

We recently hosted an Investor Day at the NASDAQ Marketsite in New York, and it was a great opportunity for us to take stock of the transformation we've executed to our company in the last few years. From a company that, a few years ago, was almost entirely focused on building a terminal unit licensing business based on internal innovation, we've become a company that is pursuing various market opportunities with a number of internal and external efforts – still the cellular device market and our core wireless R&D efforts, obviously, but also Internet of Things, and not just licensing but also solutions.

That transformation has also enabled us to begin to articulate some goals in terms of that new market opportunity. At Investor Day, we said that our target for the IoT business was \$75-100 million in five years. That goal is a combination of our three market approaches in IoT: licensing the connections, licensing the platform market, and marketing our own platform solutions, oneMPOWER™ and wot.io™. Given the operating leverage in our business, the impact of that modest increase in revenue on operating income would be significant.

Our solutions were highlighted in September when oneMPOWER™ was used to drive the demonstration of an integrated smart transport system for a Grand Prix motorcycle race at the fabled Silverstone race track north of London. Working with our oneTRANSPORT partners, we delivered a system that blazed a path towards better regional management of the traffic flow to an event that attracts almost 150,000 people – a unique validation of our technology in a nascent market.

Another vehicle that we'll be using to drive value in IoT is the Avanci licensing platform, which we joined in September. Avanci is a tremendous opportunity for InterDigital to contribute certain of our standards-essential IoT technology along with other industry leaders Qualcomm, Ericsson, ZTE and KPN, and make it available to companies via a simplified licensing mechanism so they can enter the IoT market. Platforms of this type tend to be viewed very favorably by various stakeholders – licensees, R&D participants, and other stakeholders like regulatory authorities. Avanci has excellent leadership and a strong offering, and we hope it will be a great success.

Our IoT efforts layer on top of our ongoing core research, which has been on a tremendous run of strength as we work towards 5G. In September alone we hit major milestones:

- On September 27, our EdgeLink™ system demonstrated integrated fronthaul and backhaul, a key component of 5G networks and part of our Crosshaul consortium work, at the Fraunhofer Heinrich Hertz Institute in Berlin.
- The previous week, InterDigital was selected as one of six proofs-of-concept to demonstrate at the ETSI Mobile Edge Computing PoC zone at 2016 MEC World Congress in Munich. Our technology was showcased alongside demos from Intel, Telecom Italia, Nokia and Vodafone.
- In July, InterDigital was invited to join the Advanced Wireless Testbed (AWT) Consortium. The AWT Consortium is a groundbreaking public-private partnership driven by the White House Office of Science and Technology Policy, with the aim to deliver 60 next-generation wireless applications and 200 community test beds across the US.

These highlights layer on top of our ongoing work within the major standards bodies to help define 5G. The benefits of this new technology should be enormous: a study completed by our InterDigital Europe office and others for the European Commission (which you can read about in the news coverage highlights of this newsletter) places those benefits at €113 billion annually for Europe alone.

We continue to reach out to investors directly and through various conferences. One that I'd like to highlight is our upcoming presentation and meetings at the NASDAQ OMX event in London, on November 29. Please reach out if you'd like to take that occasion to meet with us!

William J. Merritt
President and CEO
InterDigital, Inc.

KEY NEWS

InterDigital Demonstrates Integrated Fronthaul and Backhaul Over Millimeter Wave System

On September 27, InterDigital participated in a milestone demonstration for the H2020 5GPPP 5G-Crosshaul consortium by integrating its EdgeLink™ system into an integrated fronthaul and backhaul trial. 5G-Crosshaul is an international project with 21 members aimed at developing integrated fronthaul and backhaul system solutions to support flexibility and unified management for 5G network architectures. [View Release](#)

5G X Crosshaul
the integrated fronthaul/backhaul

InterDigital IoT Solutions Featured at IIC, TIA Events

InterDigital featured its latest IoT innovations at the Industrial Internet Consortium (IIC)'s Q3 member meeting and the Telecommunications Industry Association (TIA) IoT Workshop. IIC's Q3 member-only meeting was comprised of working sessions and a collaborative forum with members of Plattform Industrie 4.0 and took place in Heidelberg, Germany from September 19-22. The TIA IoT Workshop, sponsored by InterDigital, explored a variety of current and near future IoT projects and applications through the lens of Big Data on September 21 at TIA headquarters in Arlington, VA. Both events featured presentations and panel participation by InterDigital experts. [View Release](#)

ONE MPOWER

InterDigital and Huawei Sign Multi-Year Patent License Agreement for 3G and 4G Terminal Units

On September 6, InterDigital announced the signing of a multi-year agreement with Huawei Investment & Holding Co., Ltd. ("Huawei"), one of the world's major mobile technology companies. The agreement covers Huawei's and its affiliates' sales of their 3G and 4G terminal unit products and sets forth cash payments to InterDigital and a process for transfer of patents from Huawei to InterDigital. In addition, the companies have agreed to a framework for discussions regarding joint research and development efforts. [View Release](#)

3G 4G

InterDigital Invited by White House to Participate in Advanced Wireless Testbed Consortium

On July 15, InterDigital announced that it has been invited by the White House to participate in the Advanced Wireless Testbed Consortium ("AWT Consortium"). The AWT Consortium is a groundbreaking public-private partnership being led by US Ignite, a 501(c)(3) nonprofit inspired by the White House Office of Science and Technology Policy and the National Science Foundation. The consortium will combine expertise and funding from industry, academia and government to encourage the development of next-generation wireless communications technology... [View Release](#)

usignite

InterDigital and Arup Collaborate to Make Connected Smart Cities a Reality

On July 6, InterDigital announced that the company will work with global consulting engineers Arup in the development of IoT-based solutions for intelligent transport and smarter mobility. Through this collaboration, InterDigital and Arup will create new innovative solutions and business propositions that make connected smart cities a reality. Arup and InterDigital have already successfully worked together over the past two years in the oneTRANSPORT initiative – an IoT smart city integrated transport project. [View Release](#)

ARUP

SYSTEMS INTEGRATORS KEY TO IOT DEPLOYMENT

Over the summer InterDigital sponsored a [survey of enterprise technology managers](#) to look at the drivers for the IoT market. The survey, executed by Machina Research for the Telecommunications Industry Association, showed that systems integrators were the key to future IoT deployments. 28% of US enterprises participating in the survey ranked systems integrators as their top trusted choice as an IoT partner, and 59% of these enterprises identified system integrators as playing the lead role in helping to roll out IoT. The white paper was covered by Sheetal Kumbhar at IoT Now, who quoted our Jim Nolan, Executive Vice President, IoT Solutions. Jim also put pen to paper to share his thoughts on the topic. Check out the coverage here: [IoT Now](#), [EDN](#).

COMPUTERWEEKLY HIGHLIGHTS SILVERSTONE ONETRANSPORT DEPLOYMENT

In September, InterDigital and our oneTRANSPORT partners completed a very successful deployment of a traffic management solution in conjunction with Silverstone Circuit in the UK, driving a path for a smoother transportation experience for the approximately 150,000 spectators at a recent Grand Prix MotoGP event held at the race track. Alex Scroxton of ComputerWeekly covered the story, quoting Silverstone events head Alex Lacey as saying "we are constantly looking for ways to improve our visitor experience." [Read More](#)

INTERDIGITAL JOINS AVANCI IOT LICENSING PLATFORM

The announcement of the Avanci IoT licensing platform, bringing together certain 2G, 3G and 4G cellular standards-essential IoT technology from R&D leaders Ericsson, Qualcomm, InterDigital, KPN and ZTE and making them available in a single license to IoT device manufacturers, received broad coverage, including [the Wall Street Journal](#), [Bloomberg](#), [San Diego Union Tribune](#) and mobile industry trade publications: [Wireless Week](#), [Mobile World Live](#), [iam](#).

EUROPEAN COMMISSION STUDY: 5G EXPECTED TO DRIVE €113B IN BENEFITS

In September, a study completed by InterDigital Europe and its partners Real Wireless, Tech4i2 and CONNECT (Trinity College Dublin) outlined the anticipated economic benefits of 5G rollout for Europe. In Europe alone, rollout is expected to drive €113 billion in economic benefits annually, including the development of 2 million jobs. The study received very broad coverage from a variety of mobile industry and technology publications, quoting our Alan Carlton, Vice President, InterDigital Europe. [Computer Weekly](#), [TelecomTV](#), [FierceWireless](#), [Computer Business Review](#), [IT Pro Portal](#), [Total Telecom](#), [Telecompaper](#).

FCC AND SPECTRUM POLICY – SETTING THE STAGE FOR 5G

In July, the Federal Communications Commission announced new rules to make higher frequency spectrum, above 24 GHz, available for 5G development. The designation of the huge spectrum block was the first global allocation of spectrum in higher frequencies. InterDigital Senior Engineer Joe Levy, who is also a lead voting member for IEEE 802.11 standards and WFA standards, contributed a piece to RCR Wireless analyzing the allocation: "With this move, the FCC is essentially saying that the U.S. wireless industry should take a global leadership position in the development of next generation wireless technology," he wrote. [Read More](#)

FORWARD-LOOKING STATEMENTS

This publication 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, 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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