May 15, 2014

MARATHON®

Marathon Announces First Quarter Financial Results

Record Quarterly Revenue of $2.78 Million

Non-GAAP Net Income of $854,000 and Non-GAAP Earnings per Share of $0.16

ALEXANDRIA, VA -- (Marketwired) -- 05/15/14 -- ***Marathon Patent Group, Inc.*** (OTCQB: MARA) ("Marathon" or the "Company") today reported results for the three months ended March 31, 2014.

- ***Revenues in the first quarter of 2014 were $2,780,000***, as compared to $0 in the comparable three months ended March 31, 2013.

- ***Quarterly revenue grew by approximately 132%*** for the three-month period ending March 31, 2014 as compared to the three-month period ending December 31, 2013.

- ***GAAP net loss in the first quarter of 2014 was ($281,606) or ($0.05) per diluted share***, as compared to GAAP net loss of ($605,536) or ($0.17) per diluted share for the comparable three months ended March 31, 2013.

- ***Non-GAAP net income in the first quarter of 2014 was $854,085, or $0.16 per diluted share***, as compared to non-GAAP net loss of ($367,604), or ($0.10) per diluted share for the comparable three months ended March 31, 2013. (See information below regarding non-GAAP measures.)

- ***Cash and cash equivalents totaled $5,410,629*** as of March 31, 2014, compared to $3,610,262 as of December 31, 2013.

Consolidated Financial Results - Overview

Financial Condition (in thousands)

Financial highlights and operating activities during the periods presented included the following:

Summary Balance Sheet Information:

	Three Months ended 03/31/2014	Three Months ended 12/31/2013
	(Unaudited)	
Current assets:		
Cash	$ 5,410,629	$ 3,610,262
Accounts receivable - net	280,000	270,000
Marketable securities - available for sale securities	6,250	6,250
Prepaid expenses and other current assets	579,382	752,931
Total current assets	***$ 6,276,261***	***$ 4,639,443***

Revenues:

Revenues in the first quarter of 2014 increased to $2,780,000, for an increase of approximately $1,597,108, or 132% as compared to approximately $1,182,892 in revenues for the three months ended December 31, 2013 and for an increase of approximately $2,780,000 as compared to $0 in revenues for the three months ended March 31, 2013.

	Three Months Ended March 31,	
	2014	**2013**
Revenues (in thousands)	$ 2,780	$ 0
Net income (loss) (in thousands)	$ (282)	$ (606)
Non-GAAP net income (loss) (in thousands)	$ 854	$ (368)
Diluted (loss) per share	$ (0.05)	$ (0.17)
Pro forma non-GAAP net earnings (loss) per common share - diluted	$ 0.16	$ (0.10)

	Three Months Ended March 31,	Three Months Ended December 31,
	2014	**2013**
Revenues (in thousands)	$ 2,780	$ 1,182
Net income (loss) (in thousands)	$ (282)	$ (1,099)
Non-GAAP net income (loss) (in thousands)	$ 854	$ (305)
Diluted (loss) per share	$ (0.05)	$ (0.24)
Pro forma non-GAAP net earnings (loss) per common share - diluted	$ 0.16	$ (0.07)

In the first quarter of 2014, two license and settlement agreements accounted for 100% of revenues recognized.

Cost of Revenues (in thousands):

Direct cost of revenues include contingent payments to patent enforcement advisors and inventors. Direct cost of revenues also include various non-contingent costs associated with enforcing the Company's patent rights and developing and entering into settlement and licensing agreements that generate the Company's revenue. Such costs include other legal fees and expenses, consulting fees, data management costs and other costs.

Direct cost of revenues during the three months ended March 31, 2014 and 2013 amounted to $1,110,579 and $0, respectively. We did not have a comparable revenue and cost of revenue during the three months ended March 31, 2013 as we were in the early stages of executing our current business model.

Direct cost of revenues during the three months ended March 31, 2014 and the three months ended December 31, 2013 amounted to $1,110,579 and $269,402, respectively. Our gross profit margin during the three months ended March 31, 2014 and three months ended December 31, 2013 was approximately 60% and 77%, respectively.

Operating Expenses (in thousands):

The Company incurred operating expenses of $1,951,254 and $714,377 for the three months ended March 31, 2014 and 2013, respectively, an increase of $1,236,877 or 173%. These expenses primarily consisted of amortization of patents, general expenses, compensation to the Company's officers, directors and employees, professional fees and consulting expenses incurred in connection with the day-to-day s.

The operating expenses include non-cash expenses totaling $1,135,691.

The operating expenses for the three months ended March 31, 2014 and March 31, 2013 consisted of the following:

	Three Months Ended March 31,	
	2014	***2013***
Amortization of patents (1)	$ 453,647	$ 17,547
Compensation and related taxes (2)	729,987	426,675
Consulting fees (3)	428,107	45,224
Professional fees (4)	256,855	158,472
Travel and related expenses (5)	32,808	28,317
Other general and administrative (6)	49,850	38,142
Total	***$ 1,951,254***	***$ 714,377***

(1) Amortization of patents: Amortization expenses were $453,647 and $17,547 during the three months ended March 31, 2014 and 2013, respectively, an increase of $436,100 or 2,485%. The amortization of patents during the three months ended March 31, 2013 was minimal as compared to the three months ended March 31, 2014 as we were in our early stages of our current business. When the Company acquires patents and patent rights, the Company capitalizes those assets and amortizes the costs over the remaining useful lives of the assets. The increase for the three months ended March 31, 2014 over the three months ended March 31, 2013 primarily reflects the amortization of patent assets acquired by the Company during year 2013.

(2) Compensation expense and related taxes: Compensation expense includes cash compensation and related payroll taxes and benefits, and also non-cash compensation. For the three months ended March 31, 2014 and 2013, compensation expense and related payroll taxes were $729,987 and $426,675, respectively, an increase of $303,312 or 71%. The increase in cash compensation primarily reflects an increase in headcount to six in the three months ended March 31, 2014 from two during the three months ended March 31, 2013. The balance of the increase is primarily attributable to an increase in stock based compensation related to vested options to our employees. During the three months ended March 31, 2014 and 2013, we recognized stock based compensation of $364,526 and $207,635, respectively.

(3) Consulting fees: For the three months ended March 31, 2014 and 2013, we incurred consulting fees of $428,107 and $45,224, respectively, an increase of $382,883 or 847%. Consulting fees include both cash and non-cash related consulting fees primarily for investor relations and public relations services but also for other consulting services. During the three months ended March 31, 2014 and 2013, we recognized stock based consulting of $310,351 and $12,472, respectively.

(4) Professional fees: For the three months ended March 31, 2014 and 2013, professional fees were $256,855 and $158,472, respectively, an increase of $98,383 or 62%. Professional fees primarily reflect the costs of professional outside accounting fees, legal fees and audit fees. The increase in professional fees for the three months ended March 31, 2014 over the three months ended March 31, 2013 are predominately related to professional outside accounting fees and audit fees resulting from a substantially higher level of activity in the Company's continuing patent acquisition and monetization operations and also a higher level of activity as a public company. Additionally, during the three months ended March 31, 2014 and 2013, professional fees included stock based legal fees of $5,750 and $0, respectively.

(5) Travel and related expenses: Travel expenses were $32,808 and $28,317 during the three months ended March 31, 2014 and 2013, respectively, an increase of $4,491 or 16%. This increase during the three months ended March 31, 2014 is due to an increase in business development related travel.

(6) Other general and administrative expenses: For the three months ended March 31, 2014 and 2013, other general and administrative expenses were $49,850 and $38,142, respectively, an increase of $11,708 or 31%. General and administrative expenses reflect the other operating costs of the Company and include certain public relations costs and

other expenses related to being a public company, rent and other expenses incurred to support the operations of the Company. The increase in general and administrative costs in the three months ended March 31, 2014 over the three months ended March 31, 2013 resulted from increased rent, internet access, telephone and other operating expenses. This increase during the three-month period 2014 is due to the continued development of our operations.

For further information, operating expenses during the three months ended March 31, 2014 as compared to the three months ended December 31, 2013 included the following:

	Three Months Ended March 31, 2014	***Three Months Ended December 31, 2013***
Amortization of patents (1)	$ 453,647	$ 177,848
Compensation and related taxes (2)	729,987	1,058,239
Consulting fees (3)	428,107	456,765
Professional fees (4)	256,855	90,605
Travel and related expenses (5)	32,808	27,113
Other general and administrative (6)	49,850	201,965
Total	***$ 1,951,254***	***$ 2,012,535***

(1) Amortization of patents: Amortization expenses were $453,647 and $177,848 during the three months ended March 31, 2014 and the three months ended December 31, 2013, respectively, an increase of $275,799 or 155%. The increase for the three months ended March 31, 2014 over the three months ended December 31, 2013 primarily reflects the amortization of additional patent assets acquired by the Company during the three months ended December 31, 2013.

(2) Compensation expense and related taxes: For the three months ended March 31, 2014 and the three months ended December 31, 2013, compensation expense and related payroll taxes were $729,987 and $1,058,239, respectively, a decrease of $328,252 or 31%. The decrease in cash compensation primarily reflects lower compensation as a result of bonuses paid in the December 31, 2013 quarter. During the three months ended March 31, 2014 and the three months ended December 31, 2013, we recognized stock based compensation of $364,526 and $289,835, respectively.

(3) Consulting fees: For the three months ended March 31, 2014 and the three months ended December 31, 2013, we incurred consulting fees of $428,107 and $456,765, respectively, a decrease of $28,658 or 6%. During the three months ended March 31, 2014 and the three months ended December 31, 2013, we recognized stock based consulting of $310,351 and $319,041, respectively.

(4) Professional fees: For the three months ended March 31, 2014 and the three months

ended December 31, 2013, professional fees were $256,855 and $90,605, respectively, an increase of $166,250 or 183%. The increase in professional fees for the three months ended March 31, 2014 over the three months ended December 31, 2013 are predominately related to professional outside accounting fees and audit fees resulting from a substantially higher level of activity in the Company's continuing patent acquisition and monetization operations and also a higher level of activity as a public company. Additionally, during the three months ended March 31, 2014 and the three months ended December 31, 2013, professional fees included stock based legal fees of $5,750 and $5,750, respectively.

(5) Travel and related expenses: Travel expenses were $32,808 and $27,113 during the three months ended March 31, 2014 and the three months ended December 31, 2013, respectively, an increase of $5,695 or 21%. This increase during the three months ended March 31, 2014 is due to an increase in business development related travel.

(6) Other general and administrative expenses: For the three months ended March 31, 2014 and the three months ended December 31, 2013, other general and administrative expenses were $49,850 and $201,965, respectively, a decrease of $152,115 or 75%. The decrease in general and administrative costs in the three months ended March 31, 2014 over the three months ended December 31, 2013 resulted primarily from the decrease in bad debt expenses which were recognized in December 2013.

Reconciliation of GAAP Net Income (Loss) and EPS to Non-GAAP Net Income (Loss) and EPS (In thousands, except share and per share data)

	For the Three Months ended March 31,	***For the Three Months ended December 31,***	***For the Three Months ended March 31,***
	2014	***2013***	***2013***
GAAP net Income (loss)	(281,606)	(1,098,980)	(605,536)
Non-cash patent amortization and depreciation	455,064	179,264	17,825
Non-cash stock-based compensation expense	364,526	289,835	207,635
Non-cash stock-based consulting expense	310,351	319,041	12,472
Non-cash stock-based professional fees	5,750	5,750	-
Non-GAAP Net Income (loss)	***$ 854,085***	***$ (305,090)***	***$ (367,304)***
Pro forma non-GAAP net earnings (loss) per common share - diluted	$ 0.16	$ (0.07)	$ (0.10)

As of March 31, 2014, trailing twelve-month revenues for the periods set forth below were as follows (in thousands):

As of Date:		***Trailing Twelve-Month Revenues***	***% Change***
March 31, 2014	$	6,199	81 %
December 31, 2013	$	3,419	53 %
September 30, 2013	$	2,236	47 %
June 30, 2013	$	1,525	NA
March 31, 2013		0	NA

About Marathon Patent Group:
Marathon Patent Group, Inc. is a patent acquisition and monetization company. We acquire patents from a wide range of patent holders from individual inventors to Fortune 500 companies. Our strategy of acquiring patents that cover a wide-range of subject matter allows us to achieve diversity within our patent asset portfolio. We generate revenue with our diversified portfolio through actively managed concurrent patent rights enforcement campaigns. This approach is expected to result in a long-term, diversified revenue stream. To learn more about Marathon Patent Group, visit http://www.marathonpg.com/.

INFORMATION ABOUT NON-GAAP FINANCIAL MEASURES*. As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America. To supplement our consolidated financial statements prepared and presented in accordance with GAAP, this earnings release includes financial measures, including (1) non-GAAP net income and (2) non-GAAP Earnings Per Share ("EPS"), that are considered non-GAAP financial measures as defined in Rule 101 of Regulation G promulgated by the Securities and Exchange Commission. Generally, a non-GAAP financial measure is a numerical measure of a company's historical or future performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.*

We use these non-GAAP financial measures for internal financial and operational decision making purposes and as a means to evaluate period-to-period comparisons of the performance and results of operations of our core business. Our management believes that these non-GAAP financial measures provide meaningful supplemental information regarding the performance of our core business by excluding non-cash stock compensation charges, non-cash patent amortization charges and excess benefit related non-cash tax expense, that may not be indicative of our recurring core business operating results. These non-GAAP financial measures also facilitate management's internal planning and comparisons to our historical performance and liquidity. We believe these non-GAAP financial measures are useful to investors as they allow for greater *transparency with respect to key metrics used by management in its financial and operational decision making and are used by our institutional investors and the analyst community to help them analyze the performance and operational results of our core business.*

Non-GAAP Net income and EPS. *We define non-GAAP net income as net income calculated in accordance with GAAP, plus non-cash stock compensation charges, non-cash patent amortization charges and excess benefit related non-cash tax expense. Non-GAAP EPS is defined as non-GAAP net income divided by the weighted average outstanding shares, on a fully diluted basis, calculated in accordance with GAAP, for the respective reporting period.*

Due to the inherent volatility in stock prices, the use of estimates and assumptions in connection with the valuation and expensing of share-based awards and the variety of award types that companies can issue under FASB ASC Topic 718, management believes that providing a non-GAAP financial measure that excludes non-cash stock compensation allows investors to make meaningful comparisons between our recurring core business operating results and those of other companies, as well as providing our management with a critical tool for financial and operational decision making and for evaluating our own period-to-period recurring core business operating results. Similarly, due to the variability associated with the timing and amount of patent acquisition payments and estimates inherent in the capitalization and amortization of patent acquisition costs, management believes that providing a non-GAAP financial measure that excludes non-cash patent amortization charges allows investors to make meaningful comparisons between our recurring core business operating results and those of other companies, and also provides our management with a useful tool for financial and operational decision making and for evaluating our own period-to-period recurring core business operating results. Lastly, for financial reporting purposes, tax expense is required to be calculated without the excess tax benefit related to the exercise and vesting of equity-based incentive awards, however, the deduction related to the exercise and vesting of equity-based incentive awards is available to offset taxable income on our consolidated tax returns. Accordingly, the non-cash tax expense calculated without the excess benefit for financial statement purposes is credited to additional paid-in capital, not taxes payable, and does not represent a cash tax obligation. Management believes that providing a non-GAAP financial measure that excludes excess benefit related non-cash tax expense allows investors to assess our net results and the economic impact of income taxes based largely on cash tax obligations, make more meaningful comparisons between our recurring core business net results and those of other companies, and also provides our management with a useful tool for financial and operational decision making and for evaluating our own period-to-period recurring core business net results.

There are a number of limitations related to the use of non-GAAP net income and EPS versus net income and EPS calculated in accordance with GAAP. For example, non-GAAP net income excludes significant non-cash stock compensation charges, non-cash patent amortization charges and excess benefit related non-cash tax expense that are recurring, and will continue to be recurring for the foreseeable future. In addition, non-cash stock compensation is a critical component of our employee compensation programs and non-cash patent amortization reflects the cost of certain patent portfolio acquisitions, amortized *on a straight-line basis over the estimated economic useful life of the respective patent portfolio, and may reflect the acceleration of amortization related to recoupable up-front patent portfolio acquisition costs. Management compensates for these limitations by providing specific information regarding the GAAP amounts excluded from non-GAAP net income and EPS and evaluating non-GAAP net income and EPS in conjunction with net income and EPS calculated in accordance with GAAP.*

The accompanying table above provides a reconciliation of the non-GAAP financial measures presented to the most directly comparable financial measures prepared in accordance with GAAP.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995
This news release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based upon our current expectations and speak only as of the date hereof. Our actual results may differ materially and adversely from those expressed in any forward-looking statements as a result of various factors and uncertainties, including the effect of the global economic downturn on technology companies, the ability to successfully develop licensing programs and attract new business, rapid technological change in relevant markets, changes in demand for current and future intellectual property rights, legislative, regulatory and competitive developments addressing licensing and enforcement of patents and/or intellectual property in general and general economic conditions. Our Annual Report on Form 10-K, recent and forthcoming Quarterly Reports on Form 10-Q, recent Current Reports on Forms 8-K and 8-K/A, and other SEC filings discuss some of the important risk factors that may affect our business, results of operations and financial condition. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

The results achieved in the most recent quarter are not necessarily indicative of the results to be achieved by us in any subsequent quarters, as it is currently anticipated that Marathon Patent Group's financial results will vary, and may vary significantly, from quarter to quarter. This variance is expected to result from a number of factors, including risk factors affecting our results of operations and financial condition referenced above, and the particular structure of our licensing transactions, which may impact the amount of inventor royalties and contingent legal fees expenses we incur period to period.

***Forward Looking Statements**. Certain statements in this press release constitute "forward-looking statements" within the meaning of the federal securities laws. Words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "predict," "forecast," "project," "plan," "intend" or similar expressions, or statements regarding intent, belief, or current expectations, are forward-looking statements. While the Company believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this release. These forward looking statements are based upon current estimates and assumptions and are subject to various risks and uncertainties, including without limitation those set forth in the Company's filings with the Securities and Exchange Commission (the "SEC"), not limited to Risk Factors relating to its patent business contained therein. Thus, actual results could* *be materially different. The Company expressly disclaims any obligation to update or alter statements whether as a result of new information, future events or otherwise, except as required by law.*

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