



May 13, 2015

## **Tessera Files Breach of Contract Case Against Toshiba Corporation for Unpaid Royalties**

SAN JOSE, Calif.--(BUSINESS WIRE)-- Tessera Technologies, Inc. (NASDAQ:TSRA) ("Tessera" or the "Company") announced today that its subsidiary Tessera, Inc. filed a breach of contract lawsuit in California state court against Toshiba Corporation ("Toshiba"). Tessera, Inc. alleges that Toshiba failed to pay amounts owed for years under the parties' license agreement and interfered with Tessera, Inc.'s exercise of its audit rights.

Toshiba and Tessera, Inc. entered into a license agreement in 1999 that granted Toshiba a license to certain of Tessera, Inc.'s semiconductor packaging technologies in exchange for royalty payments. For many years, Toshiba was a significant customer and paid royalties under the license agreement. In 2011, however, independent auditors found that Toshiba had not paid all amounts due under the agreement. Toshiba refused to pay the amounts that the auditors determined to be owed, and then in 2013, while the parties were attempting to resolve the audit issue, Toshiba unilaterally stopped paying all royalties. Notwithstanding this dispute, the agreement remains in full force and effect.

"It is unfortunate that Toshiba, which has been a customer for more than a decade, has taken this position," said Tessera's CEO Tom Lacey. "We continue to view litigation as a last resort, but sometimes litigation is necessary to protect our rights and ensure that our stockholders receive a fair return on our valuable inventions and intellectual property. In this instance, despite Tessera's best efforts and attempts for several years to find a mutually acceptable resolution, we were unable to reach what we view as a fair agreement with Toshiba to resolve this dispute. If Toshiba is willing, we remain interested in pursuing a reasonable and fair settlement for both parties."

Tessera, Inc. filed its complaint in Santa Clara County Superior Court. The complaint asserts claims for breach of contract, breach of the implied covenant of good faith and fair dealing, and declaratory relief.

Tessera is making no adjustments to second quarter revenue or earnings per share guidance, and also maintains its 2015 recurring revenue guidance. Based on expected case activity for the remainder of the year, the Company believes 2015 litigation expense will remain below the mid-point of its current target operating model.

### **Safe Harbor Statement**

This document contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ significantly from those projected, particularly with respect to the litigation against Toshiba Corporation and the Company's financial guidance and expectations with respect to the Company's 2015 litigation expense. Material factors that may cause results to differ from the statements made include the plans or operations relating to the businesses of the Company; market or industry conditions; changes in patent laws, regulation or enforcement, or other factors that might affect the Company's ability to protect or realize the value of its intellectual property; the expiration of license agreements and the cessation of related royalty income; the failure, inability or refusal of licensees to pay royalties; initiation, delays, setbacks or losses relating to the Company's intellectual property or litigation matters, or invalidation or limitation of key patents; fluctuations in operating results due to the timing of new license agreements and royalties, or due to legal costs; the risk of a decline in demand for semiconductors and products utilizing FotoNation technologies; failure by the industry to use technologies covered by the Company's patents; the expiration of the Company's patents; the Company's ability to successfully complete and integrate acquisitions of businesses; the risk of loss of, or decreases in production orders from, customers of acquired businesses; financial and regulatory risks associated with the international nature of the Company's businesses; failure of the Company's products to achieve technological feasibility or profitability; failure to successfully commercialize the Company's products; changes in demand for the products of the Company's customers; limited opportunities to license technologies due to high concentration in the markets for semiconductors and related products and smartphone imaging; and the impact of competing technologies on the demand for the Company's technologies. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this release. The Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended Dec. 31, 2014, and its Quarterly Report on Form 10-Q for the quarter ended Mar. 31, 2015, include more information about factors that could affect the Company's financial results. The Company assumes no obligation to update information contained in this press release. Although this release may remain available on the Company's website or elsewhere, its continued availability does not indicate that the Company is reaffirming or confirming any of the information contained herein.

### **About Tessera Technologies, Inc.**

Tessera Technologies, Inc., including its Invensas and FotoNation subsidiaries, generates revenue from licensing our technologies and intellectual property to customers and others who implement it for use in areas such as mobile computing and communications, memory and data storage, and 3DIC technologies, among others. Our technologies include semiconductor packaging and interconnect solutions, and products and solutions for mobile and computational imaging, including our FaceTools™, FacePower™, FotoSavvy™, DigitalAperture™, LifeFocus™, face beautification, red-eye removal, High Dynamic Range, autofocus, panorama, and image stabilization intellectual property.

For more information call 1.408.321.6000 or visit [www.tessera.com](http://www.tessera.com).

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