



ACACIA RESEARCH

November 2009



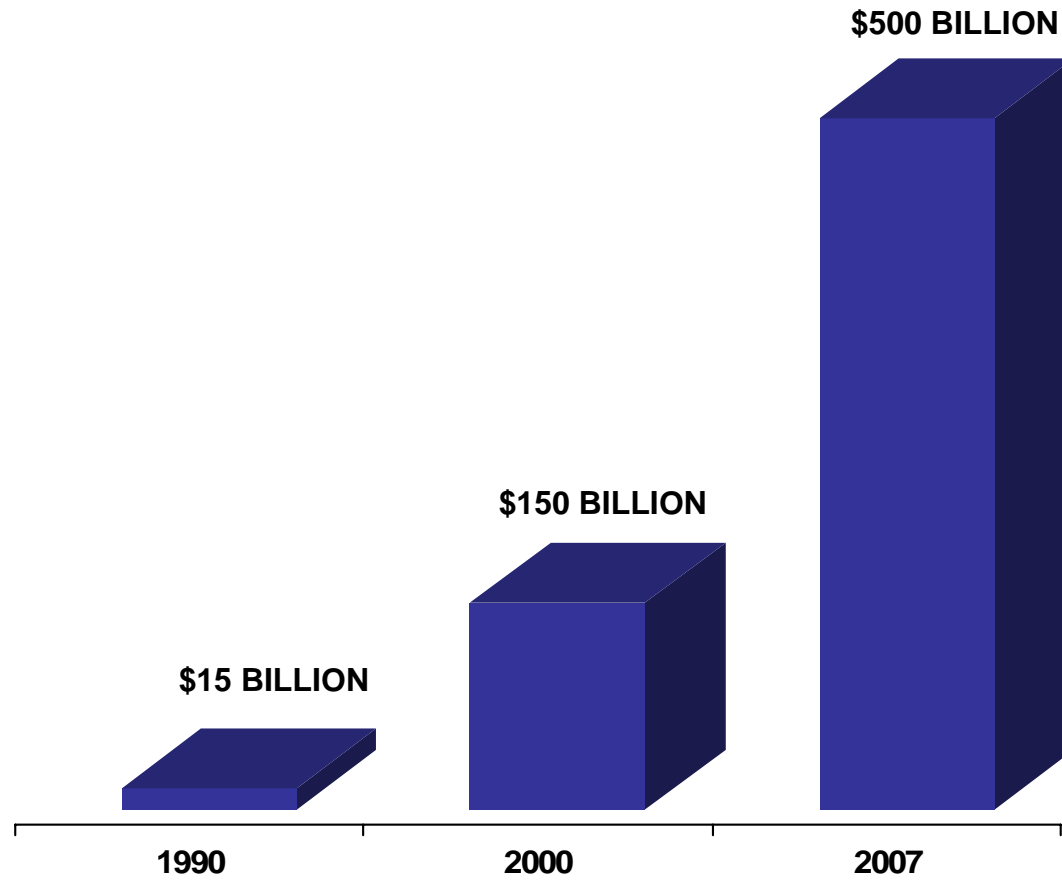
ACACIA RESEARCH (NASDAQ:ACTG)

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

OVERVIEW

- ❖ Leader in Patent Licensing
- ❖ Serving Large Growing Market
- ❖ Over 125 Diversified Patented Technologies
- ❖ Earnings Leverage - Fixed Cost
- ❖ Record 12-Month Trailing Revenues - \$58.8 Million
- ❖ \$45.3 Million in Cash & Investments – No Debt
- ❖ No Direct Competition

GROWTH IN U.S. LICENSING REVENUE



Technology Licensing

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

***Source: Bureau of Economics Analysis**

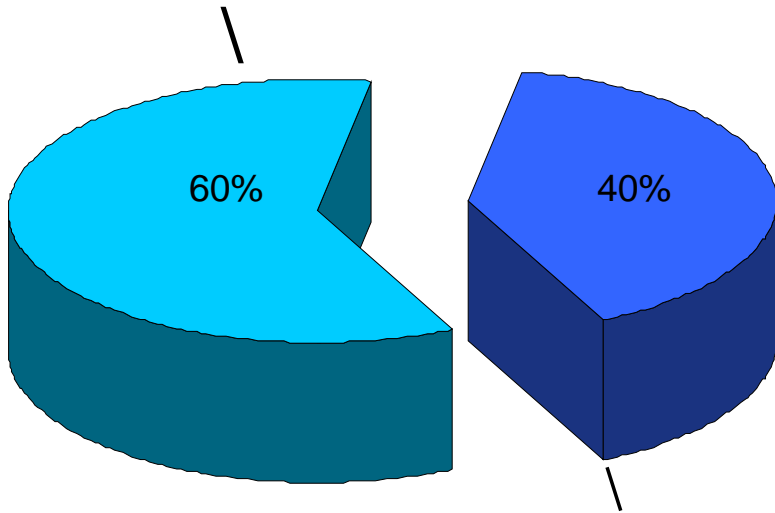
****Source: The Innovative Imperative, by Mark Blaxill and Ralph Eckardt 2009**

Technology Licensing

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

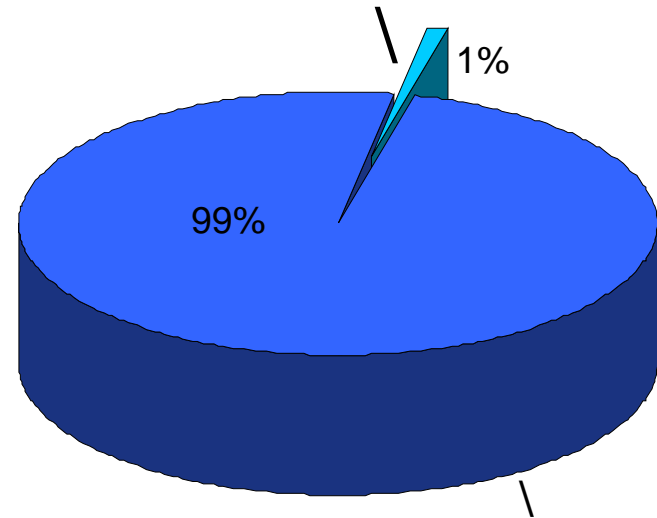
Patent & Revenue Distribution

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



40% of patents are owned by large corporations.

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

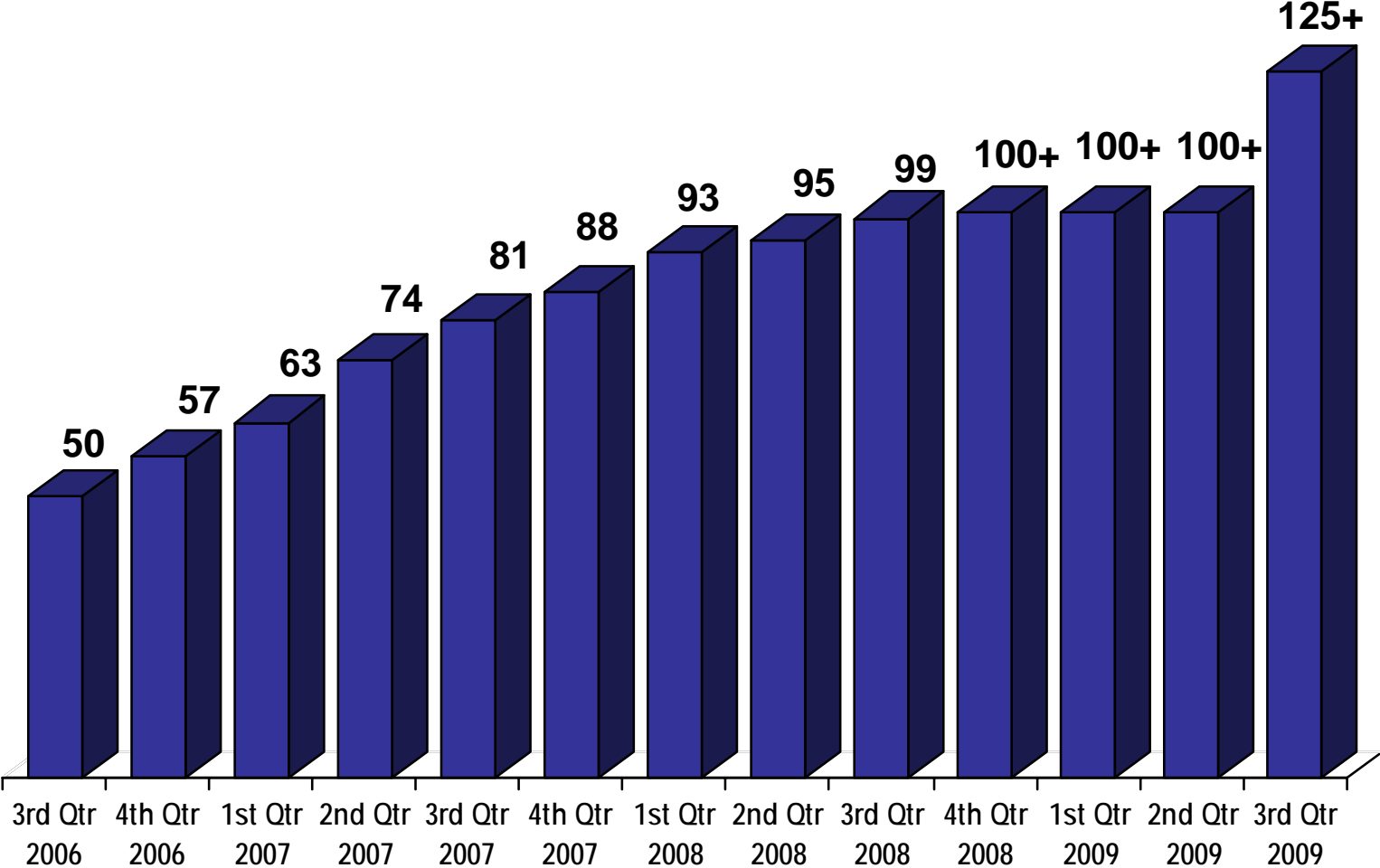


99% of revenues are received by large corporations.

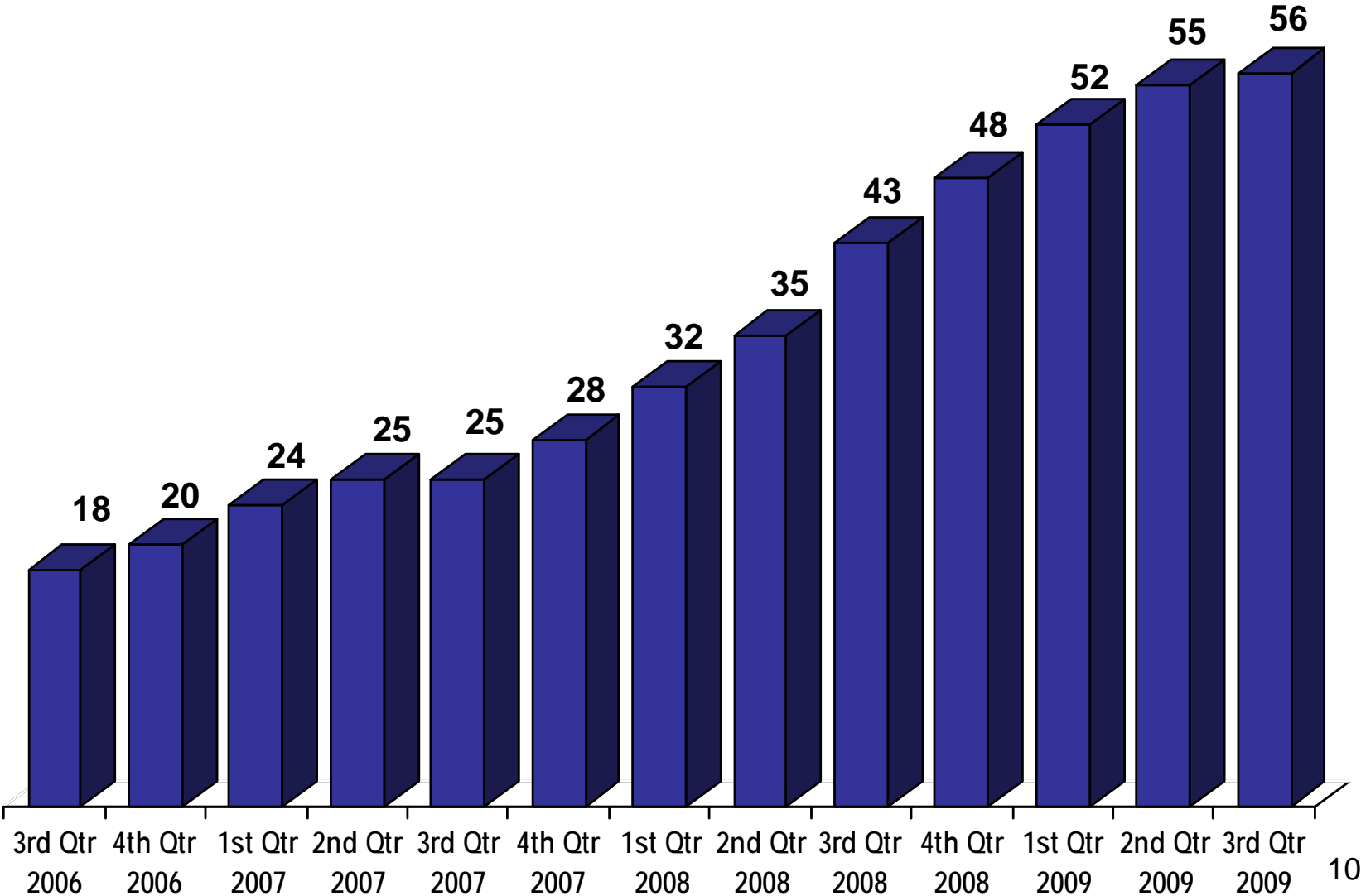
Business Model

- ❖ Acacia Partners with Patent Owners
 - Typical Deal is 50/50 Net Revenue Share with Little or No Acquisition Costs for Acacia
- ❖ Acacia Partners with Leading Law Firms on Contingency for Assertion Where Needed
- ❖ Great Margins with Little or No Acquisition or Assertion Costs. Our Typical Revenue Share Is:
 - 20% to Contingent Law Firm
 - 40% Patent Owner
 - 40% to Acacia
- ❖ Profitability – At 40% Margins, Acacia Needs to Generate:
 - \$14 Million Estimate Per Quarter to Reach Cash Flow Positive
 - \$19 Million Estimate Per Quarter to Reach Positive GAP EPS
- ❖ Opportunity for Margin Expansion
 - Economy Allows Us to Use Our Capital to Buy Down Back End Economics
 - Earlier Licensing Deals = Less We Share with Law Partners

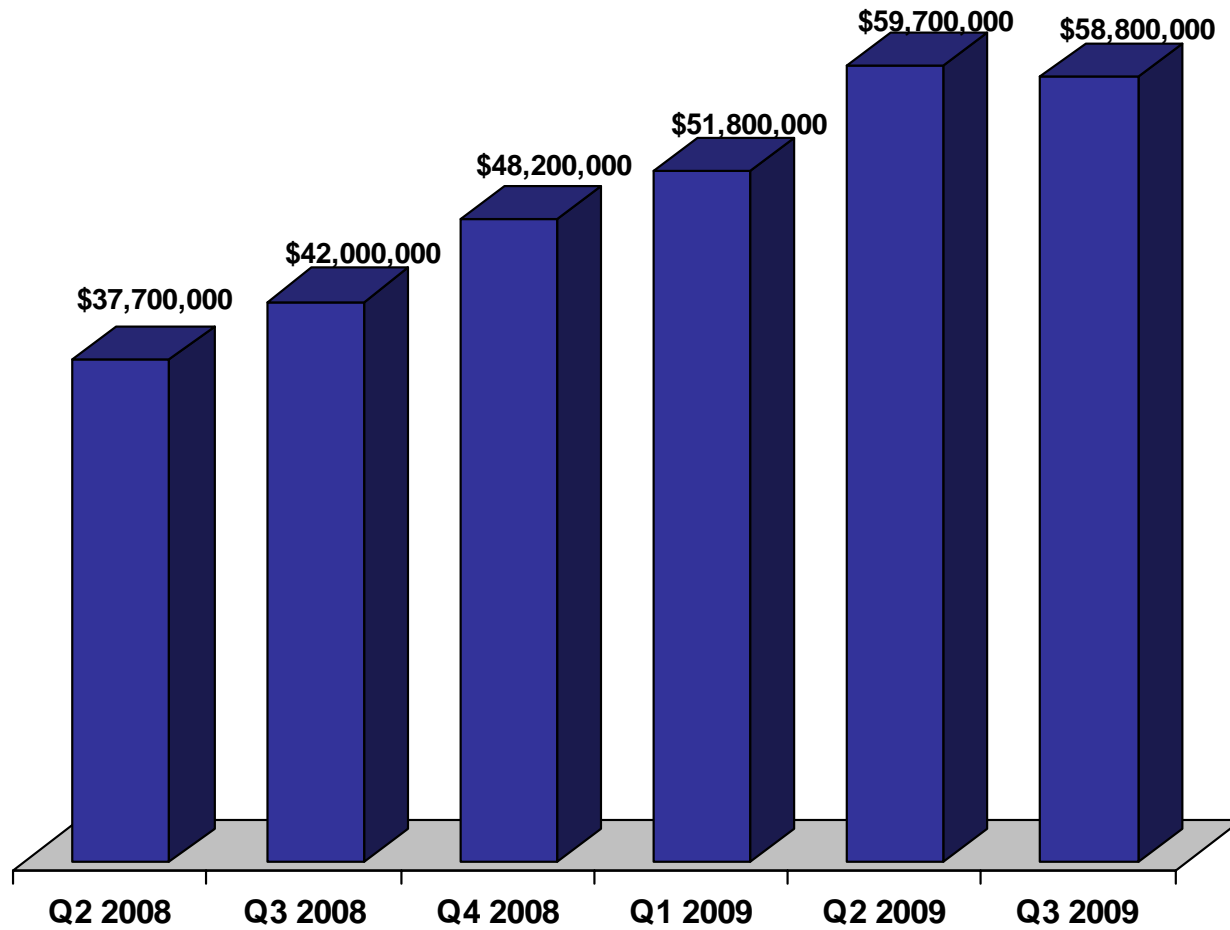
QUARTERLY GROWTH IN PATENT PORTFOLIOS



QUARTERLY GROWTH IN REVENUE PRODUCING LICENSING PROGRAMS



12 MONTH TRAILING REVENUES (Millions)



Representative Licensees

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

New Licensing Programs

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

New Licensing Programs (cont'd)

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