CREATING THE LIVING NETWORK™

InterDigital

Dougherty Conference

September 28, 2016

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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 future revenues and expenses; (iv) investments; (v) partnerships, commercial initiatives and other potential business and revenue opportunities, including through new markets; (vi) technology development timelines; and (vii) future global mobile device and IoT device shipments 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; (vi) our ability to successfully identify and expand into new markets; (vii) our ability to enter into partnerships, strategic relationships or complementary investment opportunities on acceptable terms; (viii) 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; (ix) 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; (x) changes in the company's strategy going forward; and (xi) changes or inaccuracies in market projections or technology development timelines, as well as other risks and uncertainties, including those detailed in our Annual Report on Form 10-K for the year ended December 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.

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A Presence Focused on the World's Wireless Centers

INTERDIGITAL

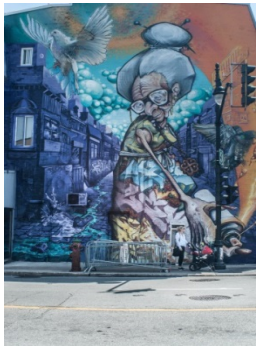




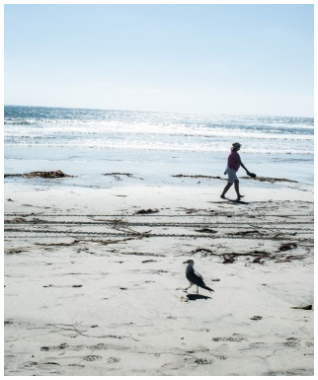
INTERDIGITAL
PHILADELPHIA



INTERDIGITAL
NEW YORK



INTERDIGITAL
MONTREAL



INTERDIGITAL
SAN DIEGO



INTERDIGITAL
WASHINGTON, DC



INTERDIGITAL
ASIA LABS: SEOUL



INTERDIGITAL
LONDON

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A Long History of Leadership in Mobile Technology

- Over four decades of mobile innovation, and pioneers in digital wireless
- ~160 R&D staff in six R&D locations around the world
- Our engineers have contributed inventions to IEEE, IETF, 3GPP, ITU, ETSI and MPEG standards, among others
- InterDigital has invested over $700 million in R&D during the past decade

Recognized as Thomson-Reuters Top 100 Global Innovator, an independent and exclusive listing of top innovating companies worldwide, in 2015



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InterDigital Leadership in 3GPP Standards

Our leadership and participation is comparable to much larger companies

RAN WG1
Physical Layer

Chairman
Satoshi Nagata
NTT Docomo

Vice Chairman
Matthew Baker
Nokia Networks

Wanshi Chen
Qualcomm

RAN WG2
MAC Protocol & Above

Chairman
Richard Burbidge
Intel

Vice Chairman
Nan Hu
China Mobile

Diana Pani
InterDigital

Re-elected as RAN2 Vice Chair in August 2015

RAN WG3
Radio Network Architecture

Chairman
Philippe Reininger
Huawei Technologies

Vice Chairman
Martin Israelsson
Ericsson

Philippe Godin
Nokia Networks

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A Track Record of Wireless Innovation, Participation & Leadership in Key Standards Organizations

- We cover a broad but related group of standards bodies and industry forums
- Strongest focus
  - Cellular: 3GPP
  - Wi-Fi: 802.11
  - Networks: IETF
- Also
  - ETSI, ITU, …

Recent Leadership Positions

- ***Vice Chair*** 3GPP RAN2: 2013 – present
- ***Vice Chair*** 3GPP RAN3: 2001-2009
- OMA Board of Directors/ ***Board Officer***: 2013-2015
- ***Board of Directors*** Small Cell Forum: 2009-2010
- ETSI RRS Architecture WG ***Chair*** (2012 – 2014)
- IETF Internet Area WG ***Co-Chair*** (2013-present)
- 802 OmniRAN EC SG ***Vice-Chair*** (2012-present)
- 802.21 TGb ***Chair*** (2010-2012)
- 802.21 WG ***Vice-Chair*** (2010-2012)
- 802.11 ARC ***Vice-Chair*** (2013 – present)
- 802.11 TGai Passive Scanning Ad Hoc ***Chair*** (2012-2013)

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InterDigital's 3 Main Focus Areas, Driving Opportunities in Broad, Horizontal Markets







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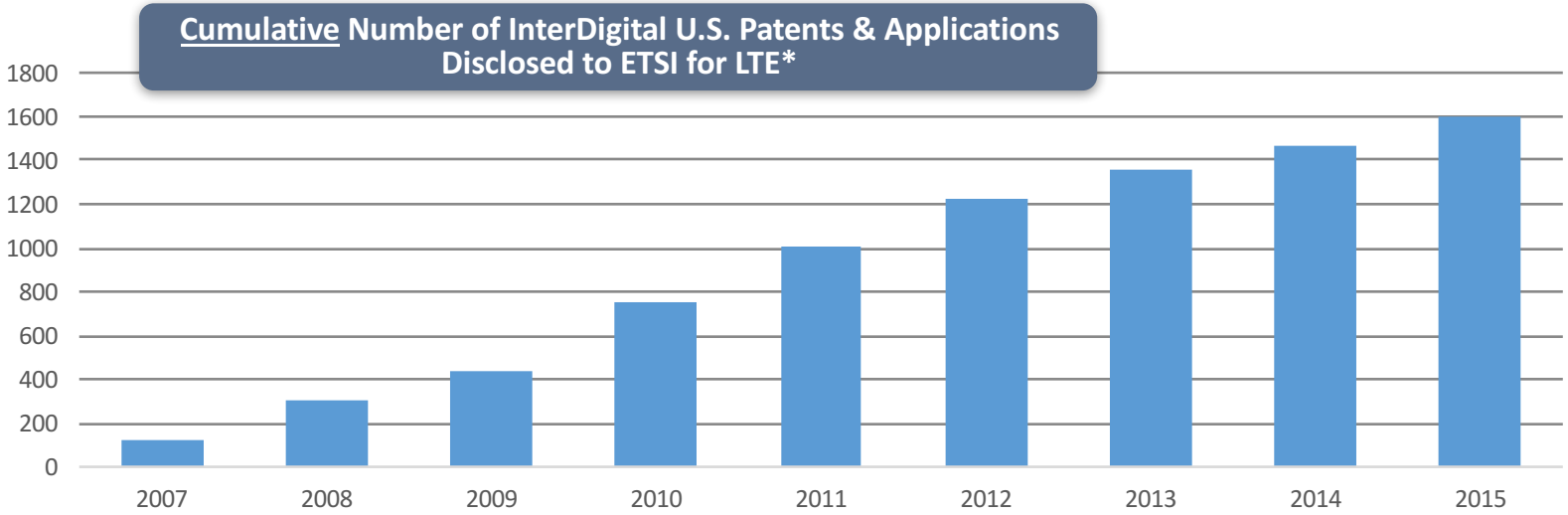
LTE Technology: Driving Our Licensing Program



* The data in the table reflects the U.S. (i) patents, (ii) non-provisional patent applications and (iii) provisional patent applications disclosed, or deemed to have been disclosed, to the European Telecommunications Standards Institute ("ETSI") for the LTE project, as applicable, through September 13, 2016 by InterDigital's patent holding subsidiaries.

1. Data above has been adjusted to reflect withdrawals of, and corrections made to, declarations of patents and applications.
2. Certain of the patent and application data provided above by InterDigital may not correlate to the data available on the ETSI IPR Database as a result of differences in compiling, organizing and displaying declaration data. In addition, the patent and application data provided above may not be comparable to similar data provided by other third parties due to, among other things, differences in ETSI database search methodologies and applicable time periods.
3. The data in the table above may include patents and applications that are directed to technology that is not, or may never be, deployed.
4. InterDigital's presentation of this data is not a statement of the essentiality of the patents and applications referred to herein, nor is this data a substitute for an independent evaluation of essentiality.

Ongoing Leadership in Key Technologies



- 3G: InterDigital accounted for approximately 10% of the patents and patent applications judged likely to be essential to WCDMA – the third-highest share out of more than 40 companies (May 2015)
- 4G: InterDigital accounted for approximately 10% of the patents and patent applications judged likely to be essential to LTE – fourth-highest share of nearly 100 companies (April 2016)

LexInnova
REINVENTING LITIGATION SOLUTIONS

- IoT: InterDigital in top 10 of global companies in terms of IoT patent landscape, ahead of Microsoft and IBM
- Fourth in "high-strength IoT patents" ahead of Intel and Ericsson (May 2016)

InterDigital does not endorse any third-party analysis in relation to technology areas, but believes these studies may provide independent confirmation of the strength of the company's R&D activities in mobile communication.

New Licensees Added to a Strong Base, with Opportunities that Remain

NEW AND RENEWED LICENSES…

SHARP KYOCERA NEC

SOME INCLUDING RESEARCH COLLABORATION…

HUAWEI SONY

…AND AN EXCITING PLATFORM FOR NEW MARKETS

AVANCI

LAYERED ONTO A STRONG EXISTING BASE

acer ASUS BlackBerry gemalto security to be free ERICSSON FUJITSU htc Panasonic ideas for life

PEGATRON Quanta SAMSUNG SIERRA WIRELESS teltronic ublox TOSHIBA wistron

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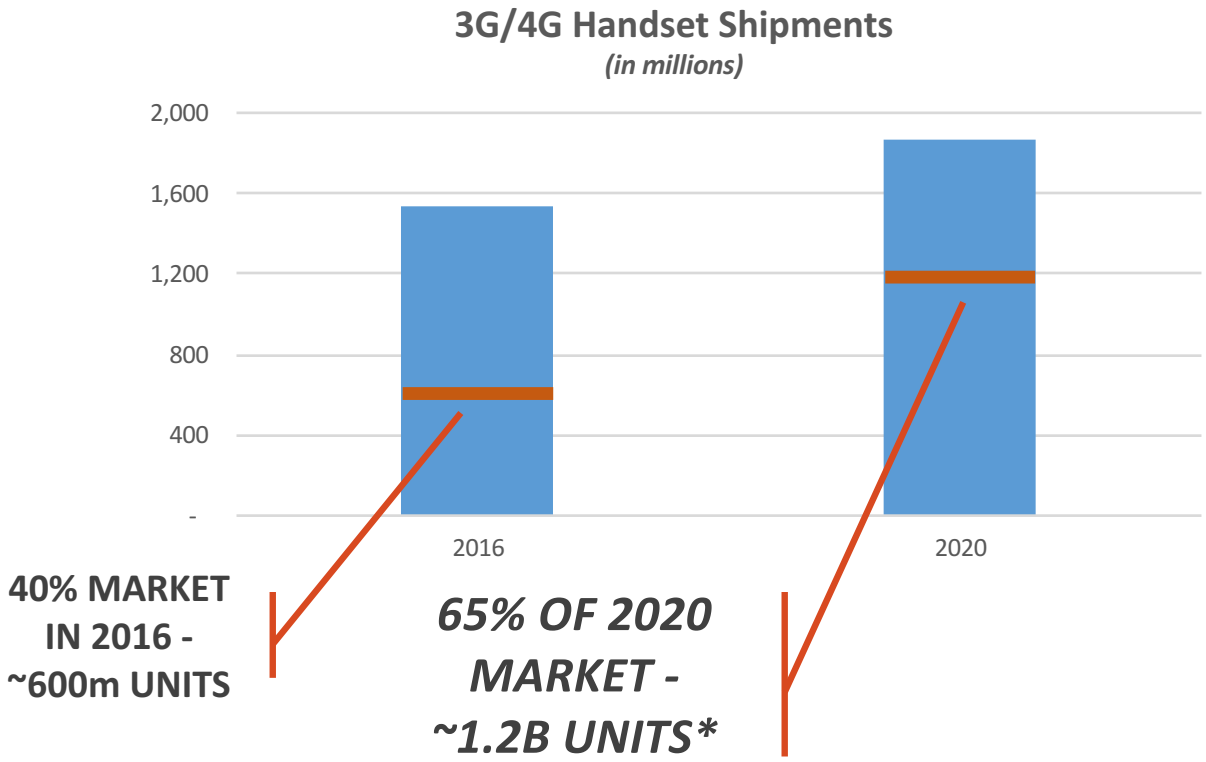
Moderate Penetration – Outsized Gains



In a market expected to see continued moderate growth, an additional 25% of market penetration would double the number of handsets and terminal units licensed

*Based on IHS Q2 2016 market projections

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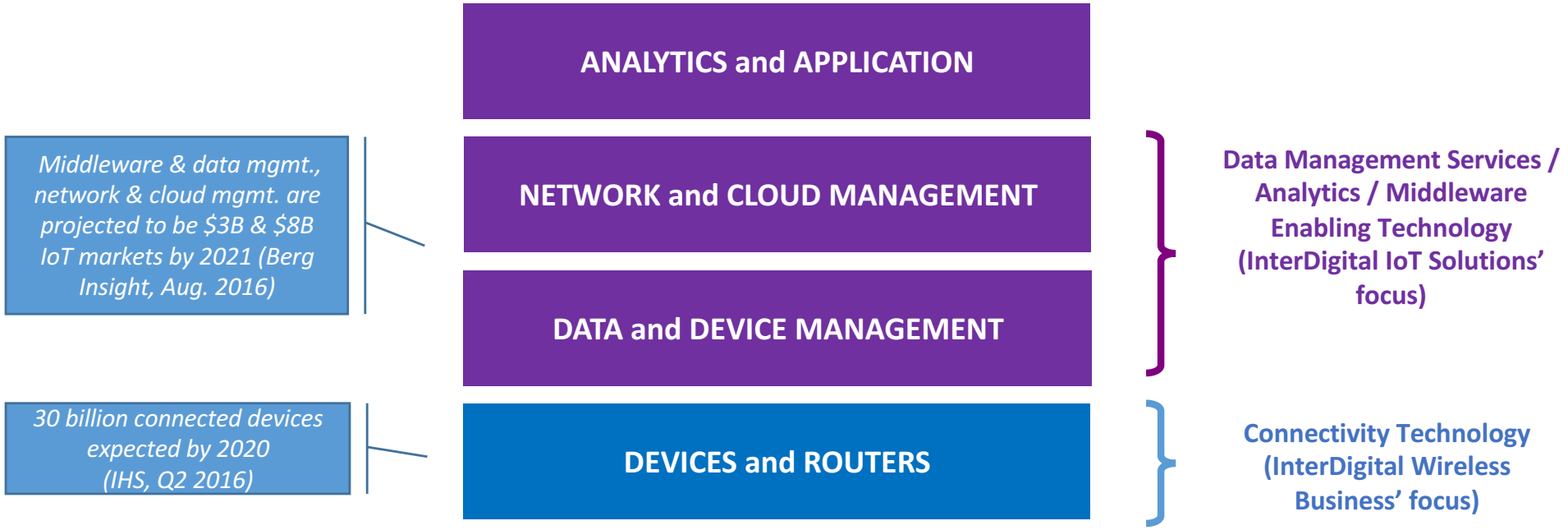
Where We Play in the IoT Ecosystem

INTERDIGITAL IoT SOLUTIONS

IoT Connectivity and IoT SW & Services



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Avanci Patent Licensing Platform

- Separate entity formed to aggregate 2G/3G/4G standard essential patents for IoT connectivity patent licensing programs
- Initial licensing programs: manufacturers of vehicles and smart meters
- Announced initial licensors: InterDigital, Ericsson, Qualcomm, KPN and ZTE
- Avanci royalties to be priced on a flat-rate basis and vary depending on the value the technology brings to the device

Avanci…

- Seeks to license some end-user products not addressed by InterDigital's current licensing activities
- Provides **recognition of InterDigital's contributions** to wireless industry
- Offers potential incremental revenue source in **high-growth IoT verticals**
- Requires **minimal incremental resources** to support license discussions

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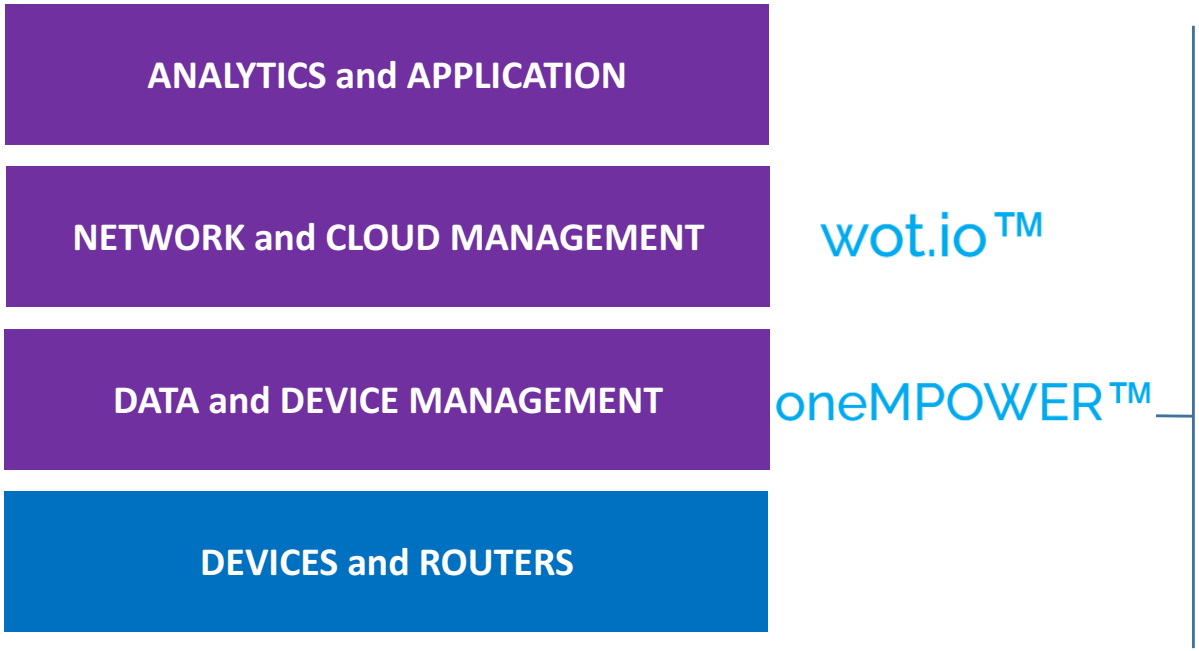
Where We Play in the IoT Ecosystem

INTERDIGITAL IoT SOLUTIONS

IoT Connectivity and IoT SW & Services



oneMPOWER™ - a oneM2M standards-based IoT services platform

- Future-proofs deployments
- SW in sensors, devices, gateways and servers
- Interworks with many other standards (AllJoyn, OIC – now OCF, …)
- Device & service discovery, data management, interworking
- LWM2M device management

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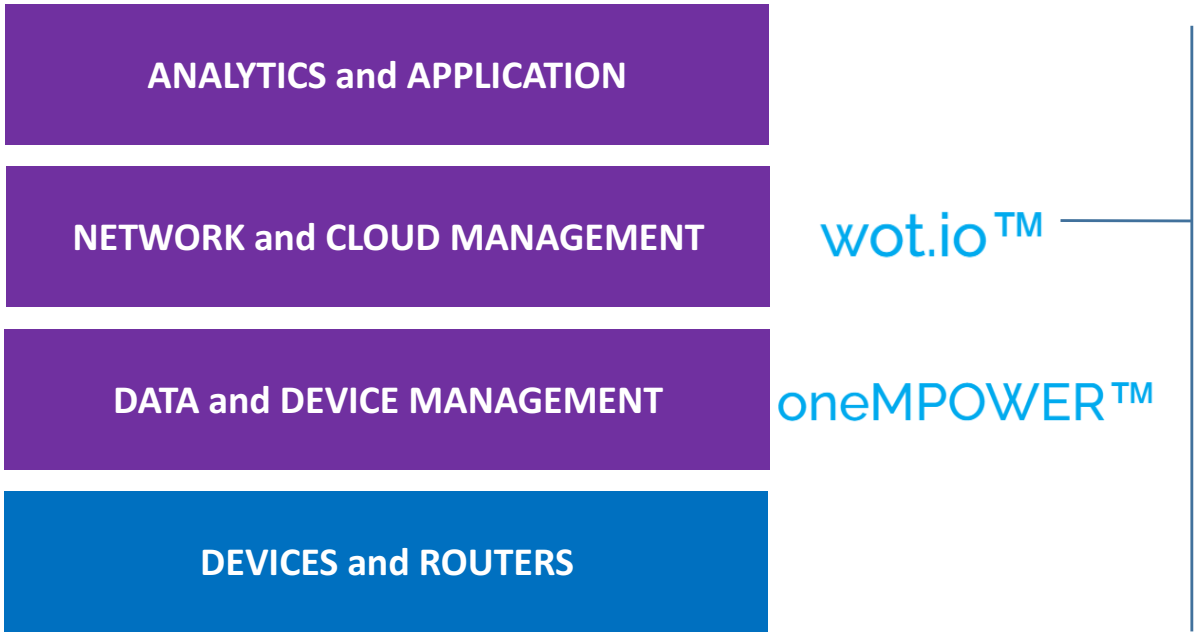
Where We Play in the IoT Ecosystem

INTERDIGITAL IoT SOLUTIONS

IoT Connectivity and IoT SW & Services



Unique IoT operating environment that:

- Enables public/private cloud as-a-service solutions
- Easy/rapid integration of 3rd party value added sources
- Agile – rapid time to market …through extensive adaptor framework (>100) that accelerate building IoT Solutions
- Enables new business models – data brokerage, analytics, etc.

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Award-winning IoT Solutions

INTERDIGITAL IoT SOLUTIONS

2015 ABI Research Hot Tech Innovator

2016 Global IoT Platform Competitive Strategy Innovation & Leadership

2015 IoT Nexus Power Players and Innovators

Best IoT Product at ARM TechCon 2014

2016 MarketsandMarkets Key Innovator

…and last week

Shortlist – 2016 World Communication Awards

Smart Cities Award

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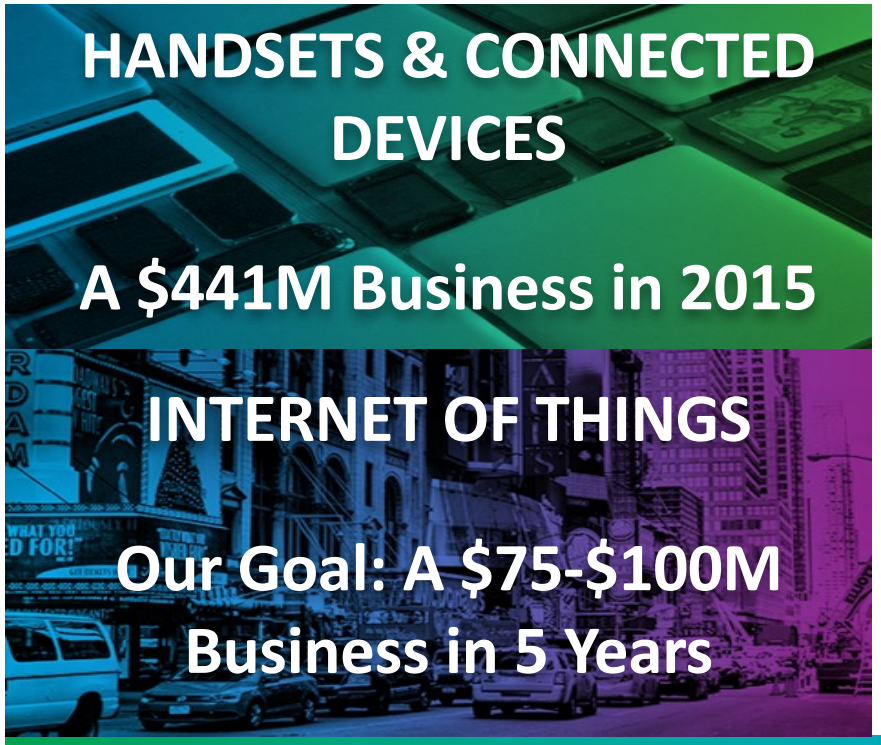
The Result: Expanded Revenue Opportunities – With Outsized Profit Potential



ASSUMING THE SAME OPERATING COST BASIS AS TODAY

A $100M increase in revenue…



…could drive a ~50% increase in operating income



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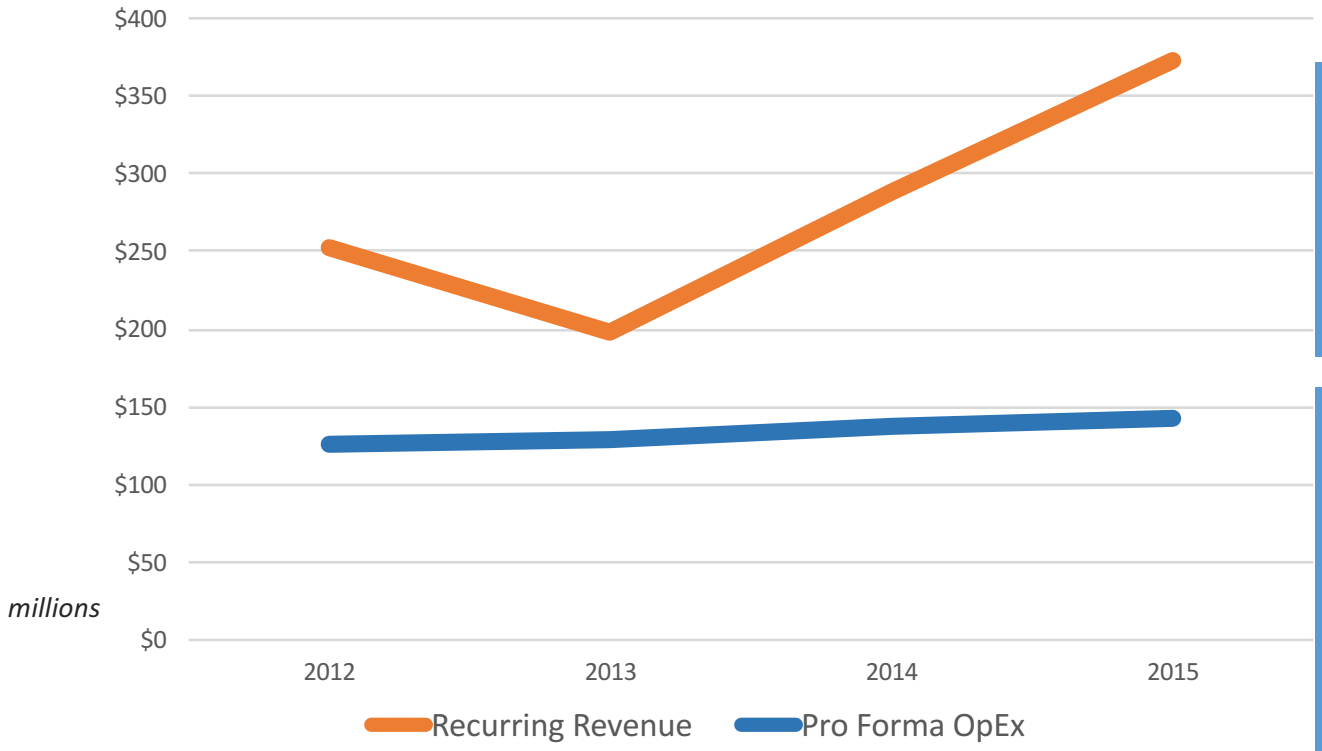
Growing Recurring Revenues, Careful Expense Control



$178M in recurring revenues through Q2 2016, $258-263M expected through Q3*

$384-409M in total revenues expected through Q3 2016*, which would be up 16-24% YoY

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 21 for a detailed reconciliation of pro forma operating expense to total operating expense, the most comparable GAAP financial measure.

**Effective as of 9/8/2016, date of Q3 2016 guidance press release.*

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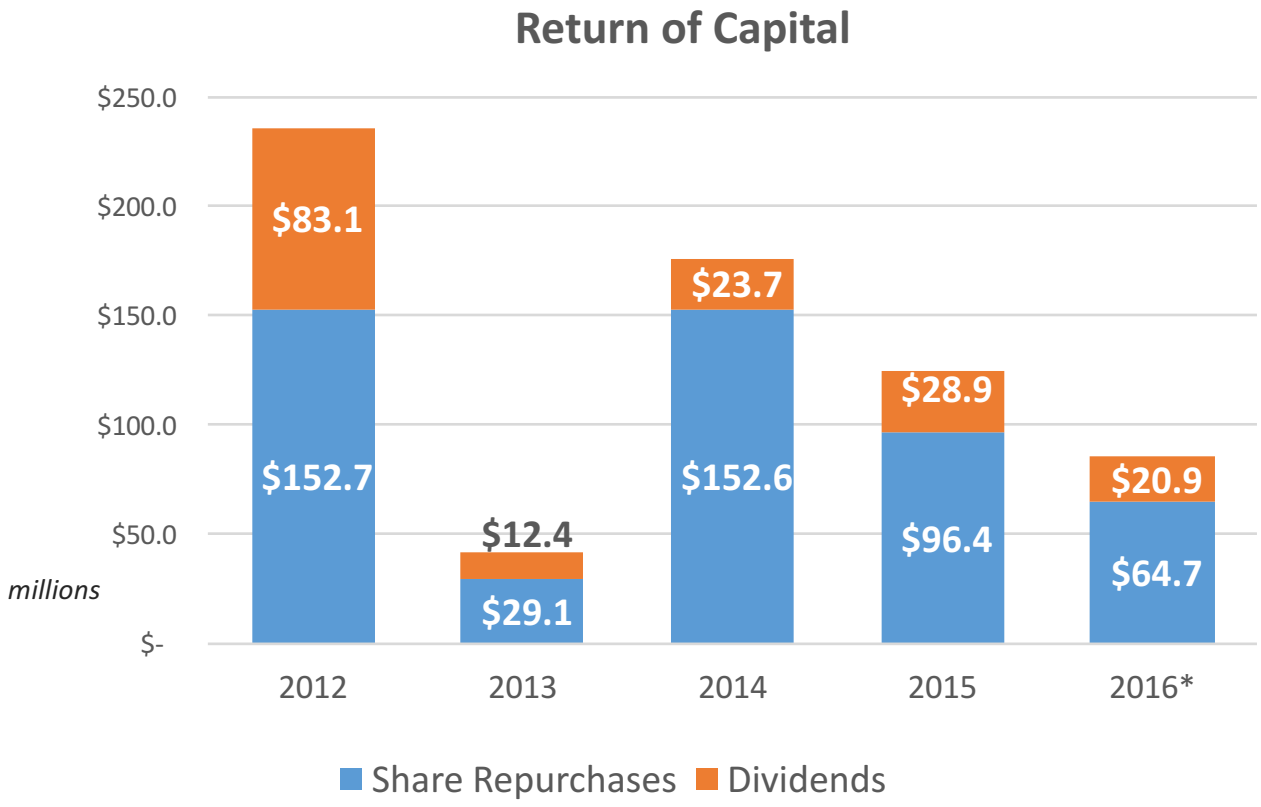
Continued Efforts to Return Value to Shareholders



** Through 7/31/16*

Since 2012, the company has returned a total of $664.5M in capital to shareholders through a combination of buybacks, regular dividends and a special dividend, with a 50% increase in regular quarterly dividend announced Sep. 22, 2016.

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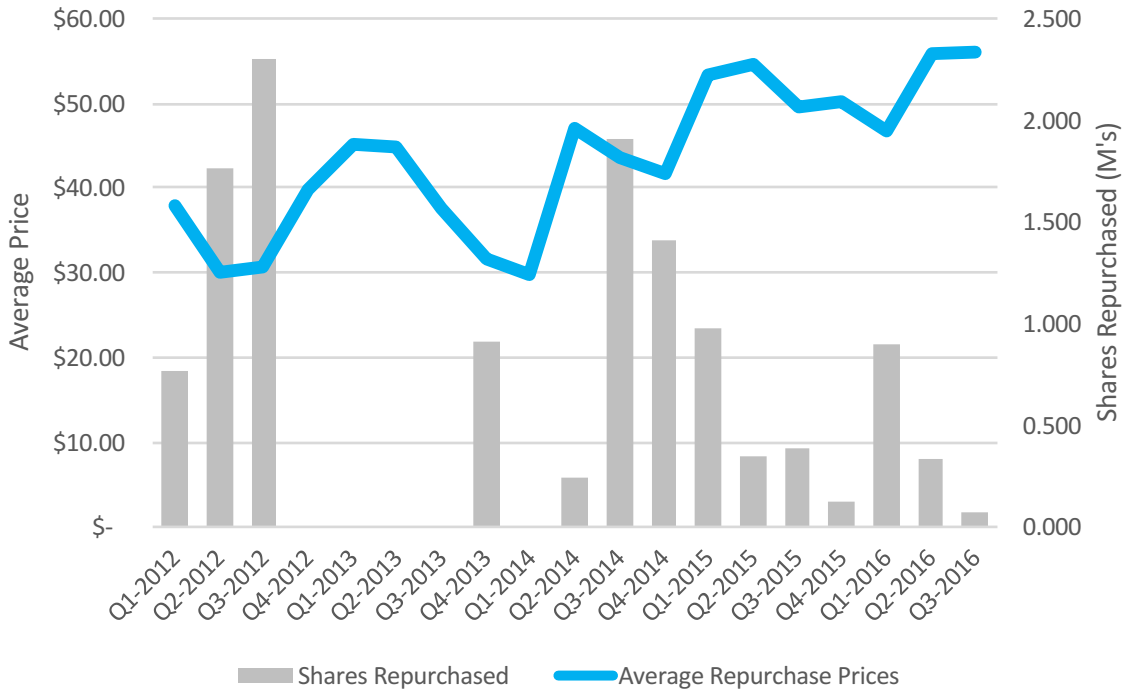
Strong Performance of Our Buyback Program



- Since 2012 we've paid $495.5 million to buy back our own stock
- That "portfolio" would now be valued at just under $1B
- Our program's Buyback ROI is currently **31%***

**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 7/31/16, using stock price as at market close on September 20, 2016.*

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Reconciliation of Pro Forma Operating Expense to Total Operating Expense

	2012	2013	2014	2015
Operating Expenses:				
Patent administration and licensing	$ 126.3	$ 143.1	$ 133.8	$ 120.4
Development	67.9	64.7	75.3	72.7
Selling, general and administrative	37.4	31.3	37.8	39.8
Repositioning	12.5	1.5	-	-
Total Operating Expenses	**$ 244.1**	**$ 240.6**	**$ 246.9**	**$ 232.9**
Intellectual property enforcement and non-patent litigation	(60.7)	(75.6)	(52.3)	(32.7)
Patent amortization	(22.7)	(29.9)	(38.3)	(44.0)
Compensation accrual adjustments [1]	1.9	1.0	(9.8)	(5.4)
Cost of patent sales	(16.7)	-	(0.7)	-
Repositioning	(12.5)	(1.5)	-	-
Other*	(7.5)	(6.0)	(7.9)	(8.1)
Pro forma Operating Expense [2]	**$ 125.9**	**$ 128.6**	**$ 137.9**	**$ 142.7**

** Other adjustments include fringe rate, vacation accrual, R&D refund, bad debt expense, severance associated with structural changes and non-recurring contra expenses.*

NOTE: Sums may not equal total due to rounding

1) "*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.

2) "*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 1). 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.

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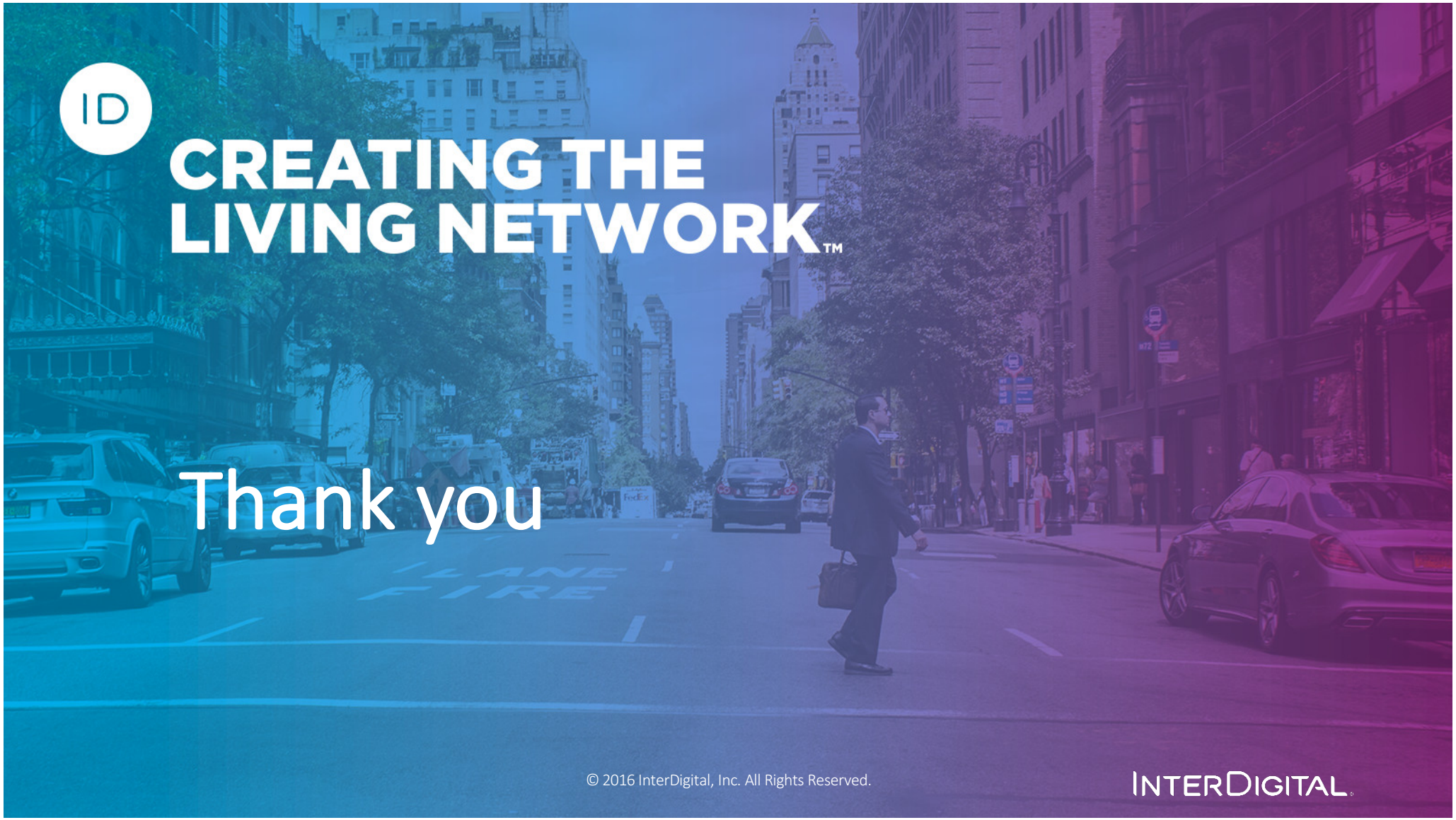

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