



**TESSERA®**

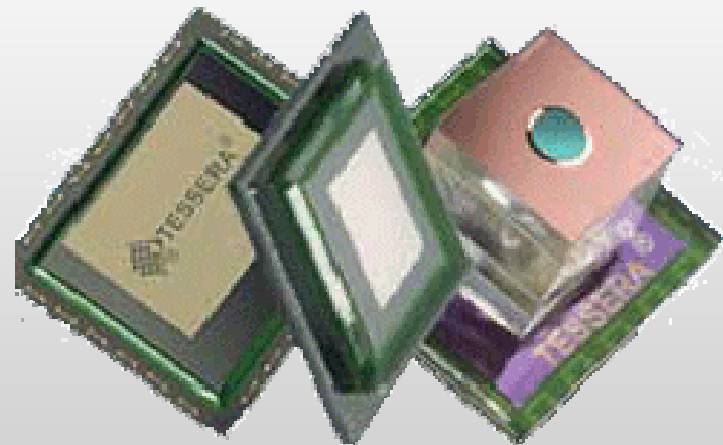
Corporate Presentation  
November 2007

# Safe Harbor Statement

This presentation contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ significantly from those projected. Material factors that may cause results to differ from the statements made include delays, setbacks or losses relating to our intellectual property or intellectual property litigations, or any invalidation or limitation of our key patents; fluctuations in our operating results due to the timing of new license agreements and royalties, or due to legal costs; changes in patent laws, regulation or enforcement, or other factors that might affect our ability to protect our intellectual property; the risk of a decline in demand for semiconductor products; failure by the industry to adopt our technologies; competing technologies; the future expiration of our patents; the future expiration of our license agreements and the cessation of related royalty income; the failure or refusal of licensees to pay royalties; failure to achieve the growth prospects and synergies expected from acquisition transactions; and delays and challenges associated with integrating acquired companies with our existing businesses. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this release. Tessera's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2006, and its Quarterly Report on Form 10-Q filed for the quarter ended June 30, 2007 include more information about factors that could affect the company's financial results.

# Tessera Overview

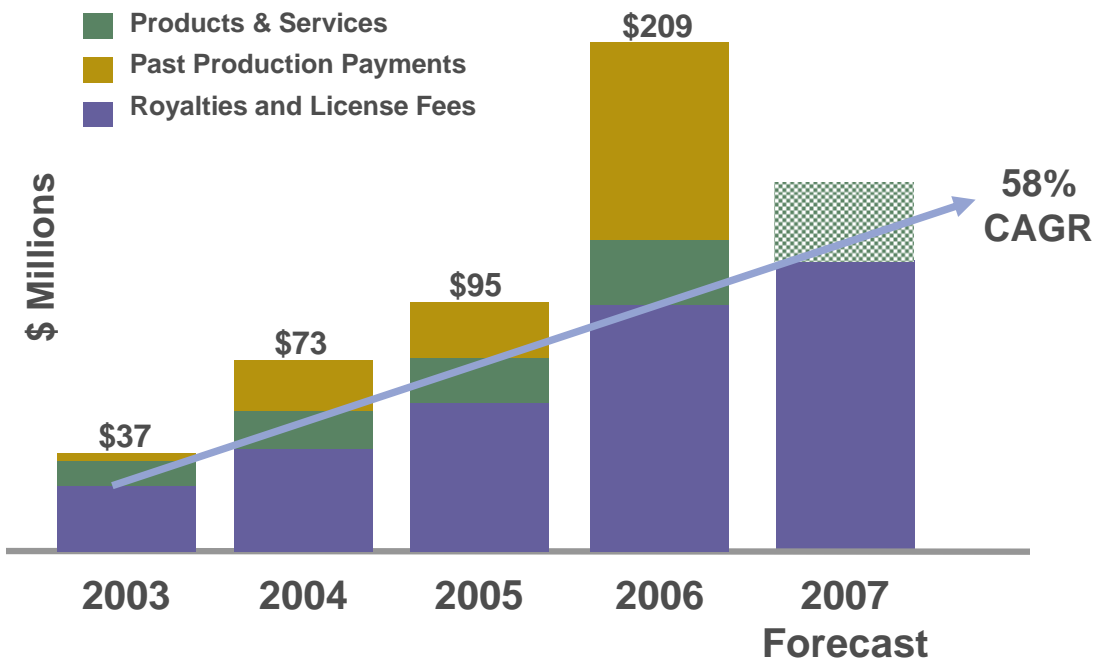
- Leading provider of enabling technologies for wireless, consumer and computing electronic products
  - Chip packaging
  - Interconnect and substrates
  - Consumer optics
  
- Compelling value proposition
  - Faster time to market with new technologies
  - Lowers industry R&D risk & expense
  - Facilitates broad adoption that reduces cost



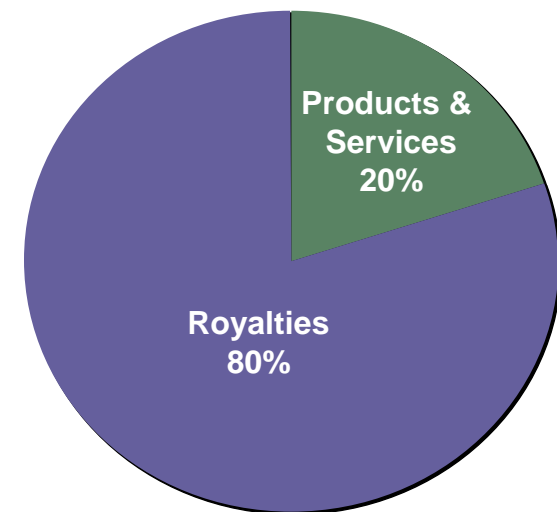
# Technology Licensing Model



## Annual Revenues

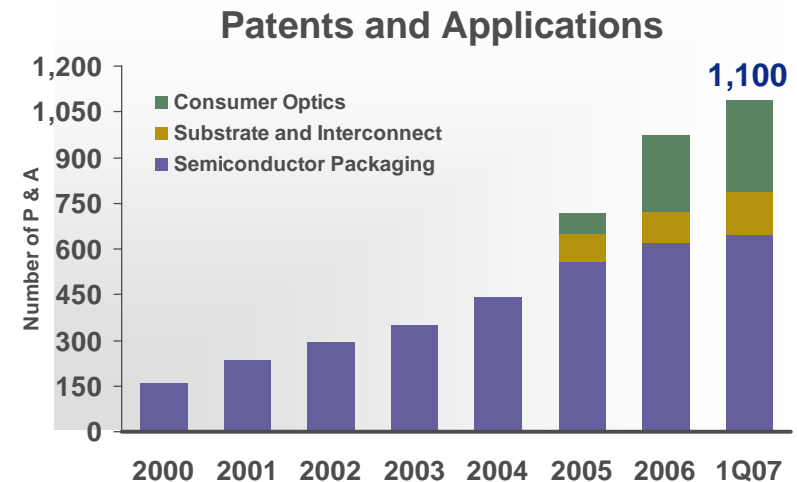


## Revenue Model



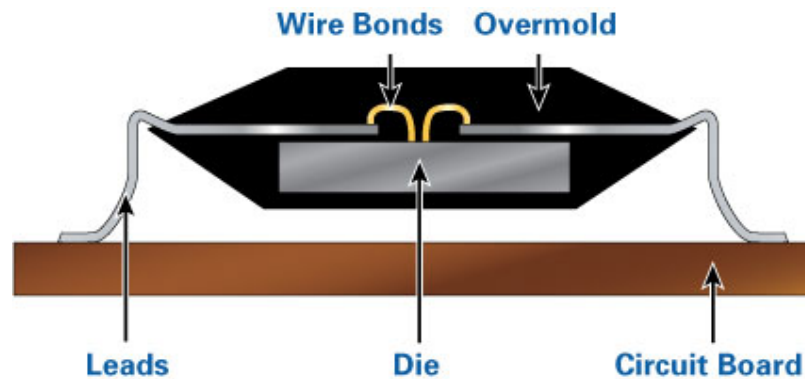
Semiconductor Packaging  
Interconnect  
Consumer Optics

# Growing Licensing Program

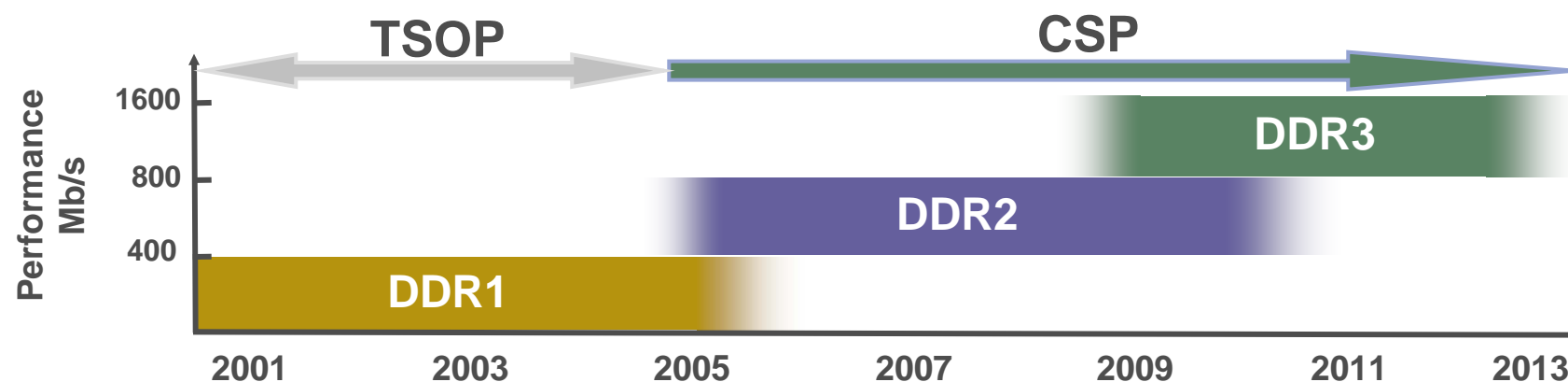
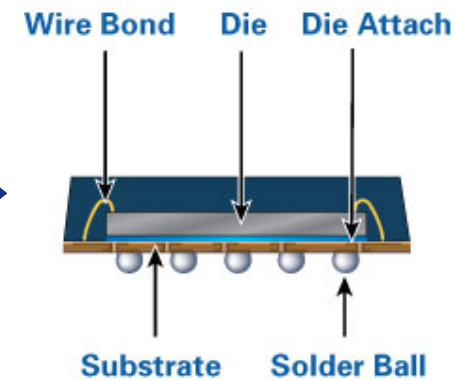


# CSP Capability Expands Beyond DDR2

## TSOP



## CSP



# Enabling New Devices

## End Devices 1980's

**Wireless  
Phones**



**Consumer  
Products**



**Computers**



## End Devices 2000's

6-14¢ per  
device



5-15¢ per  
device



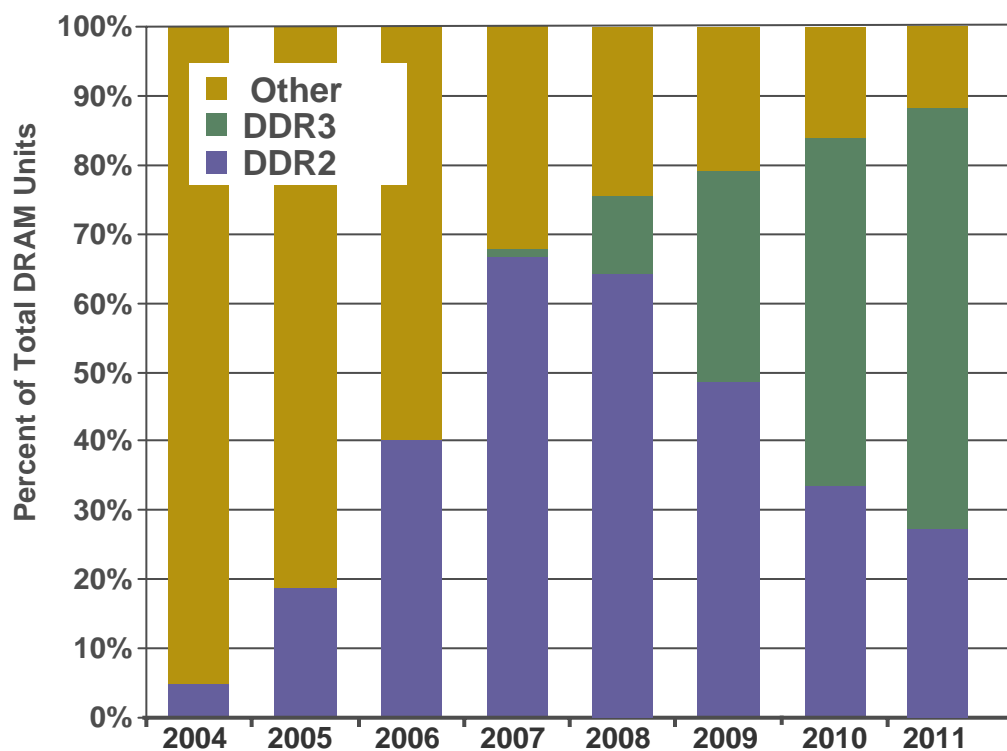
30¢ or  
more per  
device



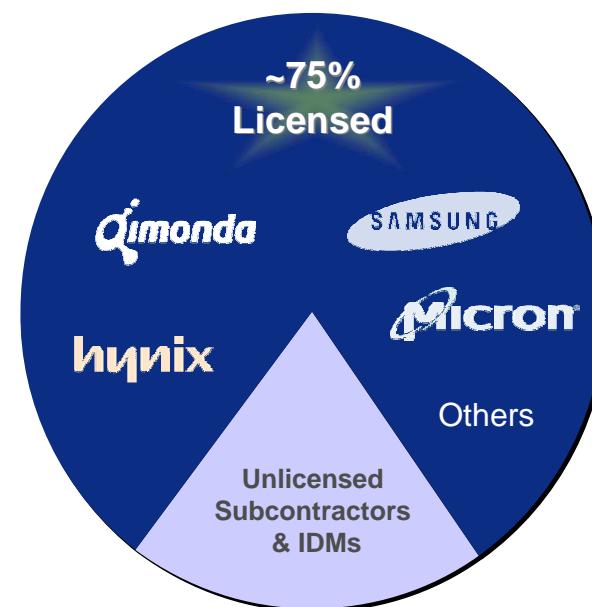
**Over 15 Billion Units Shipped**

# DRAM Unit Growth and Market Share

**DRAM Unit Composition Breakout  
by DDR2, DDR3, Other**



**DRAM Licensees**  
(as percent of total DRAM market)

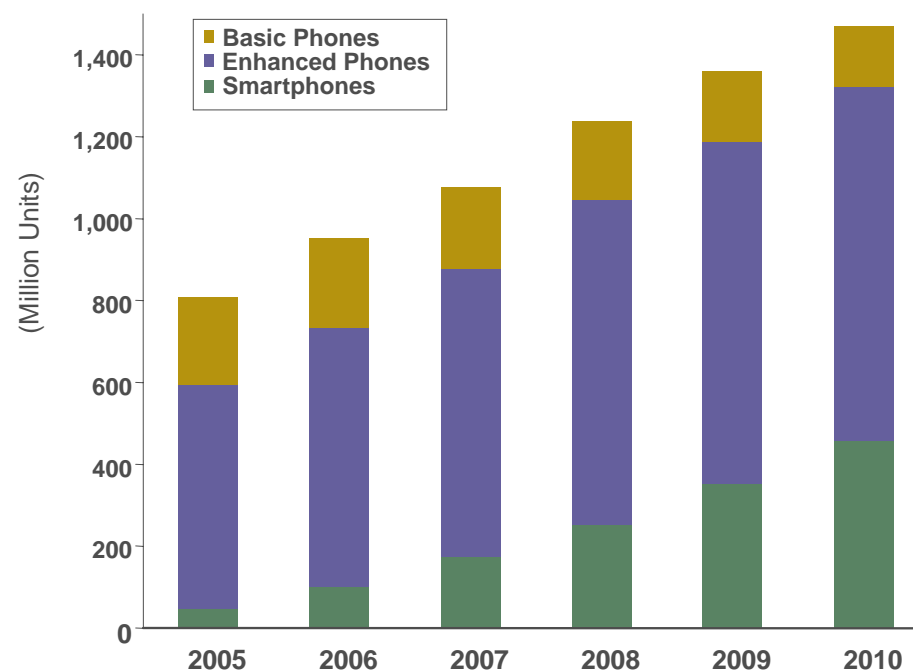




# Wireless Growth in CSP Units and Content



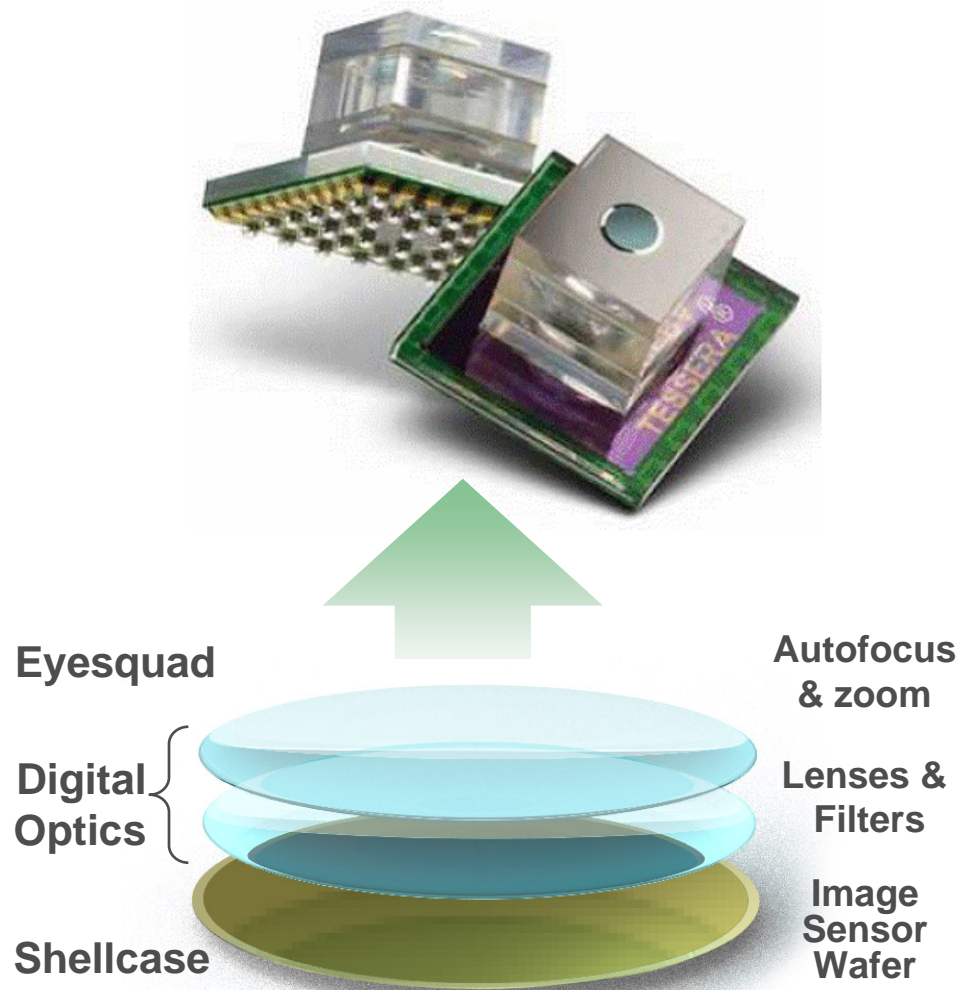
## Mobile Phone Market



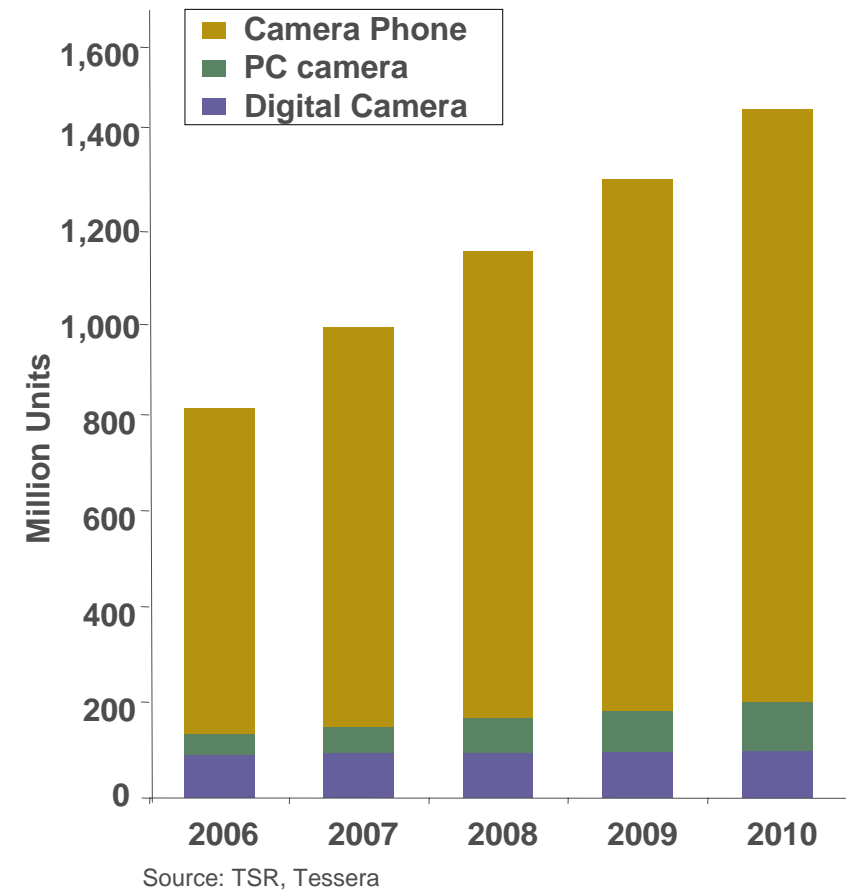
	CSP Royalties / Phone
Basic Phones	4 to 6 cents
Enhanced Phones	6 to 10 cents
Smartphones	8 to 14 cents

Source: Gartner Dataquest, Tessera

# Consumer Optics Opportunity

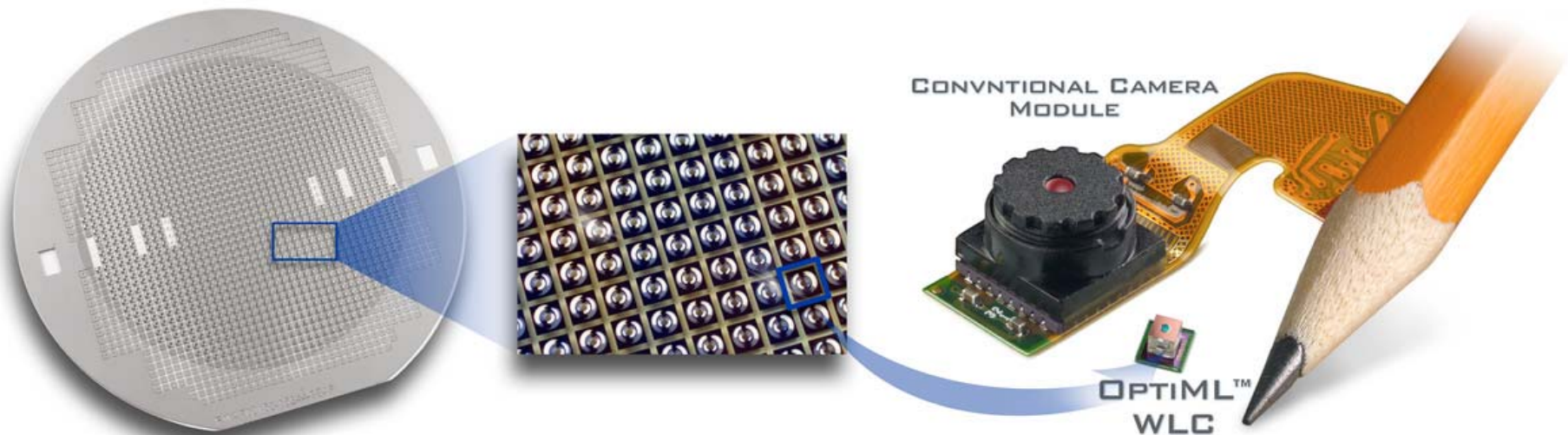


## Image Sensor Market



# OptiML™ Lens Technology

- Wafer lens design & manufacturing
- Significant reductions in camera module size and cost
- Applications for handsets, computers, security, other

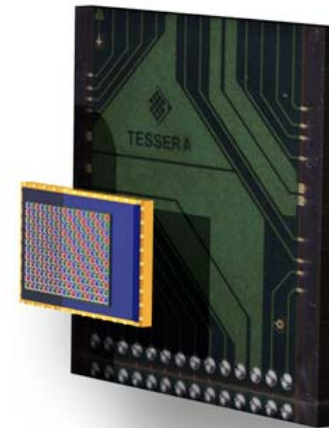


# OptiML™ Focus Technology



## 1. OptiML™ Solid-State Lens

- Lens system is engineered to create an intentional and carefully designed distortion in the image which increases the amount of optical information compared to standard lens



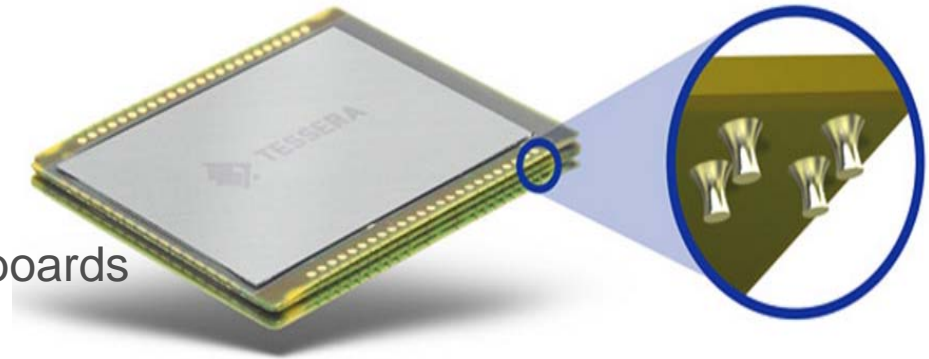
## 2. OptiML™ Algorithm

- Digital image processing extracts the additional optical information
- Running on
  - Sensor ISP (SOC)
  - ISP co-Processor
  - Application Processor or
  - Baseband Processor



# $\mu$ PILR<sup>™</sup> Platform

- Revolutionizes semiconductor interconnect
  - advanced packaging
  - substrates
  - rigid and flexible printed circuit boards
- Dramatic gains in profile, pitch, performance and reliability



0.8 mm [



**$\mu$ PILR<sup>™</sup>  
Package-on-Package**



] 2.15 mm

**Conventional BGA  
Package-on-Package**

# Financial Results & Guidance

(\$ million)		Q107 Actual	Q207 Actual	Q307 Actual	Q407 Guidance*
Non-GAAP	Revenue	46.8	46.7	49.2	52-53
	Royalties & License Fees	35.7	36.3	41.4	44-45
	Cost of Revenue**	3.7	4.4	2.8	
	R&D**	7.2	7.0	7.9	
	SG&A**	8.7	9.3	9.2	
	Litigation	4.7	4.5	5.0	7-7.5
	Total Operating Expense**	25	25.2	24.9	27.5 – 28
	Net Income	24.5	21.8	25.1	
	Non-GAAP EPS	.51	.45	.51	
	Deal Amortization	1.3	1.9	1.9	2
	Stock Compensation	3.7	5.1	4.4	5
	GAAP Tax	45%	43%	47%	35%
	GAAP Net Income	11.1	9.9	11.2	
	GAAP EPS	.23	.20	.23	

\* Full year 2007 guidance assumes no settlements, license fees, or associated past production payments related to the company's current litigation efforts.

\*\* Excludes Stock Based Compensation and Deal Amortization

# Balance Sheet

(\$ million)	September 2007	December 2006
Cash and Equivalents	265.8	194.0
Accounts Receivable	9.0	6.8
Inventory	2.1	1.5
Other Short-term Assets	8.1	18.2
Goodwill	35.4	35.4
Intangible Assets	53.2	27.5
Property and Equipment	27.5	24.7
Other Long-term Assets	2.4	13.0
<b>Total Assets</b>	<b>403.6</b>	<b>321.3</b>
Current Liabilities	37.9	15.4
Equity	365.7	305.9
<b>Total Liabilities and Equity</b>	<b>403.6</b>	<b>321.3</b>

# Litigation Update

- Amkor
  - Trial scheduled for March 2008
  - Fact discovery completed; substantial recovery requested
  - Amkor expert report contends TSRA patents invalid
  - Tessera filed to terminate contract; decision pending
- ITC
  - Hearing scheduled for end February 2008
  - Qualcomm, Freescale, Motorola, ST Micro, Spansion, ATI
  - No action on defendants' request for stay pending PTO re-exam
  - TSRA may proceed against “ASPs” pending what their licenses cover
- Northern California
  - Case stayed (placed on pause) pending outcome of ITC action
  - AMD, ASE, Spansion, SPIL, STATS ChipPAC, ChipMOS, ST Micro
- PTO
  - Tessera filed response with PTO; process ongoing



- Diversified, high-leverage licensing model
  - Broad customer base across multiple markets
  - Long term, unit-based contracts
  - Strong operating and cash flow margins
- Competitive barriers to entry
  - +1070 patents, up 2X since 2004
  - Significant industry investment in CSP
  - Investing 20-25% of revenues in new product development
- Strong long-term growth
  - DRAM transition to CSP
  - Wireless units and CSP content
  - New markets like consumer optics



**TESSERA®**

Thank you