



ACACIA RESEARCH

February 2010



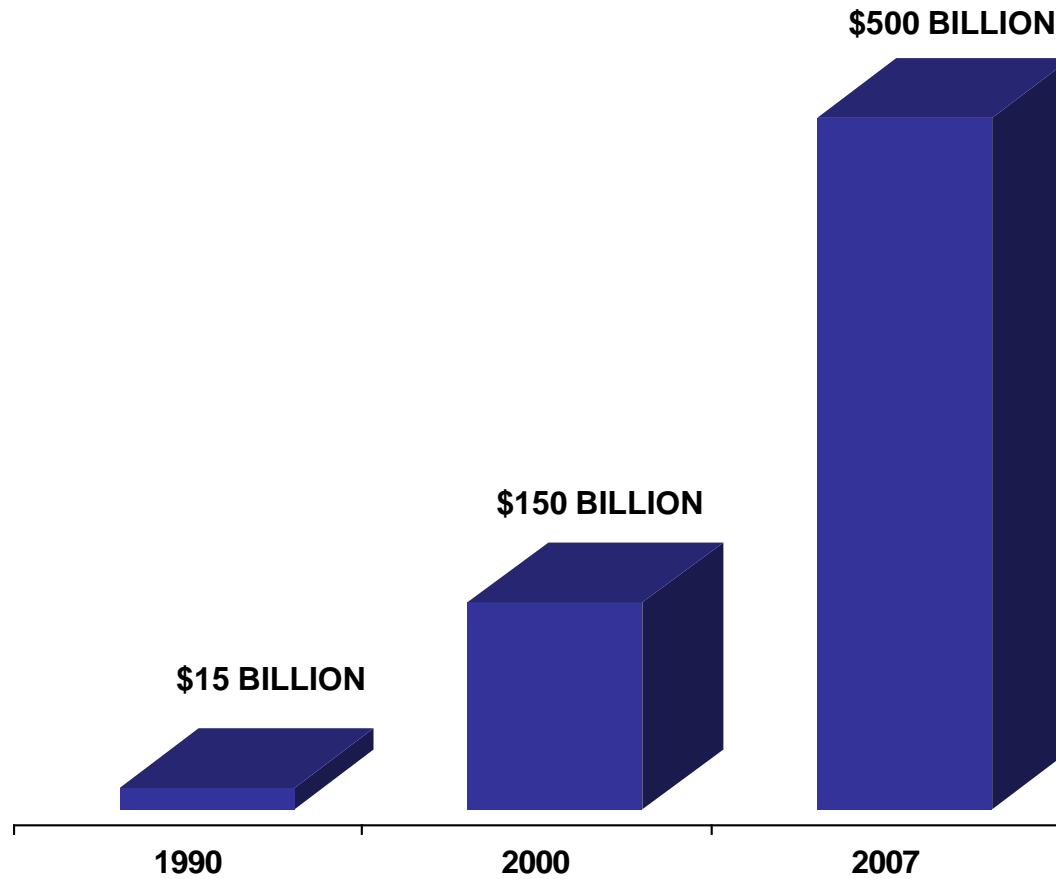
ACACIA RESEARCH (NASDAQ:ACTG)

This presentation contains forward looking statements within the meaning of the “safe” harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements address future events and conditions concerning the company’s business plans. Such statements are based on management’s current expectations and are subject to a number of factors and uncertainties, such as future economic conditions, changes in consumer demand, legislative, regulatory and competitive developments, and other circumstances affecting anticipated revenues and costs, which may cause actual results to differ materially. The company expressly disclaims any future obligation or undertaking to update or revise any forward looking statement contained herein.

OVERVIEW

- ❖ Leader in Patent Licensing
- ❖ Serving Large Growing Market
- ❖ Over 140 Diversified Patented Technologies
- ❖ Earnings Leverage - Fixed Cost
- ❖ Record 12-Month Trailing Revenues - \$67.3 Million
- ❖ \$53.9 Million in Cash & Investments – No Debt
- ❖ No Direct Competition

GROWTH IN U.S. LICENSING REVENUE



Technology Licensing

- ❖ The American IP Sector (Royalties + License Fees) Provided a Net Balance of over \$57 Billion in our Balance of Trade Account in 2007.*
- ❖ Without these “Pure IP” Surpluses, the American Trade Deficit in 2007 would have Totaled Well Over Half a Trillion Dollars.*
- ❖ In 2006, Total U.S. Exports of Royalties + License Fees came to \$62 Billion.**
- ❖ American Surplus in its “Royalties + License Fees” Account is Twice the Size of the Combined Surplus of *Every Other Country in the World*.**

*Source: Bureau of Economics Analysis

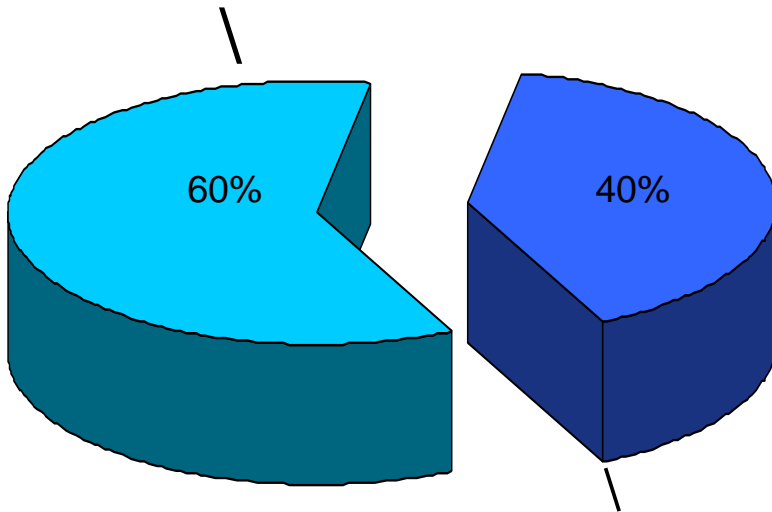
**Source: *The Innovative Imperative*, by Mark Blaxill and Ralph Eckardt 2009

Technology Licensing

- ❖ Qualcomm Generated \$4 Billion In 2008 Licensing its CDMA Patents...89% Margins.
- ❖ IBM Generate \$1.5 to \$2 Billion Per Year in Licensing
- ❖ Philips Electronics Generates \$570 Million Per Year in Licensing... 100% of Earnings for Consumer Electronics Business.

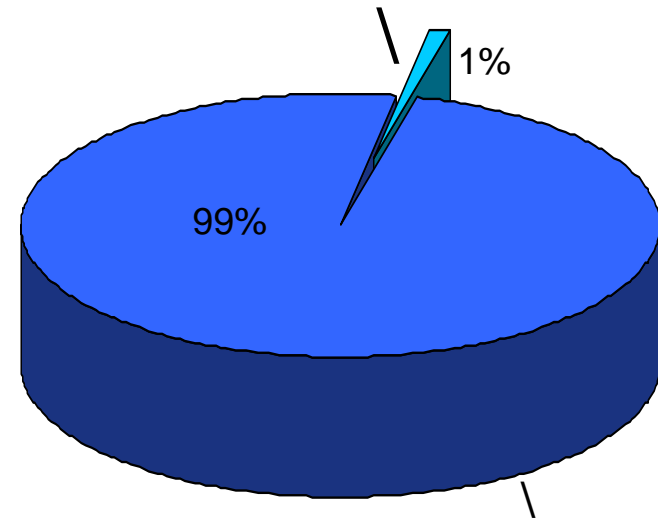
Patent & Revenue Distribution

60% of patents are owned by small companies and individual inventors, universities and research labs.



40% of patents are owned by large corporations.

1% of revenues are received by small companies, individual inventors, universities and research labs.



99% of revenues are received by large corporations.

Business Model

- ❖ Acacia Partners with Patent Owners

- Typical Deal is 50/50 Net Revenue Share with Little or No Acquisition Costs for Acacia

- ❖ Acacia Partners with Leading Law Firms on Contingency for Assertion Where Needed

- ❖ Great Margins with Little or No Acquisition or Assertion Costs. Our Typical Revenue Share Is:

- 20% to Contingent Law Firm

- 40% Patent Owner

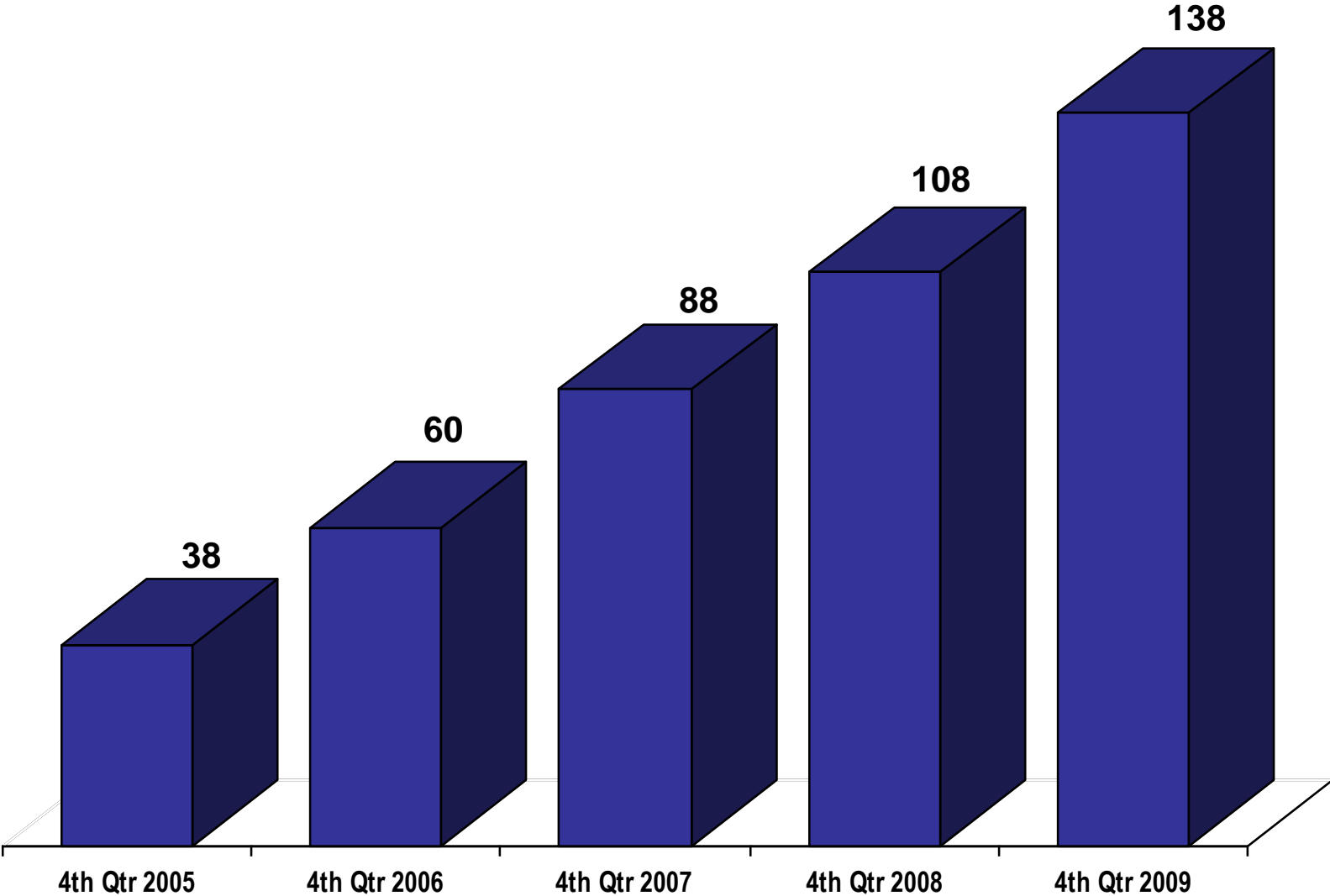
- 40% to Acacia

- ❖ Opportunity for Margin Expansion

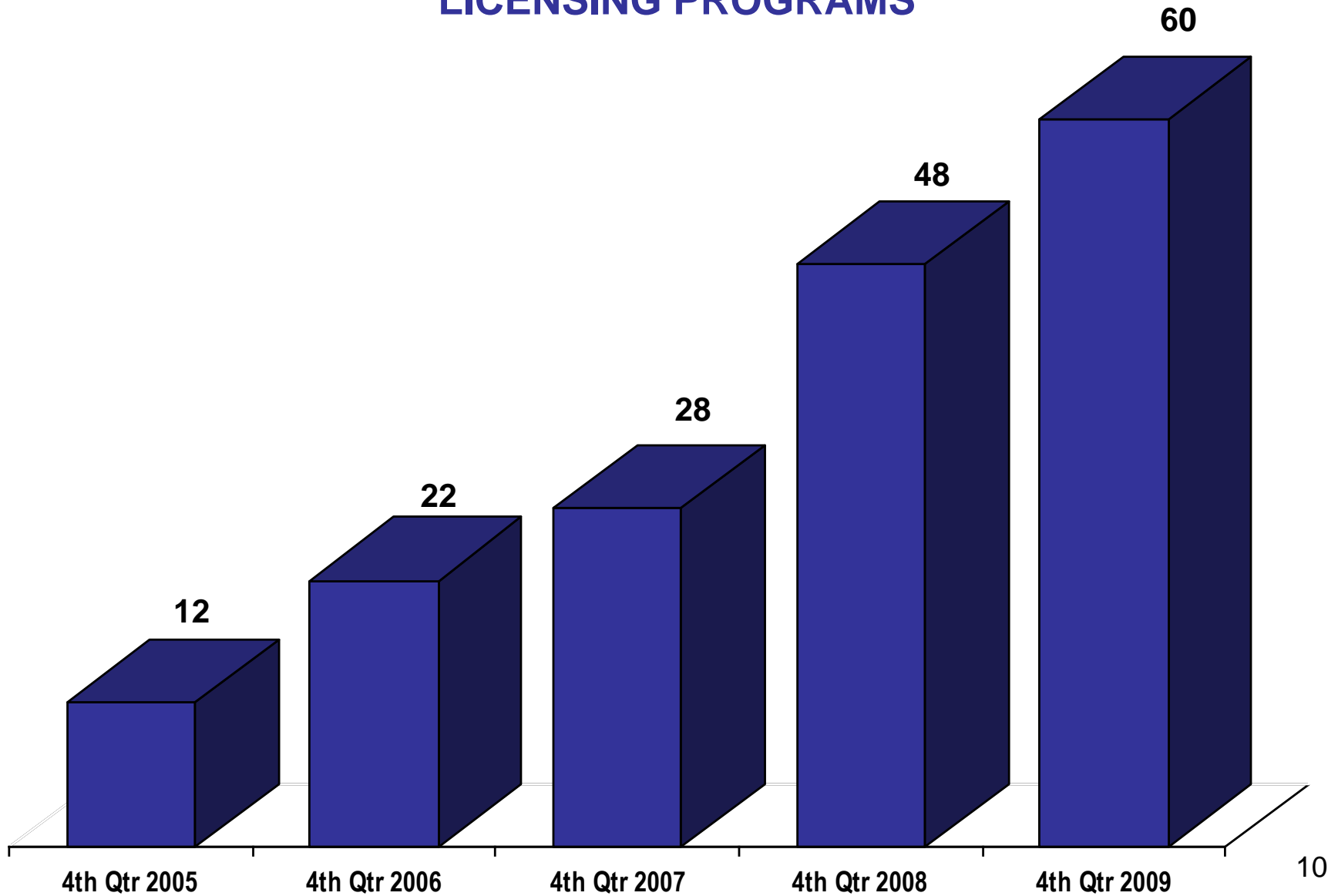
- Economy Allows Us to Use Our Capital to Buy Down Back End Economics

- Earlier Licensing Deals = Less We Share with Law Partners

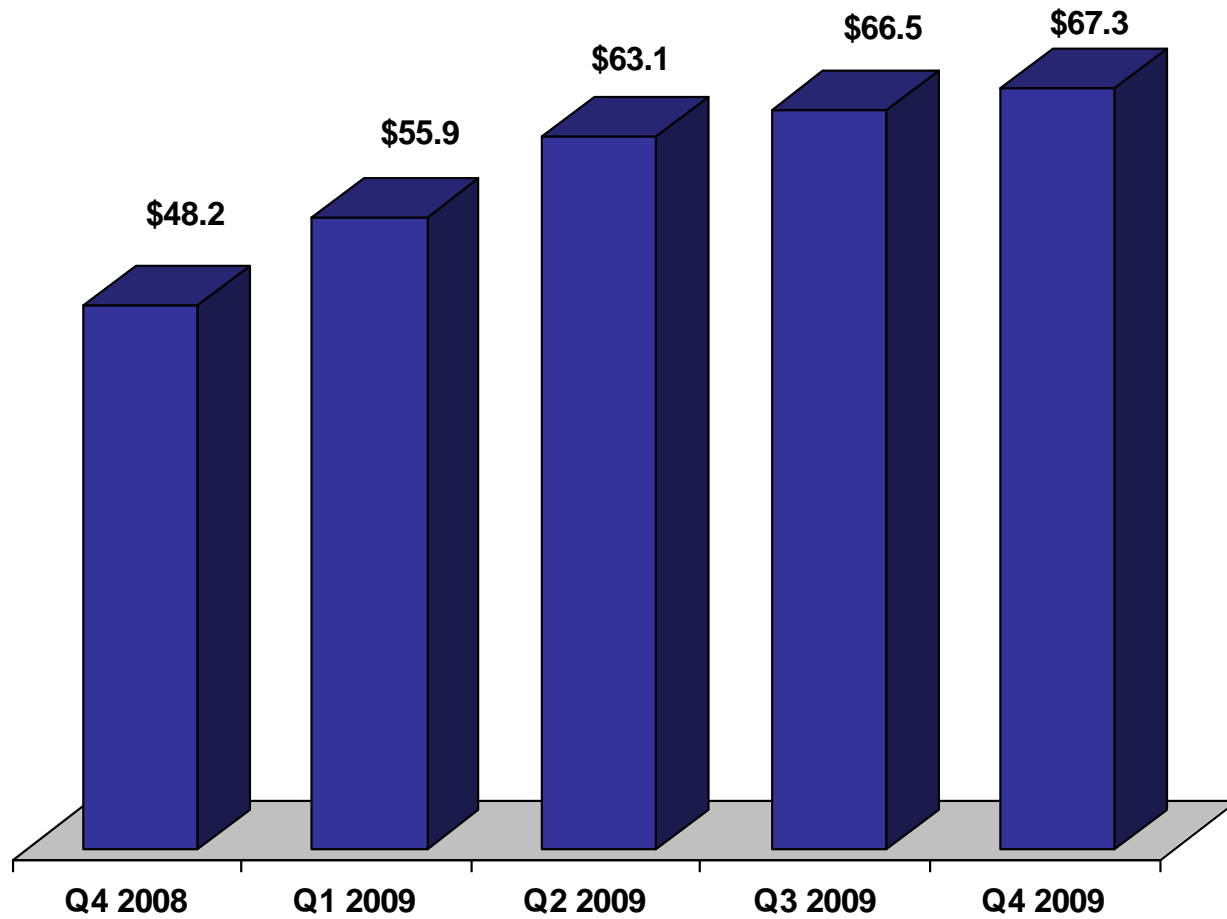
ANNUAL GROWTH IN PATENT PORTFOLIOS



ANNUAL GROWTH IN REVENUE PRODUCING LICENSING PROGRAMS



12 MONTH TRAILING REVENUES (Millions)



Representative Licensees

- ❖ 3M
- ❖ AMD
- ❖ Boston Scientific
- ❖ Dell
- ❖ Exxon
- ❖ Fujitsu
- ❖ Funai
- ❖ GE
- ❖ Hewlett Packard
- ❖ Hitachi
- ❖ IBM
- ❖ Intel
- ❖ LG Electronics
- ❖ Microsoft
- ❖ Nokia
- ❖ Philips Electronics
- ❖ Samsung
- ❖ Sanyo
- ❖ Sharp
- ❖ Siemens
- ❖ Sony
- ❖ Texas Instruments
- ❖ Thomson
- ❖ Toshiba
- ❖ Walt Disney Company
- ❖ Xerox

New Licensing Programs

- ❖ **CELL PHONE LOCATION BASED SERVICES**
- ❖ **CELL PHONE OVER AIR PROGRAMMING**
- ❖ **COMMERCIAL PRINT TECHNOLOGY**
- ❖ **COMPILER TECHNOLOGY**
- ❖ **COMPUTER POWER MANAGEMENT**
- ❖ **DATABASE ACCESS**
- ❖ **DIGITAL VIDEO ENHANCEMENT**
- ❖ **ECOMMERCE PRICING**
- ❖ **ENCRYPTED MEDIA & PLAYBACK DEVICES**
- ❖ **FLASH MEMORY**
- ❖ **MEDICAL IMAGE STABILIZATION**
- ❖ **MEDICAL PICTURE ARCHIVING & COMMUNICATION SYSTEMS (PACS)**

New Licensing Programs (cont'd)

- ❖ MESSAGING TECHNOLOGY
- ❖ MICROPROCESSOR ENHANCEMENT
- ❖ MULTI-DIMENSIONAL DATABASE COMPRESSION
- ❖ ONLINE AD TRACKING
- ❖ ONLINE AUCTION GUARANTEES
- ❖ PEER TO PEER COMMUNICATIONS
- ❖ REMOTE MANAGEMENT OF IMAGING DEVICES
- ❖ RULE BASED MONITORING
- ❖ STORAGE TECHNOLOGY
- ❖ TELEMATICS
- ❖ WIRELESS LAN
- ❖ WIRELESS DATA TECHNOLOGY

CORPORATE MANAGEMENT

Paul R. Ryan – Chairman and CEO

- ❖ CEO of Acacia Research since 1997
- ❖ Cornell University

Robert “Chip” Harris II – President

- ❖ President – Entertainment Properties Trust (NYSE:EPR)
- ❖ Senior VP – AMC Entertainment
- ❖ University of Southern California

Clayton J. Haynes – Chief Financial Officer & Sr. V.P.

- ❖ Manager – PricewaterhouseCoopers LLP
- ❖ University of California at Los Angeles

Dooyong Lee – Executive Vice President

- ❖ Chief Operating Officer – Global Patent Holdings/TechSearch
- ❖ President – LPS Group (NYSE:TOC)
- ❖ Co-Founder – FRI (Fish & Richardson)
- ❖ Licensing Executive – AT&T Bell Laboratories/Lucent Technologies
- ❖ Oberlin College and University of California at Berkeley

CORPORATE MANAGEMENT

Marvin Key – Sr. Vice President

- ❖ Thomas Weisel Partners
- ❖ Salomon Brothers
- ❖ Lehman Brothers
- ❖ Clemson University & Southern Methodist University Cox School of Business

Robert Stewart – Sr. Vice President Corporate Finance

- ❖ President – Macallan, Dunhill & Associates
- ❖ University of Colorado/Boulder

BUSINESS DEVELOPMENT & LICENSING

Erik Ahroon – Senior Manager

- ❖ President – Cadis Design Group
- ❖ Program Manager – Argo-Tech Carter Cryogenics
- ❖ Project Engineer – Quantum Technologies
- ❖ Product Development Engineer – Star Trac Fitness
- ❖ University of California, Santa Barbara & University of California, Irvine

Brad Botsch– Vice President

- ❖ Vice President & Chief Intellectual Property Officer - ON Semiconductor
- ❖ Associate General Counsel - Advanced Micro Devices (AMD)
- ❖ Division Patent Attorney - Motorola
- ❖ Purdue University & Arizona State University

Karlton Butts – Vice President

- ❖ Loeb & Loeb
- ❖ Riordan & McKinzie
- ❖ Finnegan, Henderson, Farabon, Garrett & Dunner
- ❖ George Washington University Law School

BUSINESS DEVELOPMENT & LICENSING

Jon Eastman – Vice President

- ❖ Director – Strategic Business Planning – Pioneer North America
- ❖ Product Manager & Systems Engineer – DirecTV
- ❖ University of California, Irvine & University of Southern California

Marc Frechette – Vice President

- ❖ Patent Attorney – Crockett & Crockett, P.C.
- ❖ Intellectual Property Attorney – Pioneer Electronics
- ❖ Intellectual Property Engineer – Conexant Systems, Inc.
- ❖ Engineering Manager – Aerochem, Inc.
- ❖ Manufacturing Engineering – The Boeing Company
- ❖ Boston University & Whittier Law School

Joseph Granara – Senior Contracts Manager

- ❖ Manager – Broadcom
- ❖ Manager – Conexant Systems, Inc.
- ❖ Manager – Rockwell International Corporation
- ❖ California State University, Northridge & University of LaVerne

BUSINESS DEVELOPMENT & LICENSING

Peter Kim – Senior Manager

- ❖ Founder/President – Bay Ridge Partners Search Fund
- ❖ Associate – IPVALUE Management
- ❖ Inventor/Head of Financial Services – Walker Digital Corporation
- ❖ New York University’s Stern School of Business

Tisha Stender – Vice President

- ❖ Managing Attorney – Alea Global Law
- ❖ David International Trading Company
- ❖ Pillsbury Winthrop
- ❖ Loyola University Chicago Law School

BUSINESS DEVELOPMENT & LICENSING

Jonathan Taub – Vice President

- ❖ Microsoft – Director, Strategic Alliances, Mobile & Embedded Devices
- Business Development Manager, Security Business Unit
- ❖ Nortel Networks – Director, Business Development
- ❖ Covington & Burling – Associate, Intellectual Property & Corporate Law
- ❖ Wharton School of Business & Harvard Law School

Edward Treska – Vice President

- ❖ SRS Labs, Inc. – General Counsel, Director of Patents and Licensing
- ❖ Knobbe, Martens, Olson & Bear
- ❖ TRW Space & Technology Group
- ❖ Colorado State University and University of San Diego School of Law

James Trueman – Vice President

- ❖ Managing Partner – M1 Partners
- ❖ Engagement Manager – McKinsey & Company
- ❖ Product/Business Development Manager – Oracle Corporation
- ❖ Senior Product Manager – Integrated Decision Systems
- ❖ CEO – Computer Solutions
- ❖ University of California, Berkeley & The Wharton School

BUSINESS DEVELOPMENT & LICENSING

Matthew Vella – Sr. Vice President

- ❖ ATI Research, Inc. – Senior Intellectual Property Counsel
- ❖ Nortel Networks, Inc. – Lead Patent License Counsel
- ❖ Nortel Networks Corporation – Counsel
- ❖ Carleton University & University of Toronto Law School

David White – Sr. Vice President

- ❖ President – Intellectual Property Holdings, Inc.
- ❖ Vice President – Discovision Associates (Pioneer Electronics patent licensing subsidiary)
- ❖ Michigan State & Detroit College of Law

Steve Wong – Vice President

- ❖ Managing Patent Attorney – Pioneer North America, Inc.
- ❖ Associate Patent Attorney – Chan Law Group, LLC
- ❖ Deputy District Attorney – Stanislaus County District Attorney's Office
- ❖ Systems Engineer – Intermetrics, Inc.
- ❖ Systems Engineer – General Dynamics/Space Systems Division
- ❖ Systems Engineer – Western Space and Missile Center, Department of Defense
- ❖ University of Arizona & Thomas Jefferson School of Law

ENGINEERING

Fahim Aftab – Principal Engineer

- ❖ Senior Engineer – Semiconductor Insights
- ❖ University of Engineering & Technology & University of Michigan, Ann Arbor

Jeffrey Anderson – Vice President

- ❖ Director of Software – Websense
- ❖ Director of Software Development – Sun Microsystems
- ❖ Manager of Software Development – Cray Research

Marc Booth – Vice President

- ❖ Director of Engineering - Nicholas Laboratories
- ❖ V.P. Engineering - In The Air Net
- ❖ Sr. Director - Powerwave Technologies
- ❖ V.P. Engineering - Comarco Wireless Technologies
- ❖ V.P. Engineering - Sony Corporation
- ❖ University of California Riverside & University of Southern California

Robert DePirro – Vice President

- ❖ Sr. V.P. Media Technology – Intertainer
- ❖ Sr. Systems Engineer – Vanstar

ENGINEERING

Phillip Mitchell – Vice President

- ❖ North American Marketing Manager - Polytec
- ❖ Manager, Technology Development - Newport Corporation
- ❖ Engineering/Business Manager - JMAR Technologies
- ❖ Technical & Product Marketing Manager - Melles Griot
- ❖ Senior Member Technical Staff - Hughes Research Laboratories
- ❖ Carnegie-Mellon University

Amy Pearson – Director

- ❖ Patent Attorney - Actown Electrocoil
- ❖ Mechanical Engineer - Engineering Animation/EDS
- ❖ Mechanical Engineering Intern – Motorola, Inc.
- ❖ Iowa State University & John Marshall Law School

Charles Raasch – Vice President

- ❖ Senior Director – Quartics, Inc.
- ❖ Division Director – Conexant Systems, Inc.
- ❖ Division Director – Conexant Systems, Inc. (Rockwell Semiconductor)
- ❖ Manager – Rockwell Semiconductor
- ❖ Director – AST Research, Inc.
- ❖ Principal Engineer – TnT Research
- ❖ Engineer – Ford Aerospace
- ❖ California State University, Fullerton