



October 11, 2016

## **TCS Patent Portfolio Value Estimated at \$114 Million to \$171 Million by ipCapital Group**

### **Robert F. Held, Certified Licensing Professional, Hired to Lead Commercialization of TCS Intellectual Property**

#### **Note: Comtech Acquired TCS on 2/23/2016**

ANNAPOLIS, MD, Oct 11, 2011 -- TeleCommunication Systems, Inc. (TCS) (NASDAQ: TSYS), a world leader in highly reliable and secure mobile communication technology, reported that a leading intellectual property strategy consulting firm, ipCapital Group, Inc., has estimated the potential value of TCS' published patent portfolio as of June 2011 at between \$114 million and \$171 million.

The estimated value of TCS' published patents by ipCapital Group is based on ipCapital Group's proprietary and highly-regarded ipValue Model(SM) process, and represents the total risk-adjusted potential market value of TCS' 136 U.S. patents and 177 published U.S. applications, along with their foreign counterparts, in terms of a possible total portfolio patent license or sale. The value range is based on optimistic and pessimistic market size results relative to base-line forecasts derived from third-party research. The valuation report did not cover approximately 150 unpublished U.S. and foreign patent applications. Based on various forward-looking assumptions, ipCapital Group believes the potential future value of TCS' expanding patent portfolio is more than \$200 million.

"TCS has a strong portfolio of very unique and valuable patents in promising areas, and given the growing interest in patent acquisition and licensing, we believe it is timely that the company steps up its efforts to license and otherwise monetize its protected inventions," remarked John Cronin, managing director and chairman of ipCapital Group. "With the recent passage of the America Invents Act, companies like TCS have new opportunities to grow and better protect their intellectual property portfolio and avoid lengthy patent review processes, reduce litigation and help to allay concerns around protecting patents abroad."

To lead TCS' program to strategically expand and monetize its patent portfolio, the Company has appointed Robert F. Held to the new position of senior director of intellectual asset management. ipCapital Group's research and analysis provided TCS guidance regarding opportunities and priorities for commercialization, as well as estimated valuation ranges for potential licensing partners in the wireless data, location-based services, E9-1-1, GIS/mapping and messaging markets.

Mr. Held is a Certified Licensing Professional<sup>™</sup> of the Licensing Executives Society (LES) and has more than 13 years of experience in the IP field. He comes to TCS from Northrop Grumman Corporation, where he served as director of the Intellectual Property & Strategic Technology Agreements business unit for the Electronic Systems Sector. He also previously held senior-level positions at BTG International and the American Society for Testing and Materials (ASTM). Held has been an active member in LES since 1998 and was recently selected as the organization's secretary for the High Technology Sector.

"Bob has spearheaded a number of successful IP-related business and technology transactions around the world, including patent sales, enforcement, licensing, IP acquisition and open innovation," noted Maurice B. Tose, TCS chairman, CEO and president. "TCS has generated more than \$36 million of gross proceeds from past patent license and sale transactions, so we welcome Bob as we step up our efforts to systematically mine the unrealized value of our IP portfolio, starting with guidance from the ipCapital Group report."

Commented Held, "With clear strengths in the messaging, location and wireless communications fields, TCS has created an impressive IP portfolio. The rate at which the company is generating new patent awards is accelerating: the company was issued 24 new U.S. patents in 2010, and in the first nine months of 2011 has been issued an additional 38 new U.S. patents. There are significant opportunities to leverage our IP throughout the world through both licensing and partnership arrangements in core and non-core business areas."

#### **About TeleCommunication Systems, Inc.**

TeleCommunication Systems, Inc. (TCS) (NASDAQ: TSYS) is a world leader in highly reliable and secure mobile

communication technology. TCS infrastructure forms the foundation for market leading solutions in E9-1-1, text messaging, commercial location and deployable wireless communications. TCS is at the forefront of new mobile cloud computing services providing wireless applications for navigation, hyper-local search, asset tracking, social applications and telematics. Millions of consumers around the world use TCS wireless apps as a fundamental part of their daily lives. Government agencies utilize TCS' cyber security expertise, professional services, and highly secure deployable satellite solutions for mission-critical communications. Headquartered in Annapolis, MD, TCS maintains technical, service and sales offices around the world. To learn more about emerging and innovative wireless technologies, visit [www.telecomsys.com](http://www.telecomsys.com).

## **About ipCapital Group**

ipCapital Group ("ipCG") is an IP strategy consulting practice helping clients develop, manage and use their intellectual property effectively to support strategic business objectives. ipCG offers a range of services and proprietary methodologies to help companies throughout the full lifecycle of IP, from creation and strategic management to value extraction. Since 1998, ipCG has worked with numerous Fortune 500, mid-size and early-stage companies in a wide variety of industries.

*The valuation performed by ipCG is not a legal or financial valuation of TCS. The intention of the valuation was to assist TCS in estimating the value of its patent portfolio to support decision-making relative to various monetization strategies. The conclusions, estimates, and observations contained in this press release are solely statements of opinion and not statements of fact or recommendations to purchase, hold or sell any securities or make any investment decision. ipCG and its affiliates do not guarantee the accuracy, adequacy or completeness of any information herein and shall not be responsible for any errors or omissions.*

*The valuation conducted by ipCG on TCS' published patent portfolio was based on ipCG's analysis of the relevant competitive patent landscape, industry forecasts, foreign filing data, third-party market research, industry margins, and royalty rates derived from research into comparable intellectual property licensing and sale transactions. Furthermore, the valuation is based on the current portfolio of TCS issued patents and published applications, and does not take into account any non-published patent applications, invention disclosures, any future inventions and patents, trade secrets, or non-patented intellectual property assets or know-how.*

*There can be no assurance that TCS will be able to successfully enter into licensing or sales agreements relating to its patent portfolio or any individual patents or that the realized value of the patent portfolio will be within the range estimated by ipCapital Group. Except for the historical information contained herein, this news release contains forward-looking statements as defined within Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. Such statements include the estimated valuation of TCS' patents and patent applications and the ability of TCS to monetize its patents and patent applications, whether by entering into licensing or sales arrangements or otherwise. These statements are subject to risks and uncertainties and are based upon TCS' current expectations and assumptions that if incorrect would cause actual results to differ materially from those anticipated. Risks include without limitation the assertion that the patent evaluation will result in shareholders receiving future value, and those detailed from time to time in the Company's SEC reports, including the reports on Form 10-K for the year ended December 31, 2010, and on Form 10-Q for the quarter ended June 30, 2011.*

*Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to update or revise the information in this press release, whether as a result of new information, future events or circumstances, or otherwise.*

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