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Pendrell Acquires Foundational Memory Technology Patent Portfolio From Nokia

Pendrell to Continue Next Generation Memory Technology Standards Development Funded By Licensing Revenue

KIRKLAND, Wash., March 25, 2013 /PRNewswire/ -- Pendrell Corporation (NASDAQ: PCO) announced today that it has acquired from Nokia several fundamental patent portfolios covering a wide range of foundational memory technologies for electronic devices. The acquisition consists of 125 patents and patent applications worldwide, 81 of which have been declared by Nokia to be essential to applicable standards. These global patent portfolios represent intellectual property developed over more than 15 years of pioneering research and development by Nokia in this field, covering secure digital (SD) cards, embedded flash and universal flash storage capabilities. The global market for these combined memory technologies is projected to exceed \$12 billion in 2013, and industry analysts project the market for SD cards alone to exceed \$21 billion in 2018.

Pendrell has created a new wholly owned subsidiary, Helsinki Memory Technologies, Oy, ("HMT"), to continue the innovation efforts begun by Nokia and to enable broader use of these technologies via a global licensing program. Nokia will receive a license to all of the patents acquired by HMT as well as to new IP developed by HMT. Proceeds from patent licensing involving the newly acquired memory portfolios will be partially reinvested to fund the continuing development efforts.

"Our acquisition of these Nokia patents together with the formation of Helsinki Memory Technologies uniquely illustrates the deep connection that strong, transferrable and enforceable IP rights have with promoting investment in research and development," commented Joseph Siino, chief intellectual property officer for Pendrell. "As with our other portfolios, the patents we have acquired from Nokia provide the basis for ongoing innovation, and also allow us to offer these inventions to IP-respecting companies worldwide on fair and reasonable terms."

Nokia has been a pioneer in the development and evolution of portable and embedded memory technologies, which are used in an estimated 8,000 different consumer electronics devices by more than 400 brands worldwide, including mobile phones, laptop computers, MP3 players, tablets, digital cameras, video recorders, printers, set top boxes and others. Furthermore, these portfolios represent an important portion of all patents that are relevant to the field, representing inventions currently in use as well as those that are essential for the next generation of memory standards that are on the horizon.

"We are pleased that our patent sale to Pendrell has enabled the launch of Helsinki Memory Technologies here in Finland to continue the fundamental research and development work that Nokia has done over the past fifteen years," commented Paul Melin, chief intellectual property officer for Nokia. "We expect that Pendrell's world-class expertise in IP strategy and licensing will also create a meaningful path to further commercialization of these technologies, with proceeds enabling continuing investment in R&D by Helsinki Memory Technologies."

Helsinki Memory Technologies' R&D program will be based in Finland and will be led by Kimmo Mylly, an award-winning senior technologist and inventor who previously led Nokia's memory technologies program. Mr. Mylly previously chaired an industry-wide task group whose work led to the adoption of standards relating to memory storage for portable devices.

"The opportunity to acquire technologies as foundational and relevant as those represented by these portfolios is rare. This acquisition represents a unique opportunity to expand our licensing initiatives, as these patents are relatively unencumbered, only a handful of IP portfolios cover these technologies globally, and an established licensing ecosystem is already in place," said Mario Obeidat, vice president of licensing for Pendrell.

Terms of the transaction and contractual arrangements between the companies are not being disclosed. The transaction is not expected to materially affect Pendrell's financial statements in the near term. An informational presentation on the patents acquired in this transaction is available on the investor relations page of Pendrell's website, www.pendrell.com.

ABOUT PENDRELL

Pendrell Corporation, through its subsidiaries, is a fully integrated intellectual property (IP) investment, advisory services and asset management firm. Pendrell seeks to invest in or acquire companies or assets that represent unique, foundational intellectual property rights with outstanding growth potential. Pendrell is headquartered in Kirkland, Washington, with offices in Berkeley, Los Angeles and Washington, DC. For more information, visit www.pendrell.com.

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