IP Portfolio Optimization

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<table>
<thead>
<tr>
<th>Internal</th>
<th>Current</th>
<th>Optimized</th>
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<tbody>
<tr>
<td>Top 5 Patent Issuance</td>
<td>Optimized portfolio by business division</td>
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<td>and quality</td>
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| External                 | Invest in Secondary Market for defensive    | Measure value trade-off in alternative      |
|                          | value                                       | strategies                                  |

| Conflict                 | Aggressively defend Microsoft in litigation | Use alternative vehicles to minimize cost  |
|                          |                                             | of litigation                              |

| Business                 | File patents based on business innovation   | Strategically file patents aligned in 3-5  |
|                          |                                             | year plan                                  |
Portfolio Optimization Benefits

**Financial Clarity**
- Funding weighted by highest ROI tactics and goals
- Investment return segmented by type of value with associated risk
- Compare similar IP investments for tradeoff potential

**Efficient Execution**
- Tactics are targeted and aligned to highest priority goals by relevancy
- Playbooks ensure consistent and comprehensive completion
- Best practices are leveraged across business groups
Optimization Framework

- Develop taxonomy and process to execute tactics and goals
- Discern between transactional, risk mitigation and strategic value
- Design portfolio optimization techniques given constraints and objectives
Conceptual Model Structure

**Assets / Liabilities**

- **Internal Investments**
- **External Investments**
- **Conflicts**

**Investments / Costs**

- Capital Commitment $38M
  - PV $87.3M

**Enterprise Value Creation**

**Financial**
- Investment Return $102M
  - PV $7.65M

**Risk Mitigation**
- Defensive Value Return $136M
  - PV $52.2M

**Competitiveness**
- Strategic Value Return $110M
  - PV $27.4M

Total Return $348M
NPV $153.6M