
NASDAQ OMX Conference
London
December 1, 2015
InterDigital.

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding InterDigital, Inc.'s current beliefs, plans and expectations, as to: (i) future results, projections and trends; (ii) its strategy and business plan; (iii) the company's revenues and expenses; (iv) planned investments; (v) partnerships, commercial initiatives and other potential business and revenue opportunities; and (vi) future global mobile device and IoT device sales and market opportunities. Such statements are subject to the safe harbor created by those sections.

Words such as "anticipate," "believe," "estimate," "expect," "project," "intend," "plan," "forecast," "will," variations of any such words or similar expressions, and graphical timelines representing future estimates or events are intended to identify such forward-looking statements. Forward-looking statements are subject to risks and uncertainties. Actual outcomes could differ materially from those expressed in or anticipated by such forward-looking statements due to a variety of factors, including, without limitation: (i) the market relevance of our technologies; (ii) changes in the needs, availability, pricing and features of competitive technologies as well as those of strategic partners or consumers; (iii) unanticipated technical or resource difficulties or delays related to further development of our technologies; (iv) our ability to enter into additional patent license agreements on expected terms, if at all; (v) our ability to successfully identify and launch new commercial businesses, including commercial initiatives; (vi) our ability to enter into partnerships, strategic relationships or complementary investment opportunities on acceptable terms; (vii) changes in the market share and sales performance of our primary licensees, delays in product shipments of our licensees and timely receipt and final reviews of quarterly royalty reports from our licensees and related matters; (viii) the resolution of current legal proceedings, including any awards or judgments relating to such proceedings, additional legal proceedings, changes in the schedules or costs associated with legal proceedings or adverse rulings in such legal proceedings; (ix) changes in the company's strategy going forward; and (x) changes or inaccuracies in market projections, as well as other risks and uncertainties, including those detailed in our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 and from time to time in our other Securities and Exchange Commission filings. We undertake no duty to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law, regulation or other competent legal authority.

What's Our Business Model?

Develop core technologies, with a focus on mobile and standards

InterDigital develops technologies that are at the heart of mobile communications. Today, our team of almost 200 research staff is focused on 5G, IoT, video, security and other areas.

Contribute those technologies to broadly horizontal markets

InterDigital was a leader in development of 2G, 3G and 4G cellular, and today is helping to drive 5G research. We contribute to 3GPP, IEEE 802, oneM2M, ETSI, HEVC and other standards, helping drive the world's largest tech market – mobile.

Secure a very fair license from market participants for use of technologies

With less than 50% of the handset market under license today, we believe we currently have a royalty platform of $400M with significant revenue growth opportunities remaining as we add licensees

How We Differ From Other Licensing Cos.

- **We don’t rely on portfolio acquisition**

  Our team of almost 200 engineers is constantly working to expand our technology footprint in mobile. It’s a supply chain, not a portfolio we buy.

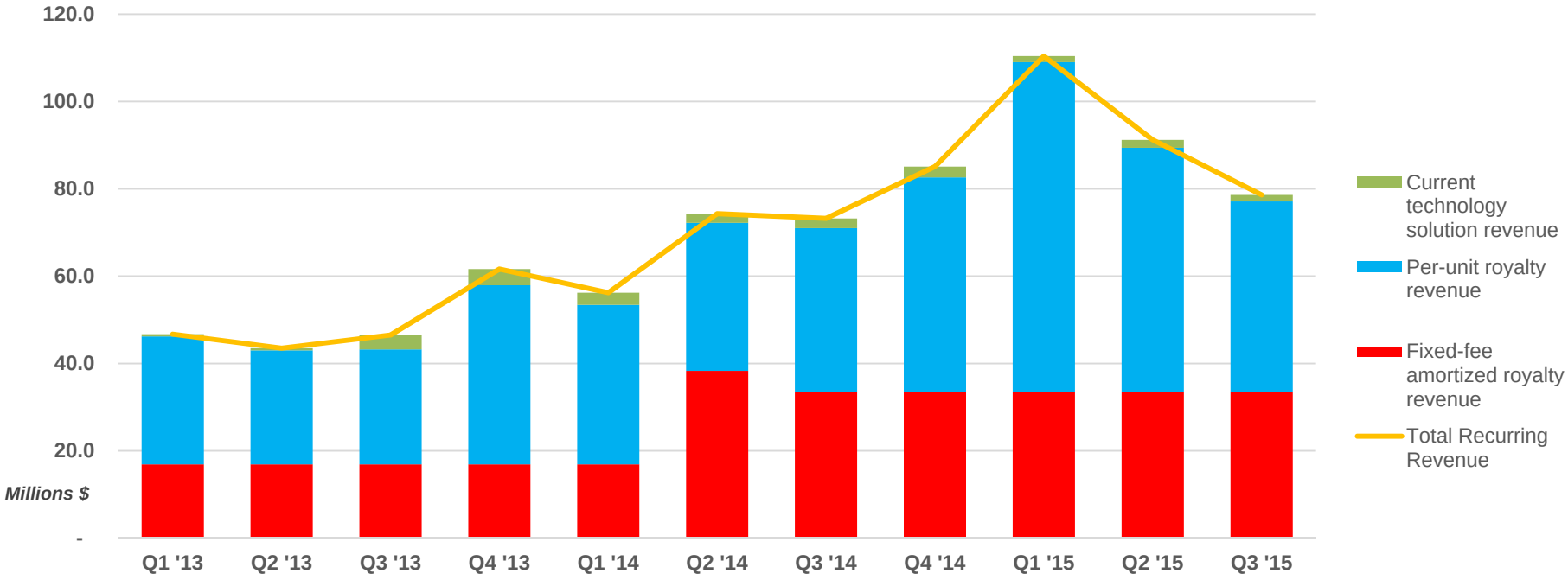
- **As a result, our business is self-sustaining**

  Our research success creates new IP assets and licensing opportunities all the time, and also builds knowledge that can underpin investments and commercial opportunities.

- **We can bring other assets to a discussion**

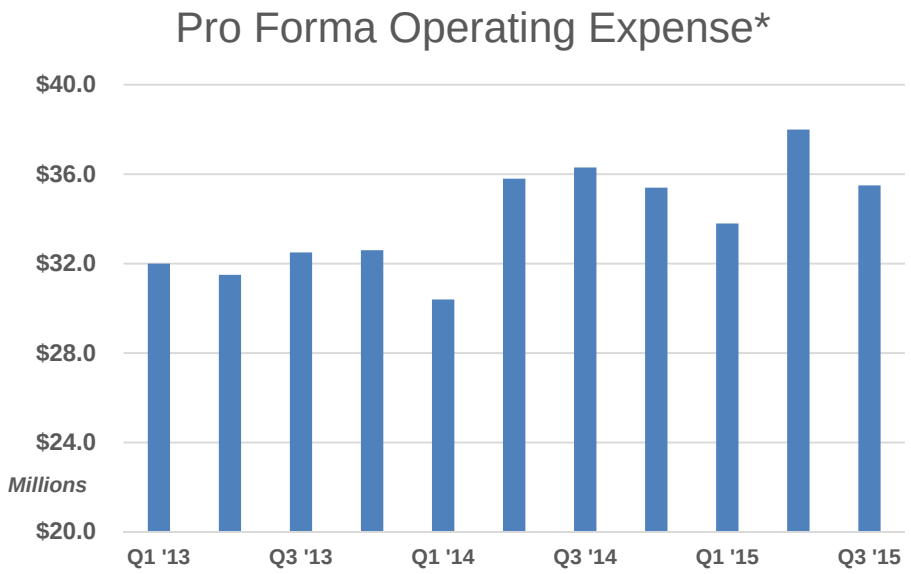
  Some licensees understand that partnering in research, or patent transactions, can be a valuable part of a licensing discussion. We can offer that.

Upside Potential Layered on a Stable Recurring Revenue Base

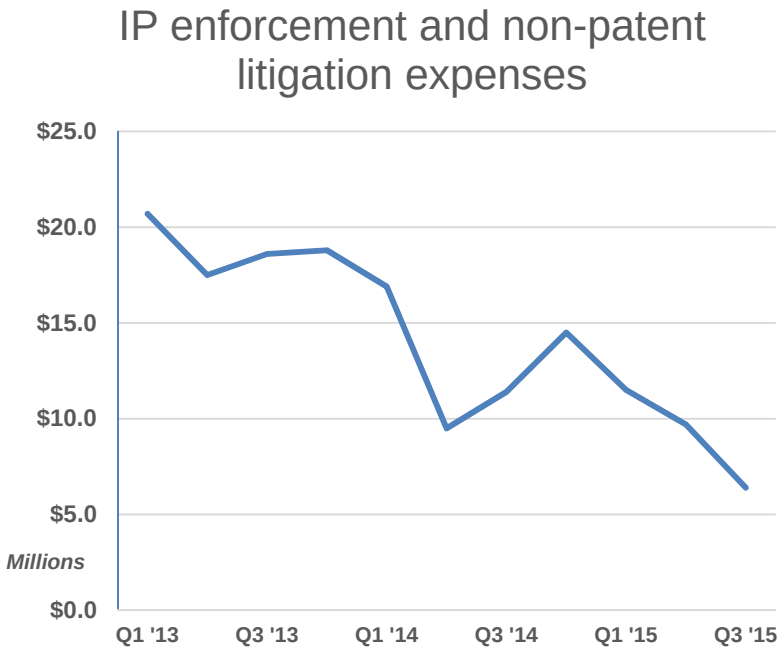


Recurring revenue comprises current patent royalties and current technology solutions revenue.

Coupled with Carefully Managed Expenses



**Pro forma operating expense is a non-GAAP financial measure that excludes from total operating expense significant items that are non-operational or non-recurring in nature. See Slide 13 for a detailed reconciliation of pro forma operating expense to total operating expense, the most comparable GAAP financial measure.*




So Where’s the Growth Opportunity?
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Immediate Focus: Grow Our Licensing Revenue

Substantial growth opportunity remains in simply extending current 3G/4G licensing program



*Source: IDC Worldwide Quarterly Mobile Phone Tracker, Q2 2015

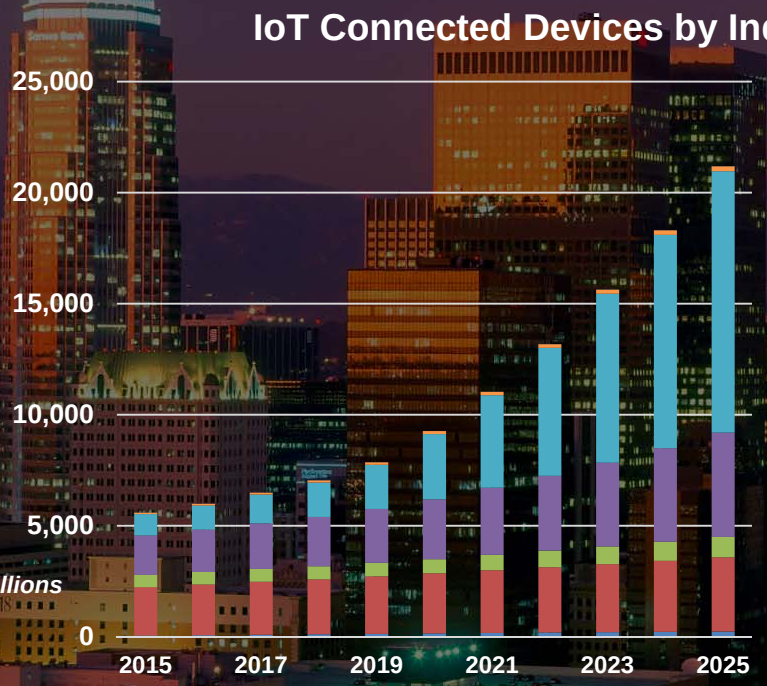
While the Handset Market Continues to Grow

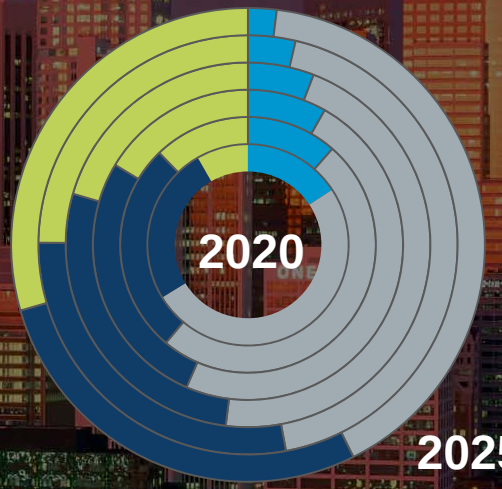
The market has matured, but higher-end units with stronger ASPs continue to see strong growth, with LTE dominating the market until the likely advent of 5G in the 2020s



Source: IHS Smartphone Electronics Design Intelligence Database - Q3 2015

Longer Term: License the IoT Connections





2G
3G
Highspeed LTE
LTE for M2M

Source: IHS IoT Connectivity Intelligence Service – Q3 2015

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Longer Term: Licensing the IoT Platform

- **We've helped drive standards-based IoT since the start**

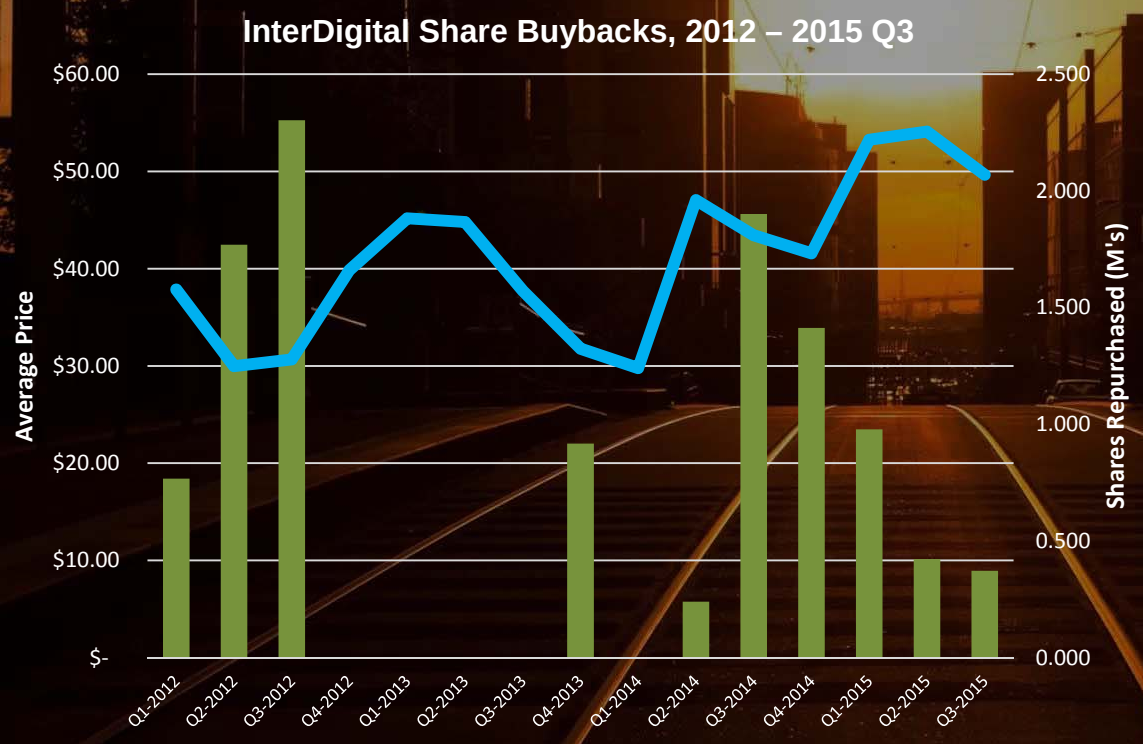
  The first meeting of the ETSI TC M2M Committee was in January 2009. We were there.

  In 2010, InterDigital unveiled a prototype M2M system that was used as a platform for the first multi-company M2M standards demonstration, which the company hosted.

  In 2012, the company's oneMPOWER™ platform was used in a multi-vendor demonstration that included technology from Intel, Kontron, Sensinode, Radisys, Huawei, Mformation and other leading vendors.

  In 2015, oneMPOWER™ provided the interoperability platform for the first oneM2M Interop events in France and South Korea, featuring participants including Qualcomm, Huawei, Cisco, Ricoh and KETI, among others.

Ongoing: Return Value to Shareholders



We don't just buy back – we buy back intelligently. Since Q1 2012, **our Buyback ROI* is 17%.**

**Buyback ROI is the IRR of cash flows associated with share purchases: outflows to repurchase shares, "inflows" of unpaid dividends, and the value of accumulated shares repurchased. Figures based on repurchases from Q1 2012 through Q3 2015, using stock price as at market close on September 30, 2015*

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Reconciliation of Pro Forma Operating Expense[1] to Total Operating Expense

	2013				2014				2015		
	Q1 '13	Q2 '13	Q3 '13	Q4 '13	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15
Operating Expenses											
Patent administration and licensing	$ 36.9	$ 33.2	$ 36.8	$ 36.2	$ 33.7	$ 31.3	$ 33.9	$ 34.9	$ 31.6	$ 31.2	$ 28.4
Development	16.3	13.9	16.0	18.5	15.9	22.9	19.1	17.4	18.0	18.3	16.6
Selling, general and administrative	7.6	8.0	8.7	7.0	8.3	11.7	9.3	8.5	9.5	10.4	10.0
Repositioning	1.5	-	-	-	-	-	-	-	-	-	
Total Operating Expenses	**$ 62.4**	**$ 55.0**	**$ 61.5**	**$ 61.7**	**$ 57.9**	**$ 65.9**	**$ 62.3**	**$ 60.8**	**$ 59.1**	**$ 60.0**	**$ 55.0**
Intellectual property enforcement and non-patent litigation	$ (20.7)	$ (17.5)	$ (18.6)	$ (18.8)	$ (16.9)	$ (9.5)	$ (11.4)	$ (14.5)	$ (11.5)	$ (9.7)	$ (6.4)
Patent amortization	(7.1)	(7.5)	(7.6)	(7.7)	(8.3)	(9.0)	(10.8)	(10.2)	(10.7)	(10.8)	(10.9)
Compensation accrual adjustments [2]	2.7	2.8	(1.9)	(2.6)	0.8	(9.5)	(1.1)	-	1.3	1.1	(1.0)
Cost of patent sales	-	-	-	-	-	-	(0.7)	-	-	-	-
Repositioning	(1.5)	-	-	-	-	-	-	-	-	-	-
Other*	(3.8)	(1.3)	(0.9)	-	(3.1)	(2.1)	(2.0)	(0.7)	(4.5)	(2.6)	(1.2)
Pro Forma Operating Expense	**$ 32.0**	**$ 31.5**	**$ 32.5**	**$ 32.6**	**$ 30.4**	**$ 35.8**	**$ 36.3**	**$ 35.4**	**$ 33.8**	**$ 38.0**	**$ 35.5**

* Other adjustments include fringe rate, vacation accrual and R&D refund.

(1) "Pro forma operating expenses" is a supplemental non-GAAP financial measure that InterDigital believes provides relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends. A limitation of "Pro forma operating expenses" is that it does not represent the total increase or decrease in InterDigital's total operating expenses for the period. "Pro forma operating expenses" excludes from total operating expense significant items that are non-operational or non-recurring in nature, including "Compensation accrual adjustments" (see Footnote 2). InterDigital's computation of "Pro forma operating expenses" might not be comparable to the "Pro forma operating expenses" reported by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with generally accepted accounting principles ("GAAP"). A detailed reconciliation of "Pro forma operating expenses" to total operating expenses, the most directly comparable GAAP financial measure, is provided above.
(2) "Compensation accrual adjustments" represents the adjustment that would be necessary in a given period to present the performance compensation actually accrued for that period against the performance compensation as if it had been accrued at 100% of the target performance compensation levels.


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