<u>356,042</u>
Loss before provision for income tax	(1,206,644)	(1,262,311)	(2,514,810)	(4,389,437)
Provision for income tax	<u>750</u>	<u>-</u>	<u>1,550</u>	<u>800</u>
Net loss	(1,207,394)	(1,262,311)	(2,516,360)	(4,390,237)
Deemed dividend to preferred stockholders	<u>-</u>	<u>(689,109)</u>	<u>(4,263,069)</u>	<u>(2,962,300)</u>
Net loss attributable to common stockholders	<u>\$ (1,207,394)</u>	<u>\$ (1,951,420)</u>	<u>\$ (6,779,429)</u>	<u>\$ (7,352,537)</u>
Other comprehensive income:				
Foreign currency translation income (loss)	<u>-</u>	<u>(206)</u>	<u>-</u>	<u>318</u>
Comprehensive loss	<u>\$ (1,207,394)</u>	<u>\$ (1,262,517)</u>	<u>\$ (2,516,360)</u>	<u>\$ (4,389,919)</u>
Net loss attributable to common stockholders per share: basic and diluted	<u>\$ (0.09)</u>	<u>\$ (0.40)</u>	<u>\$ (0.76)</u>	<u>\$ (1.55)</u>
Weighted average number of common shares outstanding:				
Basic and diluted	<u>12,881,027</u>	<u>4,855,390</u>	<u>8,901,895</u>	<u>4,739,394</u>