Proxy Season and the Unusually Juicy Soap Opera at Tessera

We own Tessera at a cost of approximately $16 per share. Our thought process was simple: a conservative analysis of their IP portfolio's current cash stream plus cash on the balance sheet suggested a valuation of $15 per share, leaving $1 of implied value for the venture portfolio of their Digital Optics (DOC) business, in addition to any potential unseen value trapped in the IP portfolio. Subsequent events, legal settlements, and client renewals have added an additional $4-$5 in value. The initial analysis of the DOC business indicated that by the end of 2015, the segment could have been a real stand-alone business with $200 million in revenues operating with a 10-12% margin and worth another $7-$10 per share. Downside boredom—upside large.

Not included in our analysis was the appearance of Starboard Value, who seem like rational folks that have simply "drilled it" in the past few years through focused activist campaigns; for example, in their handling of AOL, MIPS Technologies and Office Depot. With our inherent distrust of public companies residing "north of Santa Barbara," we welcome Starboard's pressure on management to justify current spending and capital allocation, and look forward to casting votes in favor of their board representation. In the meantime, we invite all of you to read the following exchange between Starboard and the Board of Directors of Tessera. Topics will include:

- Starboard's case against management's spending and capital allocation
- A letter of resignation by two of the board members in protest of the continuous meddling of the Chairman
- Accusations of blackmail
- Mistresses on the payroll
- Improper board actions
- A plethora of other corporate governance issues

Enjoy!

February 19, 2013
Members of the Board of Directors of Tessera Technologies
Tessera Technologies Inc.
3025 Orchard Parkway
San Jose, CA 95134

Dear Members of the Board,

Starboard Value LP, together with its affiliates ("Starboard"), currently owns approximately 6.7% of the outstanding common shares of Tessera Technologies, Inc. ("Tessera" or the "Company"), making us one of the Company's largest shareholders. By way of background, Starboard is an investment management firm that seeks to invest in undervalued and underperforming public companies. Our approach to such investments is to actively engage and work closely with management teams and boards of directors in a constructive manner to identify and execute on opportunities to unlock value for the benefit of all shareholders. Our principals and investment team have extensive experience and a successful track record of enhancing value at portfolio companies through a combination of strategic refocusing, improved operational execution, more efficient capital allocation, and stronger management focus.

Over the past few years, we have built significant expertise in intellectual property related companies and have helped play a role in several key transactions that have reshaped the industry and created value for the benefit of shareholders. In 2012 alone, we had active investments in AOL Inc. (“AOL”), MIPS Technologies, Inc. (“MIPS”), and Unwired Planet, Inc. (“UPIP”). In each of these situations, we identified companies where there was significant value in the intellectual property that was not being recognized by the market and pressed for these companies to take steps to realize the value of these assets.

In the case of AOL, we highlighted the value of the company's intellectual property portfolio and urged the company to explore opportunities to monetize these assets. Subsequently, on April 9, 2012, AOL announced the sale of a substantial portion of its portfolio to Microsoft for $1.056 billion and the stock price increased 43.3% on that day alone. In the case of MIPS, we took action to make changes to the board of directors and advised the company to explore strategic options to separate the operating business from the intellectual property assets. On November 5, 2012, MIPS announced a two-part transaction which included the sale of the operating business and the intellectual property assets to two separate entities. From August 21, 2011, the day prior to Starboard’s 13D filing, to February 7, 2013, when the transaction closed, MIPS’ stock price increased 85.4%. In the case of Unwired Planet (f/k/a Openwave), we: (i) made significant changes to the board of directors, including my appointment as Chairman of the Board; (ii) replaced management, including a new CEO; (iii) exited the company’s failing product businesses; and (iv) completed an industry changing transaction with Ericsson that resulted in Ericsson contributing 2,185 US and international patents and patent applications to Unwired Planet's existing portfolio of 200 patent assets.

Likewise, we believe there is significant value to be realized at Tessera. However, we are concerned that management and the Board of Directors (the “Board”) are not taking appropriate actions to address the perennial underperformance of the Company. In this letter, we have highlighted our thoughts and concerns about the Company's past underperformance and current strategy, as well as our views on steps that should be taken in order to unlock value for the benefit of all Tessera shareholders. Specifically, we believe Tessera must:

- Significantly reduce costs throughout the entire organization;
- Implement near-term performance hurdles for DigitalOptics Corporation and evaluate strategies to mitigate the mounting losses, including considering alternative structures or partnerships for this business;
- Reduce costs and focus on identifying and executing on incremental opportunities to drive additional revenue in the Intellectual Property business; and
- Return significant capital to shareholders.

As one of the Company’s largest shareholders, our interests are directly aligned with the interests of all shareholders. We have nominated a highly qualified slate of directors for election at the 2013 Annual Meeting and strongly believe that significant change is required to ensure that Tessera is run with the best interest of all shareholders as the primary objective.

<u>Performance</u>

Tessera’s shares have dramatically underperformed the NASDAQ Composite Index, the PHLX Semiconductor Index, and all three of the Company’s Proxy Peer Groups over almost any measurement period. Over the past five years alone, Tessera’s shares have lost more than half their value, while the NASDAQ, the PHLX, and the Peer Groups have generated material gains. Tessera’s dismal absolute and relative stock price performance clearly demonstrates shareholders' extreme frustration with the current performance and future direction of the Company.

Total Shareholder Return (1)			
	1 Year (%)	**3 Year (%)**	**5 Year (%)**
NASDAQ Composite Index	9.5	46.2	37.5
PHLX Semiconductor Index	0.5	28.4	23.0
High-Tech Peer Group (2)	3.7	66.5	85.5
Intellectual Property Peer Group (3)	-2.8	74.4	81.2
DigitalOptics Peer Group (4)	-11.1	41.5	3.3
Tessera Technologies Inc.	-9.3	-5.6	-57.0
Underperformance vs. NASDAQ	-18.7	-51.8	-94.4
Underperformance vs. PHLX	-9.7	-34.0	-80.0
Underperformance vs. High-Tech Peers	-12.9	-72.1	-142.4
Underperformance vs. IP Peers	-6.5	-80.0	-138.1
Underperformance vs DOC Peers	1.8	-47.1	-60.2

(1) Total returns for all periods include dividends, and performance is measured as of February 15, 2013.

(2) High-Tech Peer Group sourced from TSRA 2012 proxy and includes: ACTG, ADVS, CYMI, EFII, ENTR, IGTE, XXIA, IXYS, JCOM, LTXC, MCRL, MPWR, NANO, NEWP, POWI, QLGC, SMTC, SIMG, STEC, SYNA, TIVO, UTEK, VCLK, VLTR, WBSN.

(3) Intellectual Property Peer Group sourced from TSRA 2012 proxy and includes: ACTG, CEVA, DLB, DTSI, ELNK, IDCC, MOSY, PDFS, RMBS, RPXC, PANL, WIN CN.

(4) DigitalOptics Peer Group sourced from TSRA 2012 proxy and includes: COHR, INFN, IMMR, MEMS, MVIS, OVTI, PANL.

We believe the primary reason for Tessera's long-term stock price underperformance is the continued deterioration of the Company's consolidated financial performance. From 2009 to 2012, Tessera's revenue has declined 22%, or $65.4 million, while total operating expenses have actually increased 40%, or $65.7 million. This has resulted in a massive decline in operating income of $154.5 million over the same time period. In fact, the Company actually generated operating losses of $36.8 million in 2012.

Consolidated Financial Performance			*($ in millions)*
FYE December	**2009 ($)**	**2012 ($)**	**Change ($)**
Revenue	299.4	234.0	(65.4)

Gross Profit	282.5	193.7	(88.8)
Operating Expenses:			
R&D	65.9	100.5	34.6
Litigation	26.1	33.3	7.2
SG&A	30.4	50.0	19.6
Corporate	42.4	46.7	4.3
Total Operating Expenses	164.8	230.5	65.7
Operating Income / (Loss) (1)	117.6	(36.8)	(154.5)

Source: Company filings.

(1) Operating income / (loss) excludes $2.5 million of restructuring charges in 2012.

Further, an analysis of the Company's two business segments, Intellectual Property ("IP") and DigitalOptics Corporation ("DOC"), reveals that DOC has been the primary driver of the Company's poor operating performance. As indicated in the table below, DOC generated segment operating losses of $86.0 million in 2012. After including an allocation for corporate overhead to DOC, these losses would be even greater.

Business Segment Financial Performance, 2012 (1) *($ in millions)*

FYE December	**IP ($)**	**DOC ($)**	**Corporate**	**Total ($)**
Revenue	192.9	41.1	193.7	234.0
Gross Profit	192.2	1.5	(100.5)	193.7
Operating Expenses:				
R&D	(31.6)	(68.9)	-	(100.5)
Litigation	(31.4)	(18.6)	-	(50.0)
SG&A	(33.3)	0.0	-	(33.3)
Total Operating Expenses	(96.3)	(87.4)	(46.7)	(230.5)

Operating Income / (Loss) (1)	95.9	(86.0)	(46.7)	(36.8)

Source: Company filings.

(1) The Company reported consolidated operating losses of $36.8 million and DOC operating losses of $86.0 million, excluding $2.5 million of restructuring charges, in 2012. Individual segment expense items include Starboard estimates for the fourth quarter of 2012 given that the Company's 10-K with detailed segment financials has not yet been filed.

(2) Operating income / (loss) excludes $2.5 million of restructuring charges in 2012.

These statistics are alarming. While revenues have declined, expenses have ballooned, resulting in a massive reduction in operating income. In light of this, it is not surprising that Tessera's stock price has underperformed over almost any time period.

DigitalOptics Corporation ("DOC")

DOC designs and develops, and is attempting to manufacture, solutions for miniaturized camera modules that are used in consumer electronics products. Although Tessera has invested in a number of different technologies within DOC over the years, the latest focus has been to develop, manufacture, and sell Micro Electro Mechanical Systems ("MEMS") auto-focus actuators and whole camera modules to mobile handset original equipment manufacturers ("OEMs"). Thus far this initiative has followed in the footsteps of prior DOC investments and has not achieved the desired results.

Failed Investments and Poor Performance

Tessera has a long history of running DOC like a venture capital company, funding investments in early stage technologies with the cash flows it generates from its core IP business. However, the Company's strategy has not been successful. As shown in the table below, total losses and investments in DOC have amounted to at least $518.5 million, or $9.93 per share, since 2005.

DOC Segment Financials (1) *($ in millions)*

FYE December	2005 - 2007 ($)	2008 ($)	2009 ($)	2010 ($)	2011 ($)	2012(1) ($)	Cumulative
Revenue	-	33.7	29.7	37.4	41.2	41.1	183.1
Gross Profit	-	20.8	13.1	16.0	20.3	1.5	71.7
Operating Expenses:							
R&D		(40.2)	(40.7)	(50.1)	(47.2)	(68.9)	(247.1)
SG&A	-	(16.0)	(21.5)	(22.5)	(19.0)	(18.6)	(97.5)
Total Operating Expenses	-	(56.2)	(62.2)	(72.6)	(66.2)	(87.4)	(344.6)

Segment Operating Loss(2)	**N/A**	**(35.4)**	**(49.0)**	**(56.6)**	**(5.9)**	**(86.0)**	**(272.9)**
Acquisitions (3)	(110.5)	(33.7)	(6.0)	(15.0)	0.0	(28.0)	(193.2)
Capital Expenditures (4)	N/A	N/A	N/A	N/A	N/A	(52.4)	(52.4)
Total Losses & Investment in DOC							**(518.5)**

Source: Company filings.

(1) The Company reported DOC operating losses of $86.0 million, excluding $2.5 million of restructuring charges, in 2012. Individual segment expense items include Starboard estimates for 4Q12 given that the Company's 10-K with detailed segment financials has not yet been filed.

(2) Segment operating loss excludes an allocation of corporate overhead as well as non-recurring items.

(3) Company filings and event transcripts.

(4) Form 8-K filed on Feburary 7, 2013.

DOC has never been able to achieve sustainable revenue growth and operating losses have mounted over the years due to increasing operating expenses. In fact, DOC operating losses of $86.0 million in 2012 are more than double what the business lost four years earlier in 2008.

Long Track Record of Failed Commitments

Perhaps even more worrisome than the continued failures of, and massive losses from, DOC, is the steadfast and irresponsible commitment of the Company's management team and Board to the "all-in" strategy for this business at the expense of shareholders. For perspective, under the leadership of three different CEOs since 2007, including current CEO Bob Young, the Company has made commitments regarding DOC that it has repeatedly failed to achieve.

Through 2007 and 2008, former CEO Bruce McWilliams remained confident in his $100 million revenue goal for DOC[1] by 2010:

"*Consumer optics represents a long-term growth opportunity for Tessera and we believe we are on track for $100 million in total revenue from this exciting business area in 2010."* – 4Q06 earnings call, 1/31/07

After Hank Nothhaft became CEO in 2008, he acknowledged that $100 million of DOC revenue in 2010 was a "stretch goal" and later moved the goal posts out by one year from 2010 to 2011:

"*We are one of the leading technology licensing and innovation providers in the imaging and optics field. And we remain confident in our goal for $100 million in revenue in total Imaging & Optics by 2011.*" – 1Q09 earnings call transcript, 4/30/09

[1] DigitalOptics Corporation was previously called the Imaging and Optics division

---

However, Tessera fell extremely short of its goals, having generated DOC revenue of only $37.4 million in 2010 and $41.2 million in 2011.

In May 2011, Bob Young, who was a seed investor in Tessera in 1990 and joined the Board in 1991, became CEO of the Company. Just one month earlier in April 2011, the Company announced that it was exploring multiple alternatives for a possible separation of its DOC business, including a potential spin-off transaction. Later that year, CEO Bob Young explained that the reason Tessera was exploring a possible separation was that its two business segments, IP and DOC, did not belong together, given the serious conflict that exists between them:

"*Well, it became clearer and clearer as we were building this new business in Digital Optics that it is not just a very different business than the patent licensing business, but an incompatible business because some of the largest consumers of our software for image processing on handheld devices or whether it's the lenses or the cameras or whatever; our people that, on the licensing side, you might have actually litigation with on patent enforcement. And we felt that you really can't have two businesses where you're suing your largest customer, right?"* – Pacific Crest Technology Conference, 8/9/11

Bob Young also shared an expected time frame for the separation transaction to occur:

"*Well, I stated in June at the Cowen Conference that I felt that the process was in the 12 months plus or minus, probably plus timeframe."* – 2Q11 earnings call transcript, 7/28/11

At the start of 2012, under pressure from Starboard after we privately nominated directors in December 2011 in advance of the 2012 Annual Meeting, Bob Young began to make additional commitments to shareholders. Specifically, he stated that DOC would: (i) announce a design win for its MEMS auto-focus technology from a Tier One OEM in the first half of 2012; (ii) generate MEMS auto-focus revenue in the fourth quarter of 2012; and (iii) become profitable in the fourth quarter of 2013. However, the Company has failed to deliver to shareholders on all three of these commitments. Most recently, Bob Young explained why DOC will not achieve its target for profitability by the fourth quarter of 2013:

"We had previously targeted the fourth quarter of 2013 as a goal for operating breakeven in the DOC business, but the unpredictability of this revenue ramp along with associated yields and costs have led us to defer this target." – 4Q12 earnings call, 2/7/13

Further, in January 2013, Bob Young explained why DOC is still not a separate entity, even six months later than the expected timeframe he had previously shared:

"There is not a lot of synergy between these two businesses. They should be on their own. It's dependent upon DOC being able to stand on her own. I mean right now, they wouldn't look very good as a public company." – Needham Conference transcript, 1/15/13

Tessera has identified that IP and DOC should be separated because there is a serious conflict between the two businesses. Specifically, the IP segment may actually litigate against companies that are customers of the DOC business. Despite recognizing this conflict, the Company has still chosen to invest aggressively in its DOC business with the hope of separating it from the IP business. However, the Company has been unable to separate DOC because the business has been unsuccessful. In fact, the

Company has fallen down on nearly every commitment it has made to shareholders regarding the DOC business since at least 2007. Further, operating losses and investments in DOC have amounted to a massive $518.5 million or more since 2005. Even worse, the Company has acknowledged that the DOC business is potentially damaging to the core IP business.

Even so, recent actions demonstrate that management and the Board remain committed to their status quo strategy for DOC. In fact, in October 2012, the Board amended Bob Young's compensation arrangement so that the equity component of his 2012 compensation is contingent upon the successful completion of a spin-off of the DOC business on or before March 31, 2015, more than two full years from now and almost four years from the initial commitment to separate the businesses.[2]

The MEMS Camera Module Operating Model

Based on our analysis, even if DOC is successful in growing revenue in its MEMS camera module business, we are extremely concerned that DOC will continue to burn large amounts of cash for years to come. The analysis below demonstrates that even if DOC's MEMS camera module business is ultimately "successful," the cost of achieving such "success" may be an additional $200 million of shareholder capital.

During 2012, we estimate that DOC had operating expenses of $87.4 million and capital expenditures of $52.4 million, including the build out of a $30 million lens manufacturing facility. The Company also spent $28 million to acquire certain camera module manufacturing assets of Vista Point Technologies. Combined, total DOC expenses were approximately $167.8 million and we estimate DOC burned approximately $132.4 million of cash.[3] In reaction to these extremely poor results, Tessera recently committed to reducing costs in DOC by between $15 million and $18 million. If achieved, these savings would result in DOC operating expenses of between $70.9 million and $94.4 million in 2013 and beyond.

The Company also recently disclosed its expectations for gross margins in DOC's MEMS camera module business. These comments came after CEO Bob Young disclosed that DOC was having trouble with manufacturing yields and that current yields were lower than 40%, far below the 80%-90% range required for volume manufacturing. Specifically, as part of its fourth quarter 2012 prepared remarks, the Company made the following statement regarding its expectations for the gross margin ramp of its MEMS camera module business within its DOC segment:

"Gross margins in 2013 will be low… medium term[4]*, we expect gross margins in the 20% to 25% range, and longer term we are targeting gross margins of between 30% to 35%….*" – 4Q12 earnings prepared remarks, 8-K filed on February 7, 2012

Although it is difficult to model or forecast DOC financial performance given very limited disclosure, the one Wall Street research analyst who continues to cover Tessera is currently forecasting additional operating losses in DOC of approximately $130 million over the next two years.[5] This forecast relies on what we believe to be very aggressive revenue assumptions.

---

[2] Press release filed on October 4, 2012.

[3] Calculated as $86.0 million of DOC operating losses plus estimated segment depreciation and amortization of $34.0 million less $52.4 million of segment capital expenditures and acquisitions of $28.0 million.

[4] The timeframe of "medium term" was clarified to mean "the next several years" during the Company's fourth quarter 2012 earnings call on February 7, 2013.

[5] Bank of America Merrill Lynch financial model.

As shown in the theoretical breakeven analysis below, which we are skeptical is even achievable, even if DOC's MEMS camera module business achieved 20% gross margins in three years and generated enough revenue to breakeven in the fourth year, DOC would still lose $193.5 million of operating income over the next three years. This would require DOC's camera module business to achieve annual revenues of $382.2 million in four years from zero today, which seems highly unrealistic.

Theoretical Breakeven Analysis for DOC's MEMS Camera Module Business (1) *($ in millions)*

FYE December	2013e	2014e	2015e	2016e	Cumulative
Revenue ($)	14.0	70.0	168.0	377.7	-
Gross Margin (%)	5.0%	10.0%	20.0%	25.0%	-
Gross Profit ($)	0.7	7.0	33.6	94.4	-
Operating Expenses(2) ($)	(70.9)	(78.0)	(85.8)	(94.4)	-
Operating Income / (Losses) ($)	**(70.2)**	**(71.0)**	**(52.2)**	**0.0**	**(193.5)**

Source: Company 10-Ks and 10-Qs.

(1) Starboard does not endorse these figures.

(2) Assumes $16.5M of segment opex reduction in 2013, representing the midpoint of the $15-18 million expense savings actions the Company announced on November 14. 2012, followed by segment opex increases of 10% per year from 2014 to 2016 as revenue ramps.

Continued losses of this magnitude in the DOC business are unacceptable. The business model as currently contemplated is flawed. Expenses are excessive, revenue commitments have been too aggressive, and losses continue to mount with no end in sight.

Despite management's assertions that all is well in DOC, the business unit has also been plagued with a revolving door of general managers. Within the past three years, DOC has had four different general managers. On September 4, 2012, Tessera announced that Dr. Bob Roohparvar was departing the Company less than 18 months after he joined. His departure cost shareholders close to $950,000 in cash severance, and $1 million when taking into account Dr. Roohparvar's post-departure consulting arrangement with the Company. On February 7, 2013, Tessera announced the hiring of John Thode to lead DOC. Although we have not had a chance to meet or speak with Mr. Thode, we note that he was most recently employed at McAfee, Inc., a provider of security software solutions, a very different business than manufacturing technology components for the smartphone industry. Mr. Thode was immediately issued restricted stock awards valued at approximately $1.6 million plus 150,000 stock options.

Intellectual Property ("IP")

Tessera's IP business licenses packaging technologies to semiconductor companies and outsourced semiconductor assembly and test companies. The Tessera, Inc. portfolio includes over 550 semiconductor-packaging patents. The Company's Invensas Corporation portfolio includes over 725 advanced packaging patents and MoSys circuitry patents.

Although the Company's IP segment is currently profitable, its financial performance and profit margins have deteriorated substantially over the past few years. From 2009 to 2012, revenue declined by $76.8 million, or 28.5%, from $269.7 million to $192.9 million while segment operating expenses increased by $39.3 million, or 69.1%, from $56.9 million to $96.2 million. As a result, segment operating income decreased by a staggering $116.6 million, or 54.9%, from $212.4 million to $95.9 million. IP segment operating income would be even lower after including an allocation for corporate overhead.

IP Segment Financials				*($ in millions)*
FYE December	**2009 ($)**	**2012 ($)**	**$ Change**	**% Change**
Revenue	269.7	192.9	76.8	-28.5%
COGS	(0.4)	(0.7)	0.3	72.7%
Gross Profit	269.3	192.2	(77.1)	-28.6%
Operating Expenses:				
R&D	(24.0)	(31.6)	7.7	31.9%
SG&A	(12.6)	(31.4)	18.8	148.9%
Litigation	(20.3)	(33.3)	13.0	64.0%
Total Operating Expenses	(56.9)	(96.3)	39.5	69.4%
Segment Operating Income (1)	212.4	95.9	(116.6)	-54.9%

Source: Company filings

(1) Segment operating income excludes an allocation of corporate overhead as well as non-recurring items.

Further, Tessera's profit margins are far below the profit margins of other intellectual property licensing companies with similar business models. For example, over the last twelve months, despite Tessera's industry-leading gross margins of 98.6%, the Company generated estimated segment EBITDA margins of only 34.4%, far below its closest peers that generated EBITDA margins in excess of 70%.

Intellectual Property Segment Comparables, LTM *($ in millions)*

	Tessera IP TSRA [1]	InterDigital IDCC [2]	RPX Corp. RPXC	Wi-Lan Inc. WINCN [2]
Revenue	$ 192.9	$ 652.1	$ 197.7	$ 91.0
EBITDA	$ 66.3	$ 459.8	$ 144.9	$ 65.1
EBITDA Margin	**34.4%**	**70.5%**	**73.3%**	**71.5%**

Source: Company filings.

(1) Includes Starboard estimates for allocation of corporate overhead and depreciation and amortization.

(2) Figures reflect LTM ended September 30, 2012, since the company has not reported fourth quarter 2012 results.

We believe Tessera has the scale in its IP business to generate EBITDA margins at or above those of its peer group. In fact, the IP business has generated estimated EBITDA margins in excess of 60% in the past.

In addition to focusing on reduced costs in the IP business, we believe there are significant opportunities to improve the declining revenue trends in this business. We do not believe Tessera is currently realizing maximum value for its intellectual property or using its resources to the greatest extent possible. We believe this is in part due to a difference of opinion as to the corporate identity of Tessera. Currently, management and the Board are operating Tessera as a technology design and innovation company, spending over $30 million per year on research and development and utilizing a substantial sales force to effectively "sell" their technology to potential customers. It appears the Company only forcefully asserts its patents against infringing parties as an absolute last resort.

We believe Tessera should be a patent licensing entity that leverages its strong patent position to become a premier platform for the assertion and monetization of intellectual property assets. Tessera should be growing its portfolio of intellectual property through partnerships with other companies and inventors, as well as through smart tuck-in acquisitions of patent portfolios that allow the Company to leverage the platform. Tessera has the reputation, balance sheet, and wherewithal to become a true leader in the industry. We have confirmed this thesis through in-depth discussions with several well-known and highly credible industry sources.

On a number of occasions, Starboard has worked with IP Navigation Group, LLC ("IPNav"), a leading full-service patent monetization firm, to assess the value of various patent portfolios, including AOL's patent portfolio. In its appraisal of AOL's patent portfolio, as well as on several other occasions, IPNav has proven credible in estimating the ultimate value of significant portfolios of patent assets and the licensing potential of patent portfolios. After assessing publicly available information on Tessera's patent assets, IPNav believes there is significant untapped value that could be realized through more effective licensing strategies. In fact, Erich Spangenberg, Founder & CEO of IPNav, stated that:

"*There are more effective strategies we believe Tessera could deploy to realize enhanced intellectual property revenues. Current management appears focused on something other than maximizing monetization of revenues for its core IP patent portfolios and, as a result, is missing the opportunity to realize hundreds of millions of dollars of additional revenue.*"

We strongly believe that a significant opportunity exists to improve both revenue growth and profitability in the IP business. Unfortunately, like DOC, the IP business has also suffered from recent executive departures. On January 15, 2013, Tessera announced that Richard Chernicoff was departing the Company less than 18 months after he joined. We question the Company's decision to retain Mr. Chernicoff in a consulting capacity for twelve months following his departure at a cost of more than $400,000 to the Company. Mr. Chenicoff was replaced by Bernard J. "Barney" Cassidy who was formerly general counsel and joined Tessera in 2008. Apparently, Mr. Cassidy was overlooked for this position when they hired Mr. Chernicoff in 2011, yet the Board believes he is now prepared to lead this division.

Board Nominations and Required Actions

As we have described in this letter, we believe that there are opportunities to substantially improve the performance of Tessera based on actions within the control of management and the Board. Unfortunately, we do not believe the Board is providing adequate oversight or holding management accountable for dismal performance. To that end, on December 21, 2012, Starboard nominated a slate of directors for election to the Board at the 2013 Annual Meeting, now scheduled to be held on May 23, 2013. Over the coming weeks and months, we will be providing more detail about our specific intentions and the backgrounds and qualifications of these nominees. If elected, we would expect these nominees to focus on the following specific opportunities to unlock value for the benefit of all shareholders:

- **Significantly Reduce Expenses:** Over the past several years, expenses have increased dramatically while revenues have declined. As a result, consolidated operating income has declined by $154.5 million from 2009 to the last twelve months. Focus areas for cost reductions should include corporate expenses ($46.7 million LTM), R&D expenses ($100.5 million LTM), and SG&A expenses ($50.0 million LTM). While the Company has recently announced a plan to reduce expenses in DOC and corporate overhead, we believe these commitments are entirely reactionary to Starboard's involvement and are not meaningful enough.

- **Implement Near-Term Performance Hurdles and Evaluate Alternative Strategies for DOC**: DOC has missed almost every expectation ever set by management going back to 2005. Since that time, total losses and investments in DOC have amounted to at least $518.5 million or $9.93 per share and DOC is still not a viable business. The Board must implement near-term performance hurdles and hold management accountable for meeting those commitments. Concurrently, the Board must evaluate strategies to mitigate the mounting losses in DOC, which should include alternative structures or partnerships for this business.

- **Reduce Costs and Grow Revenue in the IP Business**: The Company's IP segment currently generates estimated segment EBITDA margins of 34.4%, far below historical levels and current peer levels in excess of 70%. Additionally, revenues in this business have declined by 28.5% since 2009. Tessera must reduce costs in this business and focus on identifying and executing on incremental opportunities to drive additional revenue.

- **Return Significant Capital to Shareholders**: Tessera is highly overcapitalized, with cash of $442.6 million and no debt. Although the Company must maintain a reasonable cash balance for the IP business, unless the Board is planning to use substantial additional cash to fund losses in DOC, the Company should be returning excess cash to shareholders through some combination of share repurchases and dividends.

As one of the largest shareholders of Tessera, we are extremely frustrated with the current performance and direction of the Company. We have made significant efforts to communicate constructively with management and the Board in the past. Every attempt to do so has been unfruitful. In our discussions with CEO Bob Young, he has been unwilling to waiver in his commitment to the status quo. Historically, every attempt to speak directly with the Board has been thwarted. Only under the pressure of this pending election contest have we made any progress in communicating directly with the Board. For two years now, the Company has played games with the corporate machinery, moving annual meeting dates and nomination deadlines. Simply stated, it is time for a change at Tessera. We are absolutely committed to making sure that the best interests of all shareholders are represented on the Board.

Best Regards,

/s/Peter A. Feld

Peter A. Feld
Managing Member
Starboard Value LP

Tessera Technologies Board Responds to Letter from Starboard Value

San Jose, Calif.,- Feb. 20, 2013 – Tessera Technologies, Inc. (NASDAQ: TSRA) (the "Company" or "we") issued the following response to a letter, dated Feb. 19, 2013, that Starboard Value LP ("Starboard") addressed to the Company's Board of Directors (the "Board").

- The Board seeks to avoid the expense and distraction of a lengthy proxy fight. Further, it sees value in adding independent directors who can advocate for stockholders and bring fresh perspectives to the Board's deliberations. It was for these reasons that the Board added two new independent directors in August 2012.

- The Board has expressed to Starboard its willingness to consider Starboard's nominees. Indeed, the Board's Nominating Committee sought to interview four of Starboard's nominees, but was rebuffed by Starboard. What's more, the Board is perplexed that Starboard chose to release its letter as Board members are preparing for a meeting with Starboard previously scheduled to occur later this month.

- The Board believes the IP segment's expenses are consistent with a business model that sustains and grows long term running royalty revenues, as exemplified by the recent signing of two eight-year licenses by SK hynix Inc.

- The Board also continues to believe that our DigitalOptics Corporation ("DOC") subsidiary has a unique opportunity to enter a market measured in billions of units with superior, industry-changing technology, and that investment in DOC will enhance long term stockholder value.

NOW THIS IS WHERE THINGS GET GOOD:

Members of the board of Tessera Technologies, Inc., and Barney Cassidy, 2/25/13

Gentlemen:

We provide this letter with regret. For the reasons set forth below, we intend to resign from this board in the event Mr. Boehlke remains a member.

We have great respect for all of the board members and we have enjoyed working with you. However, we believe the board's current leadership and constituencies will continue to prevent effective management of the company. In our opinion the failure of current board leadership has prevented effective operating oversight, effective cost control, strategic planning, profit and loss discipline, economically rational strategies for our DOC initiatives and appropriate focus on our core business. The negative effect of these failures has significantly impacted shareholder value.

Mr. Boehlke has arrogated to himself necessary board review and guidance of management, and indeed, in our opinion, has acted in many instances as a senior operating executive. His actions have interfered with the board's orderly and necessary oversight of the company. As one of many examples, the Chairman's failure to call a meeting of the board to respond to a letter addressed to the board from our largest shareholder, and his direction that our CEO should meet directly with that shareholder without notice to or input from the board illustrates arrogation of power that properly resides in the board.

We believe his actions have prevented our board from meeting its required standards of performance and returning value to the shareholders. It is our belief that his efforts to force the removal of directors who do not support him and to independently find new directors violates the authority of the nominating committee and of the full board, which is solely responsible for consideration of the appropriate membership to serve as stewards of shareholders' interests.

We have repeatedly tried to affect what we believe are necessary reforms such as greater focus on our core business, effective cost controls, investment analysis and improved board governance to make this company highly successful. Each time Mr. Boehlke has prevented these initiatives from moving forward.

Reprinted correspondence between Starboard Value LP and Board Members of Tessera Technologies.

We remain convinced that our technology assets, IP and human resources are far more valuable than reflected by the current stock price. With the removal of Mr. Boehlke we are enthusiastic to continue to serve as board members and affect the reforms necessary to increase shareholder value.

In the event that Mr. Boehlke has not resigned by March 1, 2013 please accept this email as our resignation effective close of business March 1st.

Sincerely,

John Goodrich | Kevin Rivette

KEEP READING... IT ONLY GETS BETTER!

March 1, 2013

Open Letter to Shareholders of Tessera Technologies, Inc.

Dear Fellow Shareholders:

Starboard Value LP, together with its affiliates ("Starboard"), currently owns approximately 7% of the outstanding common shares of Tessera Technologies, Inc. ("Tessera" or the "Company"), making us one of the Company's largest shareholders. As we described in a letter we delivered to the Board of Directors of Tessera (the "Board") and publicly disclosed on February 19, 2013 (the "First Letter"), we believe the Company is significantly undervalued and that opportunities exist within the control of management and the Board to unlock value for the benefit of all shareholders. For over a year now, we have been attempting to communicate constructively with Tessera in the hope that we could work together to craft a strategy to improve the Company's financial performance and deliver increased value to shareholders of the Company. Unfortunately, the existing management team and Board have shown no interest in working with us and instead have adopted certain measures designed to disenfranchise shareholders and entrench a subset of the Board.

Recent events indicate that the center of power on the Board and management has no intention of changing, and, in fact, has taken actions to further entrench and insulate themselves from outside influence. The frustration from the Company's dismal performance and poor governance has now extended beyond shareholders to include two well-respected board members. On February 25, 2013, due to Sarbanes-Oxley requirements, it was publicly reported that three days earlier, two incumbent directors of Tessera, Kevin Rivette and John Goodrich, had delivered a letter to the Board stating that their concerns regarding the behavior of the Chairman had become untenable and that they intended to resign, effective as of the close of business today, if the Chairman of the Board, Mr. Robert Boehlke, had not resigned from the Board before such time. The letter clearly articulated the rationale for their actions:

"*In our opinion the failure of current board leadership has prevented effective operating oversight, effective cost control, strategic planning, profit and loss discipline, economically rational strategies for our DOC initiatives and appropriate focus on our core business. The negative effect of these failures has significantly impacted shareholder value."* – Directors Kevin Rivette and John Goodrich

"*Mr. Boehlke has arrogated to himself necessary board review and guidance of management.... His actions have interfered with the board's orderly and necessary oversight of the company."* – Directors Kevin Rivette and John Goodrich

"*We believe [Mr. Boehlke's] actions have prevented our board from meeting its required standards of performance and returning value to the shareholders. It is our belief that his efforts to force the removal of directors who do not support him and to independently find new directors violates the authority of the nominating committee and of the full board..."* – Directors Kevin Rivette and John Goodrich

"*We have repeatedly tried to affect what we believe are necessary reforms such as greater focus on our core business, effective cost controls, investment analysis and improved board governance to make this company highly successful. Each time Mr. Boehlke has prevented these initiatives from moving forward."* – Directors Kevin Rivette and John Goodrich

The abrupt resignations of Kevin Rivette, a seasoned executive with significant expertise in intellectual property strategy through his experiences at 3LP Advisors and IBM Corporation, and John Goodrich, a named former partner of Wilson Sonsini Goodrich & Rosati, a well-respected law firm, are cause for serious concern. Needless to say, the contents of their resignation letter are extremely disturbing and point to a dictatorial Chairman and dysfunctional board environment in desperate need of shareholder intervention. In our experience, we have rarely witnessed such scathing accusations and internal upheaval, with disagreements rising to a level where highly qualified board members felt they had no choice but to resign because of the actions of the Chairman of the Board.

Further, the resignation of Messrs. Goodrich and Rivette follows a long list of executive departures, including the recent departures of Dr. Farzan "Bob" Roohparvar, former President of DigitalOptics Corporation ("DOC"), and Richard Chernicoff, former President of Intellectual Property and Micro-Electronics Division, both of whom departed the Company within the past six months and approximately just eighteen months after joining Tessera. This is further evidence of significant turmoil and frustration with the leadership of the Company.

We believe these facts, along with the analysis included in our First Letter, point to significant failures on the part of the existing management team and incumbent Board. They have failed to produce acceptable financial results; they have failed to follow through on publicly stated commitments; they have failed to create a healthy and productive environment where employees can thrive and directors can properly oversee the Company; and they have failed to create value for shareholders.

In order to protect and enhance value for all shareholders, on December 21, 2012, we nominated a slate of highly qualified director candidates for election to the Board at the 2013 Annual Meeting. We followed up our nomination notice with a detailed ten-page letter outlining our ideas regarding opportunities for value creation at Tessera. We specifically urged the Company to explore: (i) significantly reducing expenses throughout the organization; (ii) implementing near-term performance hurdles and evaluating alternative strategies for DigitalOptics Corporation ("DOC"); (iii) reducing costs and growing revenue in the Intellectual Property ("IP") business; and (iv) returning significant capital to shareholders. It was our hope that management and the Board would thoroughly evaluate our views and take action to address our concerns.

Instead, the Company responded to our First Letter just one day later on February 20, 2013 in a press release that failed to address the serious issues we raised and instead confirmed the Company's commitment to the status quo strategy.

It appears that the incumbent Board and senior management of Tessera have no interest in taking the necessary steps to effect needed change at Tessera and are determined to keep the status quo. This is even more evident after reading the resignation letter of Messrs. Rivette and Goodrich, who blame the "current board leadership" for "prevent(ing) effective operating oversight, effective cost control, strategic planning, profit and loss discipline, economically rational strategies for our DOC initiatives and appropriate focus on our core business." Interestingly, these criticisms are very similar to the issues we raised and the changes for which we have lobbied over the past year. It is unfortunate that the shareholders no longer enjoy the advocacy of these Board members.

The deeply concerning contents of the director resignation letter, recent executive departures, continued dismal operating performance, and poor governance all further solidify our view that material change in board composition, executive leadership, and corporate strategy are immediately required at Tessera. To this end, we will be filing our proxy materials over the coming weeks, and we will seek support from shareholders to replace a majority of the current Board with highly qualified director nominees. Following the filing of our proxy materials, we will be sharing more information on our plans for the Company, each of its businesses, and our strategy to unlock substantial value for the benefit of all shareholders. As one of the largest shareholders of Tessera, our interests are directly aligned with yours and we look forward to communicating with you throughout this process.

Best Regards,

Peter A. Feld
Managing Member
Starboard Value

AND JUST WHEN YOU THOUGHT IT COULDN'T GET ANY BETTER—**SURPRISE!**

Tessera Technologies Board Issues Open Letter to Starboard Value

San Jose, Calif.,- March 4, 2013 – Tessera Technologies, Inc. (NASDAQ: TSRA) (the "Company" or "we") today delivered the following open letter to Starboard Value LP ("Starboard") from the Company's Board of Directors:

Dear Mr. Feld:

We have clearly expressed our hope that we could avoid a wasteful proxy contest. Indeed, we welcome an honest and forthright discussion about the business case for or against the various alternatives that are before us, and remain open to a reasonable solution that balances Starboard's rights as a 7% stockholder with the other 93% of the Company's stockholders, including those that typically have a longer-term investment horizon than Starboard's. But in your private letter dated February 28, 2013, and your public letter on March 1, 2013, you have crossed the line between a business discussion and personal attacks, between a disagreement on the merits and a campaign based on distortions.

Tessera's Board Rejects Starboard's "Private" Attempt at Blackmail

The February 28 letter stated that, if the Board did not consent to Starboard's proposals, Starboard would "proceed with an election contest to replace a majority of the Board" and, among other steps, to "take appropriate actions" regarding "alleged activities" of the Company's chief executive officer Robert A. Young.

You provided zero factual basis for the letter's allegation of "possible improper conduct" by the CEO involving "an inappropriate relationship with a female employee of the Company," accompanied by your demand that the Board conduct a "prompt and formal investigation." When Company counsel followed up by asking for further information about this vague allegation, you had your counsel, Mr. Steve Wolosky, state that Starboard would provide no details whatsoever, and had no obligation to provide any information on the matter.

Is it responsible to cry "fire" and then refuse to tell the firemen where the fire is? Of course not. Starboard's "private" letter was a transparent attempt to force the Board to fire Dr. Young or else face the publication of that letter and its allegations. But neither the Board nor Dr. Young is prepared to be blackmailed into a course of action by Starboard that is not in the best interests of stockholders of the Company by threats of publishing unfounded and scurrilous accusations. The Board asks that you promptly either provide details that would enable us to follow up via our established processes or else withdraw the allegations.

In the meantime please note that the Board unanimously stands behind our CEO Dr. Young.

Starboard's Unreasonable Demands

While holding roughly 7% of the Company's shares outstanding, you demand the removal of the CEO and Board Chairman, as well as a majority of board seats – essentially demanding the same control a majority owner would have, but without paying a control premium. Specifically, the private letter demands

- the Company immediately appoint at least five of your nominees to the Board;
- that a "direct representative" of Starboard be among the new Board members (at the February 27, 2013 meeting with two of our independent Directors you stated that you would be that representative);
- two incumbent directors resign immediately, including the Chairman of the Board, Robert Boehlke;
- a new independent Chairman of the Board be elected by the new Board to succeed Mr. Boehlke; and
- Dr. Young resign as the Company's chief executive officer and as a member of the Board following the completion of a search for his successor.

Significantly, and in stark contrast to your private letter, your public letter omits your demands for the resignation of our Chairman, the resignation of our CEO, and the resignations of two additional board members.

During the meeting with Starboard on February 27, 2013, the Board's independent directors reiterated the Company's desire to avoid a wasteful proxy contest. They again asked to interview four of Starboard's seven nominees: Tudor Brown, George Cwynar, George Riedel, and Don Stout. The directors said, and we reiterate today, that the Board's Nominating Committee remains open to adding two candidates from Starboard's slate that meet the Company's criteria, including independence and business acumen. Importantly, a board composed in this manner would have a majority of its members appointed since August 2011. You rebuffed these requests – making it very clear that you have no intention to "avoid an election contest," as claimed elsewhere.

Starboard's Conflict of Interest

As you know, we remain concerned that the appointment of Starboard executives to our Board will present a conflict of interest. Starboard is involved with other competing intellectual property businesses, including Unwired Planet, Inc., which you chair, and which has interests that may compete with the Company's strategic plans for its

Intellectual Property business. Because you are saddled with these conflicts, your proposal to appoint yourself to the Tessera Board runs afoul of both corporate "best practices" and ISS policies.

No Business Plan from Starboard

In your two letters and during our meeting, you failed to identify credible plans for the operations of the business, or a replacement CEO, or for creation of value. Although you have promised to provide plans following the filing of your proxy materials, so far, your communications have consisted of demands, accusations and distortions. As we are sure you recognize, it is important for the stockholders who own the other 93% of the Company's shares to understand your plans for the Company, given your stated desire to take over a majority of the board.

Response to Public Letter of March 1, 2013

The Company continues to take significant and strong actions to increase long term stockholder value.

- We have announced significant cost reduction initiatives in November 2012 and February 2013.

- Our DigitialOptics business continues to have a unique opportunity to enter a market already measured in billions of units with superior industry-changing technology. Continued, measured investment in pursuit of this opportunity is highly appropriate.

- Our Intellectual Property business continues to perform well, as reflected in the recent signing of two eight-year licenses by SK hynix Inc. and the Amkor arbitration award announced in February 2013, which we estimate will result in revenue in excess of $130 million in due course.

  - Our investments in R&D compare very favorably to similarly successful technology-based patent monetization companies, and are necessary to maintain long term running royalty revenues.

  - In addition, aggressive litigation spending is a critical component of the Company's "strong patent position."

- We implemented a quarterly dividend for the first time in the company's history in March 2012, and continually evaluate other ways to return stockholder capital.

Increasing the Strength of the Board

We firmly believe that the judgment of an independent and highly qualified Board will be crucial to the Company's success, particularly in the coming year as we evaluate the investments in and opportunities of its DigitalOptics and Intellectual Property businesses. We believe the Company and its stockholders will be best served by directors that can exercise independent judgment as they represent stockholders' diverse interests. To that end, we have appointed three independent directors since August 2011, and we are actively seeking new independent directors, which would result in a majority of the Board having "fresh eyes."

The Board is currently evaluating potential candidates, and reiterates that it would like to include Starboard's nominees in that process. We are committed to ensuring that all members of the Board possess fundamental qualities of intelligence, honesty, good judgment, high ethics and standards of integrity, fairness and responsibility, and that they possess independence and specific technological and management expertise in the Company's areas of operations.

Summary

It is unfortunate that Starboard has chosen to overreach in this situation, but in doing so it has shown its true colors. Starboard

- complains that changes in Tessera management and board membership have led to chaos, but demands rapid and thoroughgoing changes in both, without identifying a business plan or leader,
- seeks majority control while holding a 7% ownership stake, and
- threatens reputations while refusing to back up its allegations of personal misconduct.

We believe these tactics reveal an unsound approach to operating a public company, a self-serving plan for overrepresentation, and questionable judgment in general.

The Board of Directors, Tessera Technologies, Inc.

AND FINALLY...

NEW YORK, NY – March 6, 2013 – Starboard Value LP (together with its affiliates, "Starboard"), one the largest shareholders of Tessera Technologies, Inc. (NASDAQ:TSRA) ("Tessera" or the "Company") with approximately 7.4% of the outstanding common stock of the Company, announced today that it has delivered an open letter to the shareholders of Tessera in response to the "Open Letter to Starboard Value" issued by Tessera's Board of Directors on March 4, 2013.

The full text of Starboard's letter is included below:

March 6, 2013

Open Letter to Shareholders of Tessera Technologies, Inc.

Dear Fellow Shareholders:

Starboard Value LP, together with its affiliates ("Starboard"), currently owns approximately 7.4% of the outstanding common shares of Tessera Technologies, Inc. ("Tessera" or the "Company"), making us one of the Company's largest shareholders.

As you may be aware, Starboard conducts extensive diligence using publicly available information in order to gain conviction in each of our investments. During the course of the ongoing diligence process in connection with our investment in Tessera, we became aware from sources, which we believe to be credible, that the Company's CEO may have been engaging in inappropriate behavior. This is not information that we set out to find. Rather, this was information that was volunteered to us. Starboard generally does not seek to raise personal issues in assessing the merits of changes at a company, and we were therefore reluctant to even disclose this information to Tessera. However, through continued diligence, we determined that the situation, if true, may have serious negative implications for the operations of the business and our investment. Therefore, we followed what we believed to be proper protocol and made the Company's board of directors (the "Board") aware of our concerns through a private letter so the Board could fully investigate the matter. We did not publicly disclose any of this sensitive information and had no intention to do so. In fact, the day after our private letter to the Board, we released a public letter to shareholders in which we intentionally omitted any reference to any personal issues.

A board of directors is supposed to serve as the shareholders' representatives and oversee best governance practices. Whistleblower claims should be delivered privately to the board of directors, and the board of directors has a responsibility to investigate such matters. For this reason, we believe that the Board's response on March 4, 2013 to the existence of potential inappropriate conduct by Dr. Young is surprising and irresponsible. In our experience, most well-functioning boards would respond to such allegations privately by committing to fully investigate the situation and take appropriate actions, as necessary. In the letter to Starboard, the Board stated, "In the meantime please note that the Board unanimously stands behind our CEO Dr. Young." We are concerned that the Board may be standing behind Dr. Young without first having formally investigated this potentially serious issue. The Board's handling of this matter is even more troubling in light of the recent resignations of Messrs. Rivette and Goodrich, who cited disagreements with Board leadership, oversight, and strategy in their resignation letter. We are not at all surprised that the new, smaller Board is "unanimous" in their support of Dr. Young.

The Company's "Open Letter to Starboard Value" then goes on to state that Starboard omitted the demands we made in our private letter from our public letter, implying that this was somehow unethical. To the contrary, we intentionally omitted the information in an attempt to keep the public debate to business issues, while privately initiating a dialogue with the Board regarding a potential settlement. Typically those discussions would remain private. Again, the Board chose to publicly disclose this information, not us. Now that our proposal is public, however, it deserves a bit more explanation.

As we have consistently stated, given the Company's dismal financial and stock price performance, failed execution, poor governance, and troubling recent director resignations, we believe a change in a majority of the Board is required. Several weeks ago, we may have been able to be convinced that a solution to the Company's current issues could be achieved by changing less than a majority of the Board. However, following the resignations of Messrs. Rivette and Goodrich, two directors who we believe are reasonable, open-minded, and pressing for positive change at Tessera, it became clear to us that a change of a minority of the Board would no longer be enough to ensure that the best interests of all shareholders are being represented in the boardroom. Although our proposed solution, which was presented to the Company when the size of the Board was still set at eight total directors, would result in a change in a majority of the Board, it is important to point out the following:

i) Our proposal only requires two additional incumbent directors to resign, one of which would be the current Chairman, while four of the incumbent directors would remain for continuity;

ii) We only proposed for one Starboard direct representative to join the Board, while the other four new directors would be truly independent directors with highly relevant and successful industry credentials;

iii) The new Chairman and new CEO would be identified and selected by the pro forma Board; and

iv) Although several of the independent nominees we have proposed are highly qualified and willing to serve as interim CEO, we believe following the re-composition of the Board, it would be most appropriate to conduct a full CEO search process in which the Board would consider both internal and external candidates.

As for Tessera's settlement proposal of "adding two candidates from Starboard's slate that meet the Company's criteria, including independence and business acumen", this is news to us. All that was previously communicated to us was the Company's willingness to interview four of our independent nominees. In response, we stated that we would be happy for the Board to interview our nominees prior to their appointment if and when we had reached a tentative agreement on mutually agreeable terms to resolve the pending election contest. We believe allowing the Company to interview these candidates now would be premature because it does not appear that the Company is prepared to consider proposals that will result in substantial change to the Board, a key component for us of any potentially acceptable settlement scenario. This was made especially clear in light of statements made during our meeting that under no circumstance whatsoever would the Company consider allowing any Starboard direct representative to join the Board.

In the letter, the Board then alleges that "the appointment of Starboard executives to our Board would present a conflict of interest." We believe this allegation is without merit. The Board, itself, appears to acknowledge that there is no current conflict, stating that Unwired Planet, which I currently chair, "may compete with the Company's strategic plans for its Intellectual Property business." It appears then that even Tessera believes there is no conflict today, and any potential conflict of interest is purely speculative.

On February 19, 2013, we published a 10-page letter outlining our views, which included four specific initiatives we believe will create significant value at Tessera. Further, in our public letter on March 1, 2013, we committed to disclosing additional information on our plans for the Company, each of its businesses, and our strategy to unlock substantial value for the benefit of all shareholders. In response to our letter, all the Company has done is make broad statements about its status quo plan and make claims that the current strategy is working. Yet the reality is that the so-called "significant cost reduction initiatives" the Company has announced are only marginal and nowhere near acceptable. The Company's commentary that the "DigitalOptics business continues to have a unique opportunity" makes no mention of years of failed investment and missed expectations. Lastly, the Board states that the Company's "Intellectual Property business continues to perform well", yet revenue decreased 28.5% while operating expenses increased 69.1% from 2009 to 2012, resulting in a staggering decline in segment operating income of approximately $116.6 million over this same time period.

If the Company's status quo strategy were working, then ask yourself the following: Why has the Company's stock price terribly underperformed over almost any time period? Why has the Company's financial performance deteriorated drastically? Why have the heads of both of Tessera's business units resigned within months of one another? And, finally, why have two highly-qualified and well respected directors abruptly resigned alleging serious issues at the Company? We cannot believe that these are signs of a healthy and prospering Company. Instead, these are symptoms of a dysfunctional Board and demonstrate the need for significant change in the Company's leadership, direction, and oversight.

At this juncture, it has become clear to us that management and the Board of Tessera are not yet willing to embrace a level of change necessary to unlock value for its shareholders. This has further solidified our belief that a majority of the current Board must be reconstituted. It is time to move forward and for the Board to allow you, our fellow shareholders, to make the ultimate determination as to whom you believe will most effectively represent your interests on the Board. Unfortunately, for two years now the Company has manipulated annual meeting dates and nomination deadlines to prevent shareholders, and Starboard specifically, from making changes to the Board that we believe would benefit all shareholders. We note that the Company previously announced its intention to hold the 2013 Annual Meeting on May 23, 2013 in its fourth quarter results press release. However, our proxy solicitors have informed us that, to their knowledge, the annual meeting date has not been formally set by the Company. We hope and expect the Company will follow through on its commitment and immediately formalize and publicly announce a May 23, 2013 date, at the latest, for holding the Company's 2013 Annual Meeting date so that shareholders can exercise their right to vote, without delay, on a slate of directors who they believe are best fit to serve as stewards of shareholder value.

Best Regards,

Peter A. Feld
Managing Member Starboard Value

NEW YORK, NY – March 18, 2013 – Starboard Value LP (together with its affiliates, "Starboard"), one the largest shareholders of Tessera Technologies, Inc. (NASDAQ:TSRA) ("Tessera" or the "Company") with approximately 7.6% of the outstanding common stock of the Company, announced today that it has delivered an open letter to the shareholders of Tessera, the full text of which is included below:

March 18, 2013

Open Letter to Shareholders of Tessera Technologies, Inc.

Dear Fellow Shareholders:

Starboard Value LP, together with its affiliates ("Starboard"), currently owns approximately 7.6% of the outstanding common shares of Tessera Technologies, Inc. ("Tessera" or the "Company"), making us one of the Company's largest shareholders. Our interests are directly aligned with yours and we believe that there is significant value to be realized at Tessera.

Starboard has a long history of working constructively with management teams and boards of directors of undervalued and underperforming public companies to identify and execute on opportunities to unlock value for the benefit of all shareholders. With most of our portfolio companies, we are able to accomplish our goals and create shareholder value by obtaining minority representation on their boards of directors. However, in Tessera's case, we do not believe a change in a minority of its board of directors (the "Board") will have the desired impact because of the consolidation of power around the Company's chairman, Robert Boehlke, and its CEO, Robert Young, and the other directors' apparent unwavering support of these individuals despite serious allegations against them.

During the course of this proxy contest, the Company is going to attempt to make Starboard appear unreasonable for not accepting the Company's settlement offer to add two independent, Starboard-recommended candidates to the Board, and will accuse us of trying to take control of the Board. We are writing to you now to explain why the Company's offer is inadequate and entirely unacceptable to us, and why you, too, should find it unacceptable. We also want to make clear to you that our goal is not to control the Board, but to reconstitute it with extremely accomplished and independent individuals who have the requisite skill sets to lead Tessera on a path to long-term success. As we proposed to the Company in our settlement offer, we only intend to seek the election of one direct representative of Starboard.

Just recently, two directors who had been pushing internally for actions to address Tessera's underperformance resigned from the Board citing troubling governance issues with the Board and its chairman. A settlement offer that merely returns the composition of the Board to this problematic status quo would fail to address the deeper issues at the Company and in the boardroom.

The resignation letter delivered by former directors John Goodrich and Kevin Rivette made clear to us that absent a change in the majority of the Board, any new independent directors who push for significant changes at Tessera will be marginalized. In their letter, Messrs. Goodrich and Rivette asserted that "current board leadership has prevented effective operating oversight," and they accused Mr. Boehlke of "arrogat[ing] to himself necessary board review and guidance of management." Messrs. Goodrich and Rivette also made a disturbing reference to efforts by Mr. Boehlke "to force the removal of directors who do not support him and to independently find new directors." We believe that even with the addition of two new independent directors, Mr. Boehlke and the remaining members of the Board will continue with business as usual, and the Company will continue its perennial underperformance. Why should we think anything would be different than the untenable situation that existed prior to the resignations of Messrs. Goodrich and Rivette?

Tessera's management and the Board do not appear willing to embrace a level of change necessary to unlock value for its shareholders despite the Company's (i) dismal historical financial and stock price performance, (ii) high turnover rate among its top-level executives and (iii) dysfunctional Board environment described in the Goodrich and Rivette resignation letter. We believe that the only solution is to change a majority of the Board to put in charge truly independent directors who have the relevant experience and desire necessary to get the Company back on track. Therefore, we proposed a settlement that would result in a change of a majority of the Board, but for the sake of continuity would allow for four of the six existing directors to remain on the Board.

Although we remain open to a constructive dialogue with Tessera regarding a potential settlement, we believe that the Board's proposal to add just two new independent directors is little more than a thinly-veiled attempt to appear to be constructive while in reality seeking to maintain the troubling status quo. Messrs. Rivette and Goodrich resigned from the Board over their dissatisfaction with their inability to effect meaningful change at Tessera from their positions on the Board. We have no reason to believe that effectively replacing them with two new independent directors, no matter how qualified and well-intentioned, will accomplish anything different.

On Friday, March 15, 2013, we filed preliminary proxy materials with the Securities and Exchange Commission regarding the election of directors to the Board at Tessera's 2013 annual meeting of stockholders scheduled for May 23, 2013. We believe that the nominees that we have proposed are highly qualified, independent directors with valuable and relevant business and financial experience that will bring a fresh perspective into the boardroom and would be extremely helpful in evaluating and executing on initiatives to unlock value at the Company. This group includes individuals with deep expertise in Tessera's key markets, a broad understanding of the intellectual property licensing and technology components businesses, and the independence necessary to hold management accountable for its performance.

The nominees we have proposed are listed below:

Tudor Brown was one of the founding members and until May 2012, President of ARM Holdings plc, a publicly-traded, semiconductor IP and software design company based in Cambridge, UK, where he served in various positions over a career of more than twenty years. Currently, Mr. Brown is a non-executive director of ANT Software Limited, a UK company developing advanced software for multimedia platforms, a position he has held since April 2005, and is a member of the advisory board of Annapurna Labs, an Israeli company.

George Cwynar is a consultant offering strategic and operational guidance, mentoring and executive coaching to small and mid-sized companies. Previously, he served as the President and Chief Executive Officer of MOSAID Technologies Incorporated, a Canadian-based leading designer and licensor of memory technology, and supplier of memory test systems to major semiconductor companies worldwide. Mr. Cwynar also served as a director of MetroPhotonics Inc. and Accelerix Incorporated, and as the President of COM DEV Canada, a division of COM DEV International, a global designer and manufacturer of space hardware.

Peter A. Feld is a Managing Member and Head of Research of Starboard Value LP, a New York-based investment firm that is one of the largest stockholders of Tessera. Mr. Feld has extensive public company board experience. Currently, Mr. Feld serves as Chairman of the Board of Unwired Planet, Inc., and serves on the board of Integrated Device Technology, Inc. Previously, Mr. Feld served on the board of CPI Corp. and SeaChange International, Inc. In addition to extensive public board experience, Mr. Feld has significant experience evaluating companies from a financial, operational, and strategic perspective to identify inefficiencies and the resulting opportunities for value creation.

Thomas Lacey is the Chairman and Chief Executive Officer of Components Direct, a provider of cloud-based product life cycle solutions, and serves on the board of International Rectifier Corporation and DSP Group, Inc. Previously, Mr. Lacey served as the President of Flextronics International's Components Division, now Vista Point Technologies, from which Tessera acquired camera module manufacturing assets integral to its DigitalOptics Corporation business segment. Mr. Lacey also previously served as the President, Chief Executive Officer and a director of Phoenix Technologies Ltd., a publicly-traded, global provider of basic input-output software for personal computers, and the Corporate Vice President and General Manager of the SunFabTM Thin Film Solar Products group of Applied Materials, Inc.

George A. Riedel is the Chairman of the Board of Montreal-based Accedian Networks, and also serves on the board of PeerApp. Previously, Mr. Riedel served on the board of Blade Network Technologies, and in various positions with Nortel Networks Corporation, where he led the sale/restructuring of various carrier and enterprise business units, and later on the effort to monetize the company's remaining 6,500 patents and applications patents, culminating in the sale of its patent portfolio for $4.5 billion.

Jeffrey C. Smith is a Managing Member, Chief Executive Officer and Chief Investment Officer of Starboard Value LP, a New York-based investment firm that is one of the largest stockholders of Tessera. Mr. Smith has extensive public company board experience. Currently, he serves on the board of Regis Corp. Previously, he was the Chairman of the Board of Phoenix Technologies Ltd., and served on the board of Zoran Corporation, Actel Corporation, S1 Corporation, Kensey Nash Corp. and SurModics Inc. Mr. Smith also served as a member of the Management Committee for Register.com. In addition to extensive public board experience, Mr. Smith has significant experience evaluating companies from a financial, operational, and strategic perspective to identify inefficiencies and the resulting opportunities for value creation.

Donald E. Stout is a senior partner at the law firm of Antonelli, Terry, Stout & Kraus, LLP, where his legal practice has involved all facets of intellectual property, including litigation, the provision of expert witness opinions, and the licensing and representation of clients before the United States Patent and Trademark Office in diverse technological areas, including telecommunications. Mr. Stout co-founded NTP Inc., a patent holding company for which he prepared the original patents and managed its patent litigation strategy, and currently serves as its Chief Strategist. Mr. Stout also serves on the board of Vringo, Inc., a company engaged in the innovation, development and monetization of mobile technologies and intellectual property, and serves on the board of Augme Technologies, Inc.

We note that the Company chose to shrink the size of the Board from eight to six directors following the resignations of Messrs. Goodrich and Rivette from the Board. However, in recent public communications, the Company has stated that it may add additional directors. Once we learn how many directors the Company is nominating for election at the upcoming annual meeting upon the filing of its definitive proxy materials, we will determine how many and specifically which director nominees we will run on our slate.

We plan to move forward to seek your support to elect our highly qualified director nominees at the 2013 annual meeting. After we file definitive proxy materials, we will share more detailed plans regarding our strategy for Tessera and our thoughts on how to return Tessera to long term success so you, our fellow shareholders, can make the ultimate determination as to whom you believe will most effectively represent your interests on the Board.

Best Regards,

Peter A. Feld
Managing Member Starboard Value

And with that, ladies and gentlemen, we have the close of round 1 in this grudge match.

TESSERA TECHNOLOGIES ANNOUNCES REFOCUSED DIGITALOPTICS BUSINESS STRATEGY AND RESTRUCTURING

- DOC Will Concentrate on its Differentiated Technology and Leverage Partner Relationships
- Company Operating Expenses in DOC and Corporate Overhead Are Expected to be Reduced by $78 Million or Approximately 45%, Excluding Charges

SAN JOSE, Calif., March 21, 2013 — Tessera Technologies, Inc. (NASDAQ:TSRA) (the "Company") today announced that it is refocusing its DigitalOptics Corporation ("DOC") business strategy to achieve the full potential of its differentiated imaging technology while reducing costs. The Company expects to reduce operating expenses in DigitalOptics Corporation ("DOC") and Corporate Overhead by approximately $78 million, or 45%, on an annualized basis exiting 2013, as compared to 2012.

The Company has determined that it is no longer necessary for DOC to be a vertically integrated camera module supplier. DOC will instead focus its strategy on the differentiated MEMS-related technologies, where it has proprietary assembly technology and expertise, and will partner with third-party manufacturers to produce other components of the full camera module. DOC will continue to productize the mems|cam technology throughout the rest of the year, and expects to ship small production volumes of its technology in 2013.

The refocused DOC strategy and restructuring resulted from a business strategy review directed by a committee of independent directors (the "Committee"), led by Richard S. Hill, former chairman and CEO of Novellus Systems.

The Committee worked with management to evaluate the Company's overall business opportunity, strategy and operating model. The Committee and the Board of Directors will continue to monitor the DOC business closely to ensure that its strategy and business model are appropriate for the market opportunity.

"Our Board is taking action to deliver value for our stockholders in both the near and long term," said Hill. "DOC's recently launched mems|cam technology is a disruptive technology that will be an inflection point in – and the future of – imaging solutions in the smartphone, tablet and other mobile imaging segments. Given the emerging acceptance of the mems|cam technology in the marketplace, we can now shift our strategy to focus on the areas of manufacturing where we have a defensible, differentiated advantage and better leverage our manufacturing partners. Our goal is to accelerate the success of DOC while reducing costs, which we expect to improve the overall financial performance of the Company."

"These actions will result in a less capital-intensive approach for our DOC business, which will enable us to continue to innovate and develop the product and manufacturing capabilities that are critical to our success while maximizing the leverage of our partners and imaging ecosystem," said John S. Thode, who was named president of DOC in February 2013. "Our mems|cam module has demonstrated significantly faster autofocus and lower power consumption than the current voice coil motor autofocus technology. We continue to productize our technology and ship sample quantities of camera modules to mobile phone makers for evaluation and qualification. In addition, we have the capability to deliver unique software driven imaging solutions when combining mems|cam with our Embedded Image Processing solutions now primarily present in digital cameras. The actions we are taking today will help to ensure our long-term competitive viability and a meaningful success in our business in 2014 and beyond."

The Company's restructuring will reduce spending in DOC and Corporate Overhead, but not in the Company's Intellectual Property business. As a result of DOC's refocused business strategy and previously announced cost reductions, the Company expects its reported Corporate Overhead to be at an annual run rate of approximately $29 million exiting 2013, compared to $47 million in 2012; and DOC operating expenses, excluding cost of revenues and restructuring, impairment and other charges, to be at an annual run rate of approximately $53 million exiting 2013, compared to $88 million in 2012. These reductions will occur throughout the rest of this calendar year. DOC also expects cost of revenues to decline from $40 million in 2012 to approximately $15 million in 2013 as a result of the change in estimated production volumes and previously announced actions.

DOC's refocused strategy includes initiatives across multiple fronts:

- DOC will accelerate the use of partner manufacturers for the production of camera modules and will focus its own manufacturing on the lens barrel assembly, which is a higher-margin component for which DOC has unique proprietary technology. This approach will cut DOC's expected capital spending in 2013 by roughly half – to a range of between $5 million and $7 million, as compared to the Company's previous estimate of $10 million to $15 million.

- DOC will terminate its current lens manufacturing program and instead will focus on designing lenses that its partners can produce for use in DOC's proprietary assembly technology.

The Company expects to take a total charge of between $17 million and $23 million, which includes restructuring, impairment of assets and other related exit costs, with the majority taken in the first quarter of 2013 and the remainder in the second quarter of 2013.

Tessera Technologies Announces Board Changes and CEO Transition

- New Independent Directors Bring Deep Operational and Financial Expertise

SAN JOSE, Calif. — (BUSINESS WIRE) — Tessera Technologies, Inc. (NASDAQ:TSRA) ("Tessera" or the "Company") today announced changes to its Board of Directors (the "Board") and the commencement of a search for a new chief executive officer. The reconstituted Board will comprise experienced and independent directors with the skills and expertise to guide the Company through the next phase of its strategic plan, both in the Intellectual Property (IP) and DigitalOptics (DOC) businesses.

Richard S. Hill was appointed Chairman of the Board, effective immediately, replacing Robert J. Boehlke, who will remain on the Board until the upcoming annual meeting of stockholders on May 23, 2013. In addition, the Board will immediately begin a search for a new chief executive officer to replace Robert A. Young.

Also effective immediately, three new independent directors will join the Board: John Chenault, John H. F. Miner and Christopher A. Seams.

The Company intends to nominate a slate of six independent directors at the upcoming annual meeting of stockholders, including the three new directors and existing directors Richard S. Hill, David C. Nagel and Timothy J. Stultz.

"We continue to strengthen the Board, and each of our directors — both current and new — is fully committed to driving stockholder value at the Company," said Hill. "The three new directors we are nominating for the Board are all accomplished business leaders, and we expect them to provide immediate and substantial benefits to the Company.

"Bob Boehlke and Bob Young have both made significant contributions in their years of service to the Company," added Mr. Hill. "We would like to thank them for all that they have done for the Company."

Biographies of the six highly qualified nominees for the Board follow:

John Chenault has held a number of increasingly senior roles at Novellus Systems, Inc., a semiconductor company, prior to his retirement in 2005, including most recently chief financial officer. Prior to that, he served as vice president of Corporate Development; vice president of Operation and Administration; executive vice president of Worldwide Sales and Service; and executive vice president of Business Operations. Mr. Chenault has been a director of Ultra Clean since June 2009. Mr. Chenault holds a bachelor of business degree in economics and a master's degree in business administration from Western Illinois University.

John H. F. Miner currently serves as a Managing Director of Pivotal Investments LLC. Previously, he had a more than 20-year career at Intel, most recently as co-president of Intel Capital. He also served in a general management capacity overseeing major Intel product divisions including the Enterprise Server and Communications Products and New Products Groups, and Intel's desktop motherboard and PC building-blocks business. Mr. Miner serves as a director of Pacific Light Technologies Corp., Tuusso and STI. He serves as a Trustee for the Providence St. Vincent Medical Foundation and as Board Advisor of SeQuential-Pacific Biodiesel LLC. Mr. Miner holds a bachelor's degree in electrical engineering from Tulane University and a master's degree in business administration from the University of Oregon.

Christopher A. Seams has been an executive vice president at Cypress Semiconductor Corporation since 2000, where he is responsible for Sales and Marketing. In addition to his current Sales and Marketing responsibilities, his assignments at Cypress have included technical and operational management in manufacturing, development, and operations. Prior to joining Cypress in 1990, he worked in process development for Advanced Micro Devices and Philips Research Laboratories. Mr. Seams earned his bachelor's degree in electrical engineering from Texas A&M University and his master's degree in electrical and computer engineering from the University of Texas at Austin. Mr. Seams is a senior member of IEEE, serves on the Engineering Advisory Council for Texas A&M University, and is a board member of Joint Venture Silicon Valley.

Richard "Rick" S. Hill, who joined the Board in August 2012, served as the chief executive officer of Novellus Systems, Inc. from 1993, as well as the chairman from 1996, until its acquisition for more than $3 billion by Lam Research Corporation in June 2012. Before joining Novellus Systems in 1993, Hill spent 12 years with Tektronix, Inc., including as president of the Tektronix Development Company, vice president of the Test & Measurement Group, and president of Tektronix Components Corporation. He also held engineering-management positions at General Electric, Motorola, and Hughes Aircraft Company. Hill is the immediate past chair, and a current executive committee member, of the University of Illinois Foundation, a member of the Board of Visitors for the University of Illinois at Urbana-Champaign, and a member of the board of directors of Arrow Electronics, LSI Corporation, and Cabot Microelectronics Corporation. Hill graduated in bioengineering from the University of Illinois at Chicago and earned a master's degree in business administration from Syracuse University.

David C. Nagel, Ph.D., who joined the Board in May 2005, was most recently president and chief executive officer of PalmSource, Inc., a leading provider of operating system software platforms for smart mobile devices. Prior to PalmSource, Nagel was chief technology officer at AT&T and president of AT&T Labs. He previously served as senior vice president at Apple Computer, where he led Worldwide R&D for all Macintosh products after heading up Advanced Technology. Before Apple, Nagel had a long career at NASA's Ames Research Center as head of human factors research. He has served on a number of national and international advisory committees, including five years on President Clinton's first President's Information Technology Advisory Committee (PITAC). Nagel has served on the boards of directors of Palm, Inc., Arcsoft, Inc., Epocrates, Nuance, Leapfrog Technologies, and Openwave Systems (now Unwired Planet). He currently serves on the boards of Vonage Holdings and Align Technology, in addition to Tessera Technologies, Inc. He also is a member of the board of Trustees and Executive Council of the International Computer Science Institute in Berkeley, California. He has in the past served on advisory boards for both private equity and venture capital companies. Nagel holds bachelor and master's degrees in engineering and a doctorate of philosophy in perception and mathematical psychology, all from UCLA.

Timothy "Tim" J. Stultz, Ph.D., who joined the Board in August 2012, is currently chief executive officer, president, and a director of Nanometrics Incorporated, which he joined in 2007. Prior to Nanometrics, Dr. Stultz served as president, chief executive officer and director of Imago Scientific Instruments, and as vice president and general manager of Veeco Instruments Metrology Group where he was instrumental in bringing to market the world's first fully automated Atomic Force Microscope. He was also the founder of Peak Systems, a pioneering company in the area of rapid thermal processing for semiconductor devices. Prior to founding Peak Systems, Dr. Stultz spent 9 years at Lockheed Palo Alto Research Laboratories where he participated in and led a variety of research programs in the development of advanced solid state materials. Dr. Stultz earned his bachelor's, master's, and doctorate of philosophy in materials science and engineering from Stanford University, and currently serves on the Industrial Advisory Committee for the Materials Science Department at Stanford.

On March 25, 2013, Robert A. Young, President and Chief Executive Officer of Tessera Technologies, Inc., sent the following email to all employees:

All –

As most of you know, the Tessera Technologies, Inc. Board of Directors announced it has begun a search for a new chief executive officer this morning. I will continue in my current capacity until a new CEO is brought onboard.

I am writing to provide some context for the recent changes and a note about the path ahead. Last week we implemented measures designed to reduce corporate overhead expenses. These measures were consistent with our February 7th announcement, in which we stated that, after reviewing our corporate general and administrative (G&A) expense in relation to our two operating businesses Tessera Intellectual Property Corporation (TIPC) and DigitalOptics Corporation (DOC), we determined that it was appropriate to take steps to reduce corporate G&A spending by 17% to 21% by the end of year 2013 as compared to 2012.

As part of this corporate restructuring, we eliminated positions in Finance, IT, Legal and Facilities and cancelled open requisitions in other corporate overhead departments. We have also taken other steps to reduce expenses in all corporate G&A functions.

We believe that such cost reductions are necessary to align our corporate G&A expenses with the long-term operating model for Tessera Technologies, Inc. and our TIPC and DOC business units and to bring expenses in line with comparable peer-group companies.

In addition to these cost reductions, a press release was issued this morning http://finance.yahoo.com/news/tessera-technologies-announces-board-changes-110500297.html announcing significant changes to our Board. These changes include the addition of 3 new Board members:

- John Chenault
- John H.F. Miner
- Christopher A. Seams

Each of these new Board members who joined our Board today is an accomplished leader who brings substantial industry and administrative experience to the Board. These new directors will help guide the company in the next phase of our strategic plans for both the TIPC and DOC businesses.

The Board has also appointed Richard S. Hill as the new Chairman of the Board effective immediately.

Further, it was announced that Tessera intends to nominate a slate of six independent directors at the upcoming annual meeting of stockholders, including the three new directors and three of our existing directors Richard S. Hill, David C. Nagel and Timothy J. Stultz.

We will be hosting an all-hands meeting in the coming days to discuss all the corporate changes and answer employee questions. The Board believes all of these changes are in the best long-term interest of the Company and all of its stockholders.

In the meantime, it is extremely important that all employees focus their efforts on their roles and responsibilities. If we all work together and focus on our jobs then we can, together, make the Company and each of our business units successful.
