

Welcome to a new year, and my best wishes for a very successful 2017 to all our investors. Here at InterDigital, we had a flurry of happy year-end events, which put a tremendous cap on a very successful 2016.

On the licensing side, we were able to announce a new multi-year patent license agreement with Apple Inc., and we're very happy to welcome them back into our licensee base. Significantly, that means that InterDigital has now licensed the top three vendors in the mobile handset space, with Apple joining Samsung and Huawei. We think this puts us in a tremendous position to pursue the growth of our licensee base going forward.

The company also announced, on the heels of the Apple announcement, the acquisition of sensor processing pioneer Hillcrest Labs. We had spoken for some time about how we believe M&A is an important avenue for growth for InterDigital, and while the Hillcrest Labs transaction is modest in scope we're very pleased with what it adds to our company. Their technology aligns well with our existing market, enabling us to bring more value to licensing discussions. Moreover, the addition of Hillcrest Labs enables us to expand into new, adjacent markets. We think InterDigital's scale and resources make Hillcrest a better company, and that their sensor fusion technology – an increasingly important component in mobile technology and IoT – is a tremendous addition to our core business.

In terms of our core business, research continues and we're seeing tremendous success. As part of our participation in the H2020 5GPP 5G-Crosshaul consortium, we partnered with Fraunhofer Heinrich Hertz Institute and Core Network Dynamics to complete an extended trial of 5G integrated fronthaul/backhaul, delivering 5G throughput with sub-millisecond latency. Importantly, this was not a trial done in a lab, under perfect conditions: our trial was done outdoors, over more than a month, in real-world conditions with induced failure scenarios thrown in. Delivering solutions that can be deployed in the real world is one of the elements we're bringing to 5G, and is very much in line with our heritage of contributions to global standards.

On the IoT side, our oneMPOWER™ solution was once again highlighted with a major international award. oneMPOWER and wot.io™ are the linchpins behind the oneTRANSPORT initiative in the UK, which we've mentioned on numerous occasions. In October, the solution was awarded the "Best Solution for Transportation and Logistics" award at the IoT Solutions World Congress in Barcelona. And in January, IoT Evolution magazine named InterDigital a winner in their Connected Transport award category, alongside other market leaders. These awards bring to eight the number of occasions where one or more of our IoT solutions was named the winner of, or shortlisted for, a major global award – a phenomenal achievement and a testament to the strength of our solutions.

2017 starts off quickly in our industry, with CES in January, where Hillcrest Labs was able to show their technology to great interest, and then Mobile World Congress in Barcelona at the end of February. We'll have a number of announcements and live streams from our pavilion in Barcelona, so please stay tuned for announcements. If you plan to be in Barcelona and would like to meet, please reach out to Investor Relations and we'll be thrilled to see you. Meanwhile, here's to hoping for a 2017 that follows strongly on a great 2016.

Best regards,

William J. Merritt  
President and CEO  
InterDigital, Inc.

# KEY NEWS

## InterDigital Announces Patent License Agreement with Apple

On December 15, InterDigital announced the signing of a multi-year agreement with Apple Inc., one of the world's largest technology companies. The agreement covers the sale by Apple of its products and services, including its cellular and wireless-enabled products. [View Release](#)



## 5G-Crosshaul Partners Announce Successful Result of 5G Integrated Fronthaul-Backhaul Extended Outdoor Trial

In early November, InterDigital announced the successful result of a first of its kind 5G architecture test alongside two partners, Fraunhofer Heinrich Hertz Institute and Core Network Dynamics, from the H2020 5GPPP 5G-Crosshaul consortium. The three partners conducted a month-plus real-world deployment of an integrated fronthaul/backhaul network delivering 5G throughput and sub-millisecond latency. [View Release](#)



## InterDigital to Showcase IoT Solutions in Asia

In October, InterDigital announced that it would showcase its latest IoT solutions at IoT Week Korea 2016 and the Hong Kong Applied Science and Technology Research Institute (ASTRI) Industry and University Collaboration Forum (IUCF) 2016: Smart City and 5G Wireless. IoT Week Korea 2016 is a group of events that aim to provide an overview of the IoT industry for the general public; here, InterDigital demonstrated use cases and applications for its platform, oneMPOWER™ powered by wot.io™, based on the oneM2M™ standard. [View Release](#)

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## InterDigital Wins IoT Solutions Award for Platform's Role in oneTRANSPORT

InterDigital received the IoT Solutions Award in the "Best Solution for Transportation & Logistics" category at the IoT Solutions World Congress 2016. The company won the award for the role of its oneMPOWER™ powered by wot.io™ IoT platform in the oneTRANSPORT™ initiative. The award was based upon industrial internet application, drivers behind the innovation, challenges the solution addresses and distinguishing features. [View Release](#)



## New 5G Survey: 82% See IoT as Major Driver of 5G

The results of a new survey predict that 5G will hit the market earlier than long expected and highlight the central role that the IoT plays in driving the development of the fifth generation mobile network. The survey of 830 industry professionals was conducted by Telecoms.com Intelligence, the industry analysis arm of Telecoms.com, and co-sponsored by InterDigital and Mitel. [View Release](#)



## GSMA's Mobile World Live: 5G Technology Expected to Reach Standards Maturity by 2020 Summer Olympic Games

In early October, research from InterDigital and the GSMA's Mobile World Live was announced that revealed the motivations for development acceleration of 5G technology. The research suggests that 5G technologies will be present at the 2018 Pyeongchang (South Korea) games, despite leading standards body 3GPP only planning to produce the first official 5G specifications in June 2018. [View Release](#)



**GOVTECH: FORECASTS REGULATIONS & AUTONOMOUS VEHICLES**

*GovTech*, a top government technology news website, recently featured an article by InterDigital's Serhad Doken that examines a number of key items policymakers need to consider and gives a peek into a future with autonomous vehicles as widespread reality. [Read More](#)

**CARLTON CALLS FOR ACTION IN NETWORKWORLD**

The edge computing trend has kicked off in full swing, yet there seems to be few true embodiments of the vision - which led InterDigital's Alan Carlton to pose the questions, "What's going on and will the real edge computing please stand up?" In a *NetworkWorld* post, Carlton reviews how this "craze" started, where the trend is heading, and what could actually be MEC. [Read More](#)

**FIRST OF ITS KIND 5G TRIAL MAKES A SPLASH**

In November, 5G-Crosshaul partners successfully conducted a first of its kind month-plus trial in real-world conditions that delivered sub-millisecond latency and Gbps throughput. The integrated fronthaul/backhaul test set the stage for cost saving and flexibility in real-world deployable 5G architecture, and the media took notice. Check out the various coverage here. [The Mobile Network](#) , [Mobile Europe Magazine](#) , [WorldNews.com](#) , [Fraunhofer HHI](#)

**DIFAZIO TALKS 5G-CROSSHAUL ON RCRWIRELESS**

Changes in the transport network architecture tend to get less attention than developments in radio access technology, but they are no less important. InterDigital's Bob DiFazio demonstrates the importance of such changes in the transport network architecture - the fusion of fronthaul and backhaul, to be specific - that will enable 5G systems in a recent RCRWireless article. [Read More](#)

**IOT GLOBAL NETWORK BLOG FEATURE FROM RAFAEL CEPEDA**

InterDigital senior manager Rafael Cepeda writes a thought-provoking piece on the current trend of labelling "things" as "smart," while technology providers are still working on those promises a reality. The blog post, featured on IoT Global Network's site in late October, emphasizes the significance of an integrative standards approach for the success of IoT and the beneficial implementation of smart transport systems like the oneTRANSPORT initiative. [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.