

InterDigital has gotten off to a tremendous start in 2017. For our second investor newsletter of the year, I want to take a moment to focus on our very successful presence at Mobile World Congress in February earlier this year.

As you all know, MWC is the premier event in our industry, dwarfing every other event in importance. It's an occasion where everyone in our industry – device manufacturers, network equipment companies, application developers, operators – put their absolute best foot forward. There is no bigger stage.

Of course, the challenge for a company like InterDigital, which is not a household name and focuses on below-the-surface areas like standards R&D, is to break through this enormous clutter. This year, we were able to do so brilliantly, with high-profile content that was compelling and, true to our roots and value proposition, resolutely focused on the research and technology that enables the entire industry.

First, our booth featured an expanded footprint and some of the most compelling demos our company has ever produced. Broadly separated into a 5G section that featured working demos of access and network technology, and an IoT area that featured market-tested solutions with our partners Harman, Computer Associates, and others, it was truly a marquee presence. In addition, we developed a live soundstage that our media partners like *Light Reading*, *The Mobile Network*, and other key trade media were able to use as their Barcelona studio – in addition to our own panels and discussion groups streamed live to the web. Much of that content is available in our Vault at [www.interdigital.com](http://www.interdigital.com), and you can see a tour of our booth [here](#).

But our presence extended well beyond that. One of our 5G R&D leaders, Alan Carlton, proposed and participated in a mainstage panel on Network Function Virtualization, seeking to recapture the promise of this revolutionary technology that has been perhaps unfairly reduced to pure cost savings. Finally, InterDigital was invited to showcase our 5G technology on the mainstage in the show's grand finale, alongside peers Ericsson, Intel, and Qualcomm – instantly positioning us among 5G leaders. MWC 2017 was tremendous success for InterDigital.

5G development continues, at an increasing pace. Our engineers have been very active in the effort to define this new technology, which should begin to be locked down at the end of 2018. We also continue to work to deliver on our IoT-related goals, and Hillcrest Labs continues to progress in its markets of Smart TV, AR/VR, and advanced sensor technology. Finally, in May, we were able to resolve a number of disputes with Microsoft, which we announced via Form 8-K. Eliminating a dispute with a major tech brand like Microsoft is always a positive thing, and we're hopeful to find value in our framework for future discussions.

Moving on to the financial side, InterDigital delivered a very strong first quarter and, in our release dated May 11, 2017, guided to an expected strong second quarter as well. Importantly, in first quarter 2017, 78% of our total revenue came from fixed-fee license agreements compared to only 27% in first quarter 2016, giving our revenue exceptional stability and providing a solid platform for growth.

Thanks for your continued interest in our company, and feel free to reach out to our Investor Relations team if you have any questions or would like additional information.

Best regards,

William J. Merritt  
President and CEO  
InterDigital, Inc.

# KEY NEWS

## InterDigital Headlines GSMA 5G Showcase Alongside Industry Leaders at Mobile World Congress

In late February, at the biggest annual trade event in the mobile industry, InterDigital was invited to showcase its 5G technology at Mobile World Congress' headline demo event, a mainstage feature of live, interactive demonstrations by industry R&D leaders. InterDigital's Fred Schreider and Bob Gazda presented their remote surgery game application via 5G-Crosshaul technology with EdgeLink™ 60 Ghz platform at MWC's "5G Impact" panel, alongside fellow industry leaders Intel, Qualcomm, and Ericsson. [View Release](#)



## CA Technologies and InterDigital Partner on End-to-End IoT Solutions for Enterprise Customers

In mid-February, InterDigital announced its strategic partnership with CA Technologies, a leading software solution provider, as a step towards developing and deploying secured IoT solutions for global customers. This collaboration will offer consumers an enterprise grade mobile and IoT solution that meets the needs of a wide range of verticals, including Energy & Utilities and Smart Cities. [View Release](#)



## TIA Survey Reveals Deployment Hurdles for Operators Before Commercial 5G in 2020

A recent survey from the Telecommunications Industry Associate (TIA) indicates that 33 percent of operator respondents expect that 5G services will be offered commercially by 2020, but that certain barriers must be overcome before 5G can become a reality. This paper, a survey report for TIA from Tolaga Research and sponsored by InterDigital, provides valuable insight into the network operators' view of the 5G revolution and presents important findings about usage in the near future. Among these road blocks, operators cite lack of diversity in densification, disparate data offload strategies, and uncertainties around backhaul technology as challenges to the deployment of 5G. [View Release](#)



## InterDigital Named a Clarivate Analytics 2016 Top Global Innovator

InterDigital announced in early January that the company was celebrated as a Clarivate Analytics 2016 Top Global Innovator, in recognition of its achievements as one of the world's most innovative companies. This program selects 100 corporations and institutions globally that are at the heart of innovation, as measured this year by overall analysis of patent volume, patent-grant success rates, global reach, and invention influence. In this prestigious ranking, InterDigital is listed as one of only seven telecommunications industry players, underscoring the outstanding research and development efforts of its engineers. This year's study revealed a wider diversification within patent portfolios than previous years, though InterDigital is recognized as a second-time winner of the Top 100 Global Innovator honor. The company is joined by world-class companies like Amazon, Huawei, and Yamaha, among many others. [View Release](#)



## InterDigital Receives 2016 Connected Transportation Award from IoT Evolution

InterDigital was selected to receive a 2016 IoT Evolution Connected Transportation Award from IoT Evolution magazine, a leading publication covering IoT technologies, in late January 2017. This award champions organizations delivering services, software, or hardware solutions that enable advancement of connected devices. This marks the fourth time that one of InterDigital's IoT solutions has been shortlisted or won a major award in the connected transportation space, which speaks to the hard work and commitment to success from InterDigital's engineers. [View Release](#)





## INTERDIGITAL EXPERTS WEIGH IN

### NFV: A RE-EXAMINATION

Network Function Virtualization (NFV) and Software-Defined Networking (SDN) are two virtualization trends that have been circulating the IT industry in recent years, and some believe their potential extends further than simple cost reduction. InterDigital's Alan Carlton was featured in a session at Mobile World Congress 2017 to re-establish the innovative possibility of NFV. In a Q&A prior to the panel, Carlton provides *Mobile World Live* with a preview of the development of NFV and how certain technical decisions will affect industry success. [Read More](#)

### DELIVERING THE "CONNECTED FUTURE"

*ITProPortal*, one of the UK's leading and most respected technology information resources websites, recently featured an article by InterDigital's Dirk Trossen, which examines a number of key challenges facing the deployment of the next generation of wireless networks. Trossen suggests that, according to a study commissioned by the National Infrastructure Commission (NIC) and supported by InterDigital Europe, there are significant gaps in capability between existing infrastructure and the requirements of future networks and technologies; some of these disparities include increased densification and capacity demands, as well as mobile coverage in more rural areas. [Read More](#)

### NFV & SDN: THINKING ABOUT THE BIGGER PICTURE

Published in early April on the Knect365 site, InterDigital's Alan Carlton penned a blog regarding the needs of 5G through the lens of Network Function Virtualization (NFV) and Software-Defined Networking (SDN). In this article, he views a potential future path to a successful 5G launch by going back to NFV and SDN basics; due to the flexible demands of 5G standardization, developers are calling for the application of NFV and SDN to increase their scope by returning to their original proposition of enabling innovation and network transformation. [Read More](#)

### UNDERSTAND IMPORTANCE OF PARTNERSHIPS, STANDARDS IN IOT SOLUTION

With an abundance of access choices in the IoT arena, ranging from standard and non-standard and licensed to unlicensed, it is becoming increasingly difficult for operators and vendors to present flexible and affordable solutions for their end consumers. In an interview with *RCR Wireless News*, Jim Nolan discusses InterDigital's perspective on the booming IoT industry and its presentation of solutions for a diverse range of customers. Nolan maintains that InterDigital's commitment to adhering to standards in combination with its vertical partnerships enables the company to offer holistic solutions in the space. [Read More](#)

### 5G REALITY CHECK: WHERE IS 3GPP ON STANDARDIZATION?

Leading up to Mobile World Congress, 5G was naturally a hot topic of conversation; the next generation network requirements are now well-known and a number of use cases are generally understood by the industry. However, InterDigital's Alan Carlton invites us to step back and ask, "Where are we right now in terms of standardization of 5G?" In a *NetworkWorld* post, Carlton reviews the progress of 3GPP, the international standards body that covers cellular communications network technologies, towards Radio Access Network and the core network. In this article, Carlton insists that 3GPP has just about completed its study phase, but many big decisions have yet to be made. [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, 2016 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.