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TSMC's Eleventh Hour Court Proceeding Confirms Importance of Tessera's Patented Technology; Attempts to Circumvent ITC Determination

SAN JOSE, Calif.--(BUSINESS WIRE)-- Tessera Technologies, Inc. ("Tessera"), a wholly owned subsidiary of Xperi Corporation ("Xperi" or "the Company"), issued a statement today in response to litigation filed by Taiwan Semiconductor Manufacturing Company Limited ("TSMC"), a Taiwanese company, against Tessera and certain of its subsidiaries late in the day on October 13, 2017. TSMC filed an action in the United States District Court for the Northern District of California, expressing its concern that the U.S. International Trade Commission ("ITC") will adopt the initial determination of Administrative Law Judge ("ALJ") Sandra Dee Lord and enter an order excluding the import of infringing Broadcom chips manufactured by TSMC, and products of the other respondents containing these chips. TSMC seeks an injunction to prevent Tessera from enforcing its rights in the ITC. TSMC's request is based on the same patent exhaustion argument that was already fully litigated and rejected by ALJ Lord in the ITC investigation.

"This appears to be an eleventh-hour attempt by TSMC to circumvent the jurisdiction and lawful authority of the ITC, which protects U.S. industries against the importation of foreign infringing products," said Paul Davis, Xperi's senior vice president and general counsel. "But ALJ Lord already considered the argument TSMC raises, and concluded that TSMC does not have the right to sell products that infringe our '946 patent. We are confident that the District Court will reject TSMC's belated attempt to end-run the ITC and re-litigate this issue."

On June 30, 2017, ALJ Lord issued an initial determination finding that Broadcom and the other respondents broadly infringe U.S. Patent No. 6,849,946 (the "'946 patent"). The '946 patent has twice been found to be valid - once by ALJ Lord and again by the U.S. Patent Office Patent Trial and Appeal Board when it denied a petition for *inter partes* review against the patent. ALJ Lord's decision is now under review by the ITC Commissioners, whose final determination is expected by December 1, 2017.

"TSMC's filing confirms the importance and breadth of our patented technology," Davis added. "TSMC states in its complaint that an exclusion order would impact more than a half-billion U.S. dollars annually in chips/components, to over 300 Broadcom customers, as well as billions of dollars in downstream products built on the infringing Broadcom chips. We continue to be open to negotiating a license agreement with Broadcom that fairly compensates us for its use of this valuable intellectual property."

About Xperi Corporation

Xperi Corporation (Nasdaq:XPER) and its brands, DTS, FotoNation, HD Radio, Invensas and Tessera, are dedicated to creating innovative technology solutions that enable extraordinary experiences for people around the world. Xperi's solutions are licensed by hundreds of leading global partners and have shipped in billions of products in areas including premium audio, broadcast, automotive, computational imaging, computer vision, mobile computing and communications, memory, data storage, and 3D semiconductor interconnect and packaging. For more information, please call 408-321-6000 or visit www.xperi.com.

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Safe Harbor Statement

This press release 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 legal proceedings filed by TSMC, the ITC proceedings, and the applicability of the U.S. Patent Nos. 6,849,946 to Broadcom or its customers. 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 intellectual property litigations, 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 our audio and

imaging 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 applicable markets for such technologies; the impact of competing technologies on the demand for the Company's technologies; failure to realize the anticipated benefits of the Company's recent acquisition of DTS, Inc., including as a result of integrating the business of DTS; pricing trends, including the Company's ability to achieve economies of scale; the expected amount and timing of cost savings and operating synergies; and other developments in the markets in which the Company operates, as well as management's response to any of the aforementioned factors. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this release.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the Risk Factors included in the Company's recent reports on Form 10-K and Form 10-Q and other documents of the Company on file with the Securities and Exchange Commission (the "SEC"). The Company's SEC filings are available publicly on the SEC's website at www.sec.gov. Any forward-looking statements made or incorporated by reference herein are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company or its business or operations. Except to the extent required by applicable law, the Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

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